

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on code of governance :

The Company seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and also perceived to be such by others.

Board of Directors :

As on 31st March, 2019, the Board of Directors of the Company comprised of Eight members, of whom Seven are Non-Executive Directors. In accordance with the provisions of the Companies Act, 2013 ("Act"), and the Company's Articles of Association, Mr. Noel N. Tata, Director, retires by rotation and is eligible for re-appointment. Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") as amended, the profile of the Director seeking re-appointment, has been given along with the Notice of the Annual General Meeting. None of the Directors are related to one another.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, as applicable, with regard to corporate governance.

Board Meetings :

21 Board/Committee Meetings were held at Mumbai during the year under review comprising 5 Board Meetings, 15 meetings of various Committees and one Independent Directors Meeting. The Board Meetings were held on 7th May, 2018, 23rd August, 2018, 2nd November, 2018, 16th November, 2018 and 4th February, 2019. The category of each Director, together with his attendance at Board Meetings, the number of his Directorships and memberships of the SEBI-designated Board Committees of other companies as well as his holding in the Company, as on 31st March, 2019 are given below:

Name of Directors	DIN	Category of Director	Board Meetings attended during 2018-2019	No. Of Directorships of other Indian companies as on 31st March, 2019#		Membership of mandatory Board Committees of other companies as on 31st March, 2019 @		No. of Ordinary Shares held as on 31st March, 2019	Directorship in other listed entities (Category of Directorship)
				Chair-man	Member	Chair-man	Member		
Mr. N. N. Tata	00024713	Non Independent	5	2	4	1	2	19,145	Non Independent, Non Executive 1. Trent Ltd. 2. Titan Company Ltd. 3. Voltas Ltd. Independent, Non Executive 4. Kansai Nerolac Paints Ltd.
Mr. F. N. Subedar	00028428	Non Independent	4	1	7	3	3	2,455	-
Mr. A. B. K. Dubash*	00040958	Independent	2	-	-	-	-	-	-

Name of Directors	DIN	Category of Director	Board Meetings attended during 2018-2019	No. Of Directorships of other Indian companies as on 31st March, 2019#		Membership of mandatory Board Committees of other companies as on 31st March, 2019 @		No. of Ordinary Shares held as on 31st March, 2019	Directorship in other listed entities (Category of Directorship)
				Chair-man	Member	Chair-man	Member		
Mr. H. N. Sinor	00074905	Independent	4	2	3	-	3	-	Independent, Non Executive 1. Themis Medicare Ltd. 2. Tata Motors Finance Ltd. 3. Cosmo Films Ltd.
Mr. P. P. Shah	00066242	Independent	4	2	6	1	6	-	Independent, Non Executive 1. Sonata Software Ltd. 2. BASF India Ltd. 3. Grindwell Norton Ltd. 4. Kansai Nerolac Paints Ltd. 5. KSB Ltd. 6. Pfizer Ltd.
Mr. A. N. Dalal	00297603	Executive Director	5	-	5	1	1	-	Independent, Non Executive 1. Manugraph India Ltd. 2. Phoenix Mills Ltd. 3. Sutlej Textiles & Industries Ltd.
Mr. Z. Dubash	00026206	Independent	2	-	1	-	1	-	Independent, Non Executive 1. Trent Ltd.
Ms. V. Bhandarkar	00033808	Independent	3	-	6	5	4	-	Independent, Non Executive 1. Larsen & Toubro Infotech Ltd. 2. Tata Motors Finance Ltd.
Mr Suprakash Mukhopadhyay**	00019901	Non-independent	4	-	2	-	-	-	-

Excluding directorship in private companies & companies registered under Section 8 of the Act

@ Including membership of Audit committee & Stakeholders' relationship committee of other Indian Public Limited companies only.

* Mr. A. B. K Dubash has retired with effect from 22nd September, 2018 on completion of 75 years of age, as per retirement policy for Directors.

**** Mr. Suprakash Mukhopadhyay was appointed as additional director of the Company w.e.f. 14.06.2018.**

All the Directors, had attended the last Annual General Meeting held on 30th July, 2018.

