HELD AT BOMBAY HOUSE ON 31.7.2013 TIME 3-00 p.m.

The Seventy-sixth Annual General Meeting of the members of Tata Investment Corporation Limited was held on Wednesday, 31st July, 2013 at 3-00 p.m. at Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai 400 020.

The following Directors were present :-

Mr. Noel N. Tata *(Chairman)*
Mr. F.N. Subedar *(Vice Chairman)*
Mr. A.B.K. Dubash
Mr. K.A. Chaukar
Mr. H.N. Sinor
Mr. A.N. Dalal *(Executive Director)*
Mr. P.P. Shah
Mr. Z. Dubash
Mr. A. Chandra

Mr. Manoj Kumar C V, Company Secretary was also present.

128 shareholders were present in person or by proxy including authorized representatives of corporate shareholders/institutional investors.

Mr. Noel N Tata, the Chairman of the Board of Directors, took the Chair. With the permission of the members, the Notice convening the Meeting was taken as read. He informed the shareholders that the Company had received 25 proxies representing 423,83,953 shares (Four crores Twenty-three lacs Eighty-three thousand Nine hundred Fifty-three only) shares being 76.93% of the paid–up capital of the Company of which 73.02% is with the Promoters. He added that the Register of Proxies, and the Register of Directors' Shareholding were available for inspection.

At the request of Mr. Tata, the Company Secretary read out the Auditor's Report.

Extending a warm welcome to all the shareholders to the 76th Annual General Meeting, Mr. Tata stated that since the requisite quorum was present, he would call the meeting to order. He added that all the Directors were also present at the Meeting.

Giving a quick recap of the year gone by, Mr. Tata stated that the profit after tax of the Company, for the year ended March 2013 was Rs.167 crores on a standalone basis. As mentioned in our Annual Report, our Company has acquired a 95.84 % stake in Simto Investment Company Ltd. By virtue of this acquisition, the shareholders have been presented with both, standalone and consolidated results. Consequently, the consolidated profit for the year was Rs.174 crores.

Mr. Tata stated that at the Board Meeting held prior to this meeting, the Company had announced its results for the quarter ended June 2013 to the Stock Exchanges earlier today, with a Profit After Tax of Rs. 32.31 crores as compared to Rs.31.47 crores for the same period last year.

Commenting on the general economic scenario, Mr. Tata stated that over the years, Indian markets are increasingly affected by international economic conditions and fund flows. He therefore shared with the shareholders, the state of economies across the world. Mr. Tata mentioned that there is currently more optimism about the US economy today than there is perhaps in any other country. The IMF projected a rise in the growth rate of the US to 2.7% in 2014 and 3.6% in 2015, well above the recent growth rates seen. What is noteworthy was, being over eight times larger than India, a 3% growth in their economy equated a staggering 25% growth in India.

Fixed capital spending of large manufacturers and non-manufacturers in Japan was expected to rise by 7% and 5% respectively as per the June survey for FY14 by Bank of Japan. The weak yen policy and Prime Minister Shinzo Abe's initiatives to increase spending for public works and more lenient monetary provisions had contributed to the positive outlook for the overall economy.

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Both, US & Japanese markets have been star performers in the calendar year 2013. The S&P 500 has recorded a 12.6% appreciation upto the end of June while Nikkei is up 31.6%.

The Euro area remained mired in recession following the aggressive posture and actions of the European Central Bank. Quarter-on-Quarter, output declined by 0.2% in the first quarter of 2013, the sixth consecutive quarterly decline. The IMF forecast a euro-zone contraction by 0.6% for 2013, similar to the 0.6% contraction in 2012. Unemployment in many countries, especially in Spain and Greece, remained a concern, with acute unemployment amongst the youth.

However, there appeared to be a considerable improvement in Current Account Deficits of some countries. Portugal's deficit had shrunk from 12.6% of GDP in 2008 to 1.5% in 2012; whilst Greece's deficit had fallen from 15% to 3% - an extraordinary swing indeed. Overall, it was seen that the developed world was slowly improving.

On the other hand, the developing world was facing uncertain times with slowing economies, large debt on balance sheets across banks, companies & countries as also a build-up of large Current Account Deficits. Asian markets, coveted centres of capital allocation in the last decade, had been poor performers in 2013. This was indicative of a stagnating and deteriorating economic climate.

Commenting on China, Mr. Tata stated that the Shanghai Composite index was down 12.8% while the Hang Sang index was down 8.2% for the year upto June end. In India, the BSE Sensex declined 2.5% till end of June but the BSE 200 Dollex depreciated 11.7%. The IMF has recently cut its growth forecast for China amid warnings of slower growth in the coming months. China was expected to grow 7.8% in 2013, down from its earlier projection of 8.1%. This was on account of soft external demand and domestic policy rebalancing. The slowdown in China had affected other emerging economies, particularly commodity producers like Brazil and Australia.