Committee of Directors :

Details of the various Committees of the Board of Directors of the Company as on 31st March, 2019 and the meetings attended by each Director during the year 2018-2019, shown within brackets, are as under

	<u>Name of the Director</u>
Audit Committee : (4 meetings held during the year) (03.05.2018, 23.08.2018, 02.11.2018, 01.02.2019)	Mr. H. N. Sinor – Chairman (4) Mr. A. B. K. Dubash(1)*, Mr. F. N. Subedar (3) Mr. P. P. Shah (4)
Nomination and Remuneration Committee : (2 meetings held during the year) (19.04.2018, 07.05.2018)	Mr. Z. Dubash – Chairman (2) Mr. N. N. Tata (2), Mr. F. N. Subedar (2) Ms. V. Bhandarkar (2)
Stakeholders' Relationship Committee : (2 meetings held during the year) (12.09.2018, 19.03.2019)	Mr. F. N. Subedar – Chairman (2) Mr. A. N. Dalal(2) Ms. V. Bhandarkar (2)
Investment Committee (3 meetings held during the year) (17.07.2018, 10.09.2018, 03.01.2019)	Mr. N. N. Tata – Chairman (2) Mr. F. N. Subedar (3), Mr. A. B. K. Dubash(1)* Mr. P. P. Shah (2), Mr. Z. Dubash(2)# Mr. Suprakash Mukhopadhyay (1)##
Asset Liability, Risk Management and IT Strategy/Steering Committee : (2 meetings held during the year) (21.12.2018, 27.03.2019)	Mr. H. N. Sinor – Chairman (2) Mr. A. N. Dalal (2) Ms. V. Bhandarkar (2)
Corporate Social Responsibility Committee : (2 meetings held during the year) (21.08.2018, 14.12.2018)	Mr. F. N. Subedar – Chairman (2) Mr. A. N. Dalal (2), Mr. A. B. K. Dubash(1)* Mr. Z. Dubash (1)
Independent Directors Meeting (1 meeting held during the year) (19.04.2018)	Mr. Z. Dubash– Chairman (1) Mr. A. B. K. Dubash(1)*, Mr. H.N. Sinor (1), Mr. P. P. Shah (1), Ms. V. Bhandarkar (1)

* Mr. A. B. K Dubash has retired with effect from 22nd September, 2018 on completion of 75 years of age, as per retirement policy for Directors.

Ceased to be a member of the Committee during the year

##Mr. Suprakash Mukhopadhyay was appointed as a member of Investment Committee w.e.f. 14.06.2018.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board :

- Understanding of the company's business policies, values, vision, goals, strategic plan, corporate Governance and knowledge about the securities markets
- Investment management
- Accounting and Financial skills
- Risk Management
- Strategic thinking and decision making

Audit Committee :

The Audit Committee has been constituted in compliance with (i) Section 177 of the Act (ii) Regulation 18 of the Listing Regulations as mandated by the Stock Exchanges and (iii) the Reserve Bank of India Non-Banking Financial Companies Guidelines. All the Members of the Audit Committee, except Mr. F. N. Subedar are Independent Directors.

The terms of reference of the Audit Committee inter alia include :-

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to the items mentioned in Para A (4) of Part C of Schedule II of the Listing Regulations ;
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- f) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) (as also provided in the Act), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up thereon;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- t) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- u) To review management discussion and analysis of financial condition and results of operations;
- v) To review statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- w) To review management letters / letters of internal control weaknesses issued by the statutory auditors;
- x) To review Internal audit reports relating to internal control weaknesses;
- y) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee;
- z) To oversee financial reporting controls and process for material subsidiaries;
- aa) To oversee compliance with legal and regulatory requirements including the Tata Code of Conduct ("TCoC") for the company and its material subsidiaries;
- ab) To oversee the implementation of code of conduct for prevention of insider trading; and
- ac) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee reports its findings to the Board at the subsequent meeting and its recommendations are implemented by the management.

Nomination and Remuneration Committee :

The Nomination and Remuneration Committee has been constituted in compliance with Section 178 of the Act, and Regulation 19 of the Listing Regulations.

The Committee as on 31st March, 2019 comprises of four Directors viz. Mr. Z. Dubash (Chairman), Mr. N. N. Tata, Mr. F. N. Subedar and Ms. V. Bhandarkar.

The terms of Reference of the Nomination & Remuneration Committee are as follows :

- a) Recommend to the Board the setup and composition of the Board and its Committees. This shall include formulation of the criteria for determining qualifications, positive attributes and independence of a director. The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience;
- b) Recommend to the Board the appointment or reappointment of directors;
- c) Devising a policy on Board diversity;
- d) Recommend to the Board appointment of Key Managerial Personnel ("KMP") and executive team members of the company (as defined by this committee);
- e) Support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. This shall include formulation of criteria for evaluation of Independent Directors and the Board. Additionally, the committee may also oversee the performance review process of the KMP and the executive team of the company;

- f) Recommend to the Board the all remuneration, in whatever form, payable to directors, executive team/ KMP, senior management as well as the rest of the employee;
- g) On an annual basis, recommend to the Board the remuneration payable to directors and executive team;
- h) Oversee familiarisation programmes for directors;
- i) Oversee the HR philosophy, HR and People strategy and HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMP and executive team);
- j) Provide guidelines for remuneration of directors on material subsidiaries, (if any);and
- k) Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

Remuneration Policy

The Company's philosophy for remuneration of Directors, Key Managerial Personnel and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating the Policy are as under:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Key principles governing this remuneration policy are as follows:

Remuneration for Independent Directors and Non-Independent Non-Executive Directors :

- a) Independent directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- b) Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board.
- c) Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company taking into consideration the challenges faced by the Company and its future growth imperatives.
- d) Overall remuneration should be reflective of size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration.
- e) Overall remuneration practices should be consistent with recognized best practices.
- f) Quantum of sitting fees may be subject to review on a periodic basis, as required.
- g) The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- h) The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.

- i) In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

Remuneration for Managing Director ("MD")/ Executive Directors ("ED")/ KMP/ rest of the employees :

- a) The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- b) The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- c) Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- d) In addition to the basic/ fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- e) The Company provides retirement benefits as applicable.
- f) In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
- g) The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

The Directors are paid sitting fees and commission in accordance with Section 197 and 198 of the Companies Act, 2013. A total remuneration of ₹ 118.20 lacs was paid to the Non-Executive Directors during the year ended 31st March, 2019. The remuneration paid to each Non-Executive Director is given below:

(₹ in lacs)

Name of the Director	Sitting fees paid during FY2018-19	Commission for FY2017-18 paid in FY2018-19
Mr. N. N. Tata	2.60	-
Mr. F. N. Subedar	3.40	19.00
Mr. A. B. K. Dubash#	2.00	9.50
Mr. H. N. Sinor	4.00	17.00
Mr. P. P. Shah	4.40	15.00
Mr. Z. Dubash	2.80	16.50
Ms. V. Bhandarkar	3.20	11.00

(₹ in lacs)

Name of the Director	Sitting fees paid during FY2018-19	Commission for FY2017-18 paid in FY2018-19
Mr. K. A. Chaukar*	-	6.00
Mr. Suprakash Mukhopadhyay	1.80	0.00
TOTAL	24.20	94.00

* Mr. A. B. K Dubash has retired with effect from 22nd September, 2018 on completion of 75 years of age, as per retirement policy for Directors.

* Mr. K. A. Chaukar retired as a Director on the Board and Committees of the board with effect from 2nd August, 2017.

The commission to the Non-Executive Directors is based on the net profits of the Company for the year, the number of meetings of the Board and/or Committees attended by the concerned Directors and their contribution to the Company in terms of deliberations at the Board/Committee Meetings as well as in the over-all functioning of the Company. The Company does not have a scheme for grant of stock-options to the Executive Director, Non-Executive Directors or Employees of the Company.

The members had, at the Annual General Meeting held on 13th August, 2015, re-appointed Mr. A. N. Dalal as the Executive Director of the Company for a period of five years with effect from 1st January, 2015. The appointment can be terminated by either party giving to the other party six months' notice or the Company paying six months remuneration in lieu of the notice.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to its Executive Director. Salary and perquisites are paid within the range approved by the shareholders. Commission payable to the Executive Director is determined with reference to performance of the individual during the preceding year and to the net profits of the Company for the year and is determined by the Board of Directors at the end of the financial year along with annual incremental effective 1st April for the next year based on the recommendation of the Nomination and Remuneration Committee within the limits fixed by the shareholders and subject to over-all ceilings stipulated in Section 197 and 198 of the Act. The specific amount sanctioned to the Executive Director is payable after the Annual Accounts have been approved by the Board of Directors. The remuneration paid to the Executive Director during the year 2018 - 2019 is given below :-

(₹ in lacs)

Name	Salary	Perquisites	Provident Fund	Performance Bonus for FY2017-18 paid in FY2018-19
Mr. A.N. Dalal	295.74	0.54	11.52	162.00

Stakeholders' Relationship Committee:

In compliance with Section 178 of Act and Regulation 20 of the Listing Regulations, the Stakeholders' Relationship Committee has been constituted.