Coming to India, Mr. Tata mentioned that the Indian economy was struggling to cope with several macro factors which tend to hamper growth viz :

- One of the factors is the depreciation of the rupee. No corporate or economist estimated the US Dollar to close above Rs.60 for 2013.
- Another factor was the prevailing interest rate situation. Most market participants had forecast positive action from the RBI and a gradual decreasing interest rate scenario. But given the change in the RBI stance towards liquidity in July, investors might not find it possible to build in expectations of significant lower rates on the horizon.
- The third was a lack of visibility in fiscal consolidation, given the Food Security Bill being passed by an Ordinance.
- The fourth factor was the quality of the balance sheet of the Indian corporate sector which has deteriorated with burden of excess debt. Debt:Equity ratio of the corporates sector has worsened from 0.87 in FY07-08 to 1.01 by the end FY12-13.
- Lastly, higher input costs like labour, power and land had reduced any cost arbitrage for corporate between India and overseas markets, despite considering the benefits of devaluation.

Mr. Tata concluded that India's fiscal situation looked too imbalanced, with a growing revenue deficit and a growing current account deficit. He recalled having informed the Shareholders that the Company had been extremely circumspect and had at length cautioned in the past that Indian markets were overly dependent on FII flows. The Indian currency was now impacted from movement in capital flows both in the Equity and Debt markets. In addition, FDI inflows had slowed, and even projects announced earlier had been put on hold such as those by Posco, ArcelorMittal and Wal-Mart. India's dependence on foreign capital, both FII and FDI, continued to cause volatility in the Indian market.

Surprisingly, the aforesaid concerns, accentuated by the uncertainty of the outcome of elections, had not resulted in any sizeable correction in the Indian equity markets. Reuters, in its recent bulletin had said that the emerging market stocks were trading at around 10 times this year's earnings. India, it seemed was perceived to be better placed than other markets since it was trading at around 14.5 times earnings. Perhaps global fund managers investing in India looked at this period as one of consolidation in growth with prospects of an upcoming resurgence. The long term prospects still manage to mask the short term hurdles.

Coming to the Company's Performance and Investment Strategy, he stated that as mentioned earlier, debt markets continue to offer attractive yields. Our Company has a substantial exposure to fixed income investments that have earned a more than competitive yield, when compared to equities, in the last two years. Tata Investment would continue to maintain its allocation, supported by the belief that any improvement in India's economic situation would result in lower interest rates, leading the equity market in context of the potential for appreciation going forward.

He informed the shareholders that the net asset value (NAV) after tax of the Company's equity share, as computed by the management, was Rs. 760 as on 30th June, 2013 compared to Rs. 770 as on 31st March, 2013 and Rs. 735 as on 31st March 2012.

As a strategy adopted by the Board, Tata Investment would continue to remain conservative in realizing gains in periods of uncertainty. It would also conserve its equity positions to enjoy the appreciation and book higher gains in periods of exuberance. This was to benefit from trends which were usually cyclical in nature. Having said that, the Board was fully conscious of the need to pay a satisfactory dividend to the shareholders and would always endeavour to do so. Tata Investment would continue the policy of investing in Tata and Non-Tata shares on merits, just as it would select industries and individual companies based on proper analysis and merits.

Finally, Mr. Tata thanked the Executive Director and the management team for their performance in such challenging markets. He was confident that they would continue to do well and wished them success in the current year.

With these words, he proposed the Resolution relating to Item No. 1 of the Notice in respect of adoption of Accounts for the year ended 31st March, 2013 which was seconded by Mr. F.N. Subedar as an Ordinary Resolution -

> "**RESOLVED** that the Audited Statement of Profit and Loss for the year ended 31st March, 2013, and the Balance Sheet as at that date, together with the Reports of the Board of Directors and the Auditors thereon, submitted to this meeting be and are hereby adopted."

Before putting the resolution to vote, the Chairman invited the Members to seek clarifications, if any, on the Accounts, before passing the resolution.

DR. ARUN KUMAR BOPPANA :

Dr. Bopanna thanked Mr. Manoj Kumar, the Company Secretary, for arranging the meeting so that it did not clash with any other general meeting, and also for sending the Annual Report on time. He was glad that TICL had acquired Simto Investment Co. Ltd. and was sure that this would improve the performance of the Company and complimented the management for that position. He, however, requested Mr. Tata to clarify the advantage gained by the Company by this acquisition. He praised