The Committee as on 31st March, 2019 comprises of three Directors viz. Mr. F. N. Subedar (Chairman), Mr. A. N. Dalal and Ms. V. Bhandarkar.

Terms of reference of Stakeholders' Relationship Committee are as follows :

1. Resolving the grievances of security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificate, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders
3. Review of adherence to service standards adopted by the Company in respect of various services being rendered by Share Transfer Agent.
4. Review of various measures and initiatives taken by the Company for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee under the Chairmanship of Mr. F. N. Subedar, approves / monitors transfers, transmissions, consolidation, issue of duplicate certificate, monitors the shareholding pattern as well as the redressal of complaints from shareholders by the Registrar, oversee overall improvement of the quality of Investor services, performance of Registrar and Transfer Agents, oversee compliance relating to dividend payment, transfer of unclaimed amount of dividend and shares to IEPF Authority whose dividend is outstanding for seven consecutive years, implementation of the Code of Conduct for prevention of Insider Trading. Mr. Manoj Kumar C V, Chief Financial Officer & Company Secretary is also the Compliance Officer.

The Registrar had received correspondence from 204 shareholders on matters in the aggregate during the year. There were 16 queries regarding dividend warrants including changes on live warrants or issue of fresh cheques against time barred instruments, 43 requests for registration of change of address, Bank details, ECS, nomination, document registration, transmission of shares, loss of securities etc. and 145 correspondence for other miscellaneous matters. There were 3 cases reported as complaints which were resolved during the year. There was no complaint pending as on 31st March, 2019.

Investment Committee :

The Investment Committee comprising Mr. N. N. Tata (Chairman), Mr. F. N. Subedar, Mr. P. P. Shah, and Mr. Suprakash Mukhopadhyay has been constituted. The investment policy and specific recommendations form an important part of the discussions at the Investment Committee meetings. Specific investment decisions, based on detailed analysis and recommendations of the Investment Executives, are taken by investment committee circulars with full disclosure and subsequent review at Board / Committee Meetings.

Mr. A. B. K. Dubash, Independent Director of the Company and the member of Investment Committee, has retired with effect from 22nd September, 2018 as per the Governance Guidelines and Mr. Z. Dubash has ceased to be member of the Committee during the year. The Company has reconstituted the Committee by inducting Mr. Suprakash Mukhopadhyay as a member of the Investment Committee.

Asset Liability & Risk Management & IT Strategy/Steering Committee: In accordance with the Reserve Bank of India guidelines, an Asset Liability, Risk Management and IT Strategy/Steering Committee of the Board comprising Mr. H. N. Sinor (Chairman), Mr. A. N. Dalal and Ms. V. Bhandarkar has been constituted for implementation of the Asset Liability Management system and to review its functions periodically. The Committee also reviews the Risk Management Policy of the Company from time to time.

Corporate Social Responsibility Committee :

The Corporate Social Responsibility (CSR) Committee comprising of Mr. F. N. Subedar (Chairman), Mr. A. N. Dalal, and Mr. A. B. K. Dubash, has been constituted under Section 135 of the Act.

Mr. A. B. K. Dubash retired as a member of the Corporate Social Responsibility (CSR) Committee w.e.f. 22nd September, 2018, the Company has reconstituted the Committee by inducting Mr. Z. Dubash as a member of the Corporate Social Responsibility (CSR) Committee.

The terms of reference of Corporate Social Responsibility Committee are as follows :-

- a) Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Act ;
- b) Recommend the amount to be spent on the CSR activities ;
- c) Monitor the Company's CSR policy periodically ;
- d) Attend to such other matters and functions as may be prescribed from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. An Annual Report on CSR activities for the year 2018-19 forms a part of the Board's Report.

Independent Directors Meeting :

In terms of Section 149 of the Act and Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors was held, inter alia, to discuss:

- a) Evaluation of the Performance of Non-Independent Directors and the Board of Directors as a whole;
- b) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- c) Evaluation of the quality, content and timeliness of flow on information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present at the Meeting.

Board and Director Evaluation and criteria for evaluation

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for performance evaluation process for the Board, its Committees and Directors, including Chairman of the Company. The criteria laid down by the Committee are:

A. Criteria for Board Evaluation :

- i. Structure of the Board
- ii. Meetings of the Board
- iii. Functions of the Board
- iv. Strategy and performance evaluation
- v. Governance and compliance
- vi. Evaluation of Risks
- vii. Grievance redressal
- viii. Stakeholder value
- ix. Board and management

B. Criteria for Evaluation of independent and non-independent Directors :

- i. Attendance.
- ii. Contribution at Board Meetings.
- iii. Guidance/ support to management outside Board/ Committee Meetings.
- iv. For the Chairman of the Board, additional criteria include providing effective leadership to the Board; setting an effective strategic agenda of the Board; encouraging active engagement by all the members of the Board, promoting effective relationships and open communication; communicating effectively with all stakeholders and enabling meaningful relationships; and motivating and providing guidance to the Managing Director & CEO.

C. Criteria for Evaluation of Board Committees :

- i. Degree of fulfilment of key responsibilities.
- ii. Adequacy of Board Committee composition.
- iii. Effectiveness of meetings.
- iv. Committee dynamics.
- v. Quality of relationship of the Committee with the Board and the management.

Familiarisation Programme :

The Company has Familiarisation Programme for the Independent Directors with respect to the Company, their roles, rights, responsibilities and details of such Familiarisation Programme is available in the Company's website at this web address:

https://www.tatainvestment.com/images/Familiarisation_Programme_For_IndependentDirectors.pdf

Subsidiary Company :

The Company has an unlisted subsidiary which is not a material subsidiary. The Audit Committee reviews the investments made by the unlisted subsidiary company. The minutes of the board meetings are periodically placed before the Board of Directors of the Company. The Company has framed Policy for determining the Material Subsidiary and which is available at the Company's website at this web link: https://www.tatainvestment.com/images/Material_Subsiidiary_Policy.pdf

General Body Meetings :

The Annual General Meeting of the Company will be held on 30th July, 2019 at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber (IMC), IMC Building, IMC Marg, Churchgate, Mumbai 400 020. The last Annual General Meeting was held on 30th July, 2018 at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber (IMC), IMC Building, IMC Marg, Churchgate, Mumbai 400 020. Prior thereto, the Annual General Meetings were held on 21st August, 2017 and 5th August, 2016 at Rangaswar Auditorium, Y.B Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai-400021. The Company had obtained special resolution for the re-appointment of Ms. V. Bhandarkar, as Independent Director of the Company at its Annual general Meeting held on 30th July, 2018

Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot :

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated 16th November, 2018 for buy-back of its equity shares, which was duly passed and the results of which were announced on 28th December, 2018. P N Parikh (Membership No. FCS 327) of Parikh and Associates, Practicing Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Description of the Resolution	Votes in favour of the resolution			Votes against the resolution			Invalid Votes	
	Number of members voted through electronic voting system and through Physical ballot form	Number of valid Votes cast (Shares)	Percentage of total number of valid votes cast	Number of members voted through electronic voting system and through Physical ballot form	Number of valid Votes cast (Shares)	Percentage of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
Approval for Buy-back of Equity Shares	639	42,297,828	99.96	60	15,229	0.04	34	3,554

Procedure for postal ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder.

Details of special resolution proposed to be conducted through postal ballot: None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

A certificate has been received from Parikh and Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Disclosures :

- i) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website at the following web link: https://www.tatainvestment.com/images/RelatedParty_Policy.pdf.
- ii) The particulars of transactions between the Company and its related parties are in accordance with Ind AS 24 & set out in Note No. 14 to the Accounts. These transactions are in the ordinary course and are not likely to have any conflict with the interest of the Company.
- iii) There were no pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company, other than payment of Board fees/commission and investments (if any) in shares / securities of the Company.
- iv) There were no material transactions of the Company with its promoters, directors, management or their relatives that may have potential conflict with the interest of the Company at large.
- v) There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- vi) The Company has complied with all the mandatory and non-mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Clauses (b) to (i) of Regulation 46(2) relating to the dissemination of information on the website of the Company. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations, is as under:
 - The Non-Executive Chairman maintains a separate office, for which the Company is not required to reimburse expenses.
 - The financial statements of the Company are with unmodified audit opinion.
 - The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
 - The Internal Auditor reports to the Audit Committee.

The Company has not received any complaint of sexual harassment during the FY 2018-19.

CEO/CFO Certification :

The Executive Director and the Chief Financial Officer & Company Secretary have certified to the Board that:

- (a) They have reviewed the financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs as on 31st March, 2019 and are in compliance with the existing Ind AS, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the Company and have reported to the auditors and the Audit Committee that they are not aware of any deficiencies in the design or operation of internal controls. In the event such deficiencies do arise, the same shall be reported to the auditors and the Audit Committee forthwith.
- (d) They have indicated to the auditors and the Audit Committee that there have been -
 - (i) no changes in internal control during the year;
 - (ii) no changes in accounting policies during the year, other than those mentioned in the Notes to the Financial Statements,

- (iii) no instances of fraud of which they have become aware and / or the involvement therein of any of the management or any employee of the Company.

Code of Conduct :

The Company has adopted the Tata Code of Conduct for all employees of the Company, including the Executive Director. The Board has also approved a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. Both the Codes are posted on the Company's website .

A declaration to the effect that all Board members and senior management personnel have confirmed compliance with the Code of Conduct during the year ended 31st March, 2019 duly signed by the Executive Director is annexed hereto. The Company has adopted code of conduct for prevention of insider trading & code of corporate disclosure policy and uploaded it on the website of the Company: https://tatainvestment.com/images/Code_of_Conduct.pdf.

Whistle Blower Policy / Vigil Mechanism :

The model Whistle Blower Policy suggested for Tata companies has been adopted by the Board of Directors. The policy provides for adequate safeguards against victimisation of employees and also provides for access to the Audit Committee. The policy has been appropriately communicated within the Company. It is affirmed that no personnel has been denied access to the Audit Committee. The Policy, as approved by the Board, is uploaded on the Company's website at the web link: https://tatainvestment.com/images/Whistle_Blower_Policy.pdf.

Means of Communication :

The unaudited quarterly results and audited results for the year are published in atleast one English newspaper (Business Standard/Financial Express) and in atleast one vernacular newspaper (Loksatta/Sakaal) shortly after its submission to the Stock Exchanges.

The Company's website www.tatainvestment.com contains relevant information including matters pertaining to investor relations, shareholder benefits, as well as quarterly/annual financial results.

Share Transfer System :

TSR Darashaw Ltd. (TSRDL) are the Registrar and Transfer Agents of the Company. TSRDL has a network of Investor Relation Centres (IRCs) at Mumbai, Bengaluru, Jamshedpur, Kolkata and New Delhi to accept the documents / bankers requests / queries / correspondence from the investors / shareholders of the Company.

Physical shares lodged for transfer at the Registrars' address are normally processed within 15 days from the date of lodgement, and requests for dematerialisation of shares are processed and the confirmation is given to the depositories within 15 days from the date of lodgement, if the documents are clear in all respects. The Chief Financial Officer & Company Secretary who is also the Compliance Officer verifies the Transfer Register sent by the Registrars. The Stakeholder's Relationship Committee approves the transfer of shares.

TSRDL has an Investor Interface Cell which handles all queries/correspondence/requests received across the counter/walk in investors, over the phone and by e-mail. Written communication received from the Investors is segregated into different categories on the basis of the nature of the query received. The concerned workgroup takes the required action in respect of the same by accessing the current shareholder information on TSRDL database.

The details are verified and responded through customised and fully automated systems for handling such correspondence. Copies of the responses for complaints/letters received through statutory bodies, wherever required, are forwarded to the Company for their reference and records.

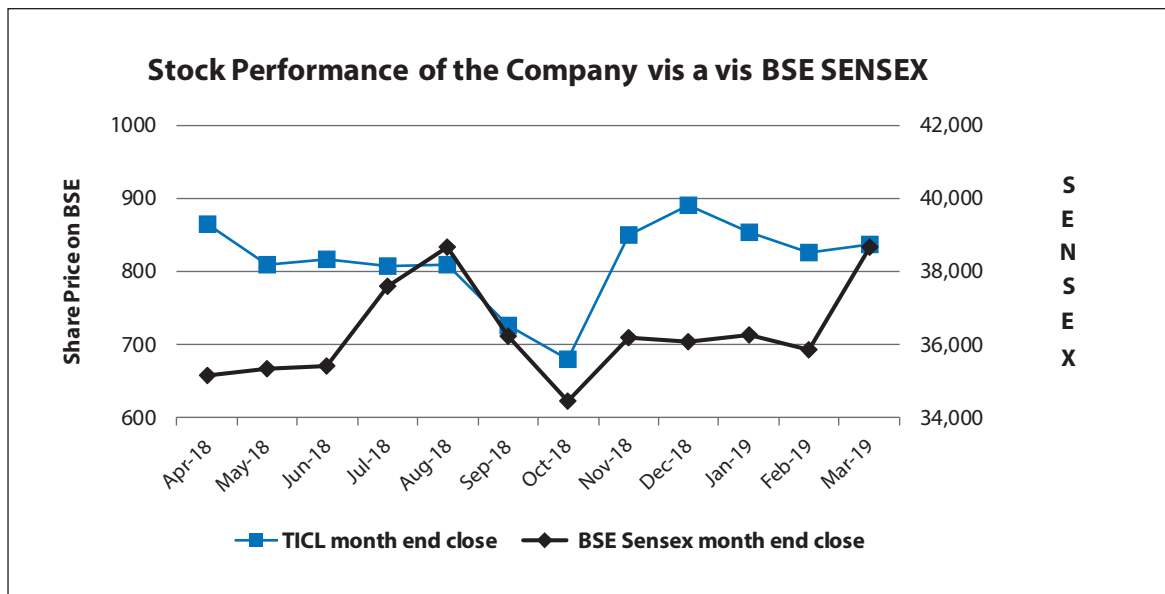
The endeavour is to attend to shareholder requests and redress their queries speedily and to their satisfaction, keeping in mind the statutory/regulatory time frame. Investors' grievances, if any, are resolved by the Compliance Officer, failing which, they would be referred to the Stakeholders' Relationship Committee.

Management Discussion and Analysis :

Management Discussion and Analysis forms part of the Board's Report

General Shareholder Information :	
Compliance Officer	Mr. Manoj Kumar CV
Registered Office (Address for correspondence)	Elphinstone Building, 10, Veer Nariman Road, Mumbai 400 001. Tel. No. 022 -6665 8282 Fax : 022- 6665 7917 E-mail address : ticl@tata.com
Annual General Meeting (Date, time and venue)	Tuesday, 30th July, 2019 at 10.30 a.m. Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber (IMC), IMC Building, IMC Marg, Churchgate, Mumbai 400 020
Financial Year	The Financial Year of the Company ends on 31st March each year.
Book Closure Date	Wednesday, 17th July, 2019 to Tuesday 23rd July, 2019.
Dividend Payment	A dividend of ₹ 20/- per share (200%) for the year ended 31st March, 2019 on the existing Ordinary Share Capital of ₹ 50.60 crores would be payable to those Members whose names appear on the Register of Members on 16th July, 2019, after giving effect to the transfers lodged and found to be complete and in order. In respect of shares held in electronic form, dividend would be payable to the beneficial owners of shares as at the end of business hours on 16th July, 2019 as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd.
Listing on Stock Exchanges	1. BSE Ltd., P. J. Towers, Dalal Street, Mumbai 400 001. 2. The National Stock Exchange of India Ltd., Bandra-Kurla Complex, Mumbai 400 051. Listing fees have been paid upto the year ending 31st March, 2020 to each of the Stock Exchanges.
Stock Code	BSE : 501301 NSE : TATAINVEST
ISIN	INE672A01018
Demat of Shares	Available on National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 99.01% of the Company's shares are in dematerialised mode. Annual Custodial charges have been paid to both Depositories upto 31st March, 2020.

Market Price Data	BSE		NSE	
	High ₹	Low ₹	High ₹	Low ₹
April 2018	878.50	733.85	880.00	737.05
May 2018	876.55	781.05	874.40	781.15
June 2018	944.00	780.05	949.90	780.35
July 2018	879.00	765.00	878.50	762.35
August 2018	839.50	791.20	844.70	791.35
September 2018	823.45	724.05	814.20	722.00
October 2018	775.00	654.00	735.50	656.00
November 2018	890.00	673.00	889.95	674.30
December 2018	892.55	841.65	893.85	841.05
January 2019	910.00	804.95	906.95	807.55
February 2019	888.00	808.10	869.00	807.55
March 2019	861.75	824.00	862.00	820.00



Registrar & Transfer Agents :

REGISTERED OFFICE

TSR DARASHAW LIMITED

6-10, Haji Moosa Patrawala Industrial Estate
20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.
Tel. : 022-66568484 Fax : 022-66568494
E-mail : csg-unit@tsrdarashaw.com website : www.tsrdarashaw.com

BRANCH OFFICES :

Bengaluru

503, Barton Centre (5th floor), 84, M.G. Road, Bengaluru 560 001.
Tel. : 080-25320321 Fax : 080-25580019
E-mail : tsrdlbang@tsrdarashaw.com

Jamshedpur

'E' Road, Northern Town,
Bistupur, Jamshedpur 831 001.
Tel. : 0657-2426616 Fax : 0657-2426937
E-mail : tsrdljsr@tsrdarashaw.com

Kolkata

Tata Centre, 1st floor, 43, Jawaharlal Nehru Road, Kolkata 700 071.
Tel. : 033-22883087 Fax : 033-22883062
E-mail : tsrdlcal@tsrdarashaw.com

New Delhi

2/42, Ansari Road, 1st Floor, Daryaganj, SantVihar
New Delhi 110 002. Tel : 011-23271805 Fax : 011-23271802
Email : tsrdldel@tsrdarashaw.com

Agents

Shah Consultancy Services Ltd.
3, Sumatinath Complex, 2nd Dhal, Pritam Nagar, Ellis Bridge
Ahmedabad – 380 006. Telefax: 079 – 26576038
E-mail : shahconsultancy8154@gmail.com

Distribution of Shareholding as on 31.3.2019 :

	No. of shares	%
Promoter Company and other Tata Companies.....	37,128,947	73.38
Directors & their Relatives	36,152	0.07
Public Financial Institutions / Nationalised Banks / Insurance Companies & State Governments.....	982,405	1.94
Non-residents / FIIs/ FPIs	1,358,895	2.69
Other Bodies Corporate, Other Banks, Body Corporate-NBFC, Body Corporate-Non-NBFC	1,112,290	2.20
Mutual Funds	484,593	0.96
Others.....	9,492,014	18.76
	50,595,296	100.00

Distribution Schedule as on 31.3.2019 :

Sr. No.	No. of shares	Holdings	Amount (₹)	% of total Capital	No. of Holders	% to total Holders
1	1 to 500	2,216,584	22,165,840	4.38	34,664	92.92
2	501 to 1000	875,748	8,757,480	1.73	1,165	3.12
3	1001 to 2000	968,525	9,685,250	1.91	668	1.79
4	2001 to 3000	717,980	7,179,800	1.42	289	0.77
5	3001 to 4000	423,965	4,239,650	0.84	121	0.32
6	4001 to 5000	441,702	4,417,020	0.87	97	0.26
7	5001 to 10000	1,142,484	11,424,840	2.26	164	0.44
8	Greater than 10000	43,808,308	438,083,080	86.59	137	0.37
	Total	50,595,296	505,952,960	100.00	37,305	100.00

DECLARATION REGARDING ADHERENCE TO THE CODE OF CONDUCT BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL :

In accordance with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company affirmed compliance to their respective Codes of Conduct, as applicable to them for the financial year ended 31st March, 2019.

For Tata Investment Corporation Limited

A. N. DALAL

Executive Director

Mumbai, 10th May, 2019

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF TATA INVESTMENT CORPORATION LIMITED

We have examined the compliance of conditions of Corporate Governance by **TATA INVESTMENT CORPORATION LIMITED** ('the Company'), for the year ended on 31st March, 2019, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above-mentioned Listing Regulations as applicable during the year ended 31st March, 2019.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Kalyaniwalla & Mistry LLP**

Chartered Accountants

Registration No: 104607W / W100166

Roshni R. Marfatia

Membership No: 106548

Place: Mumbai

Date: 10th May, 2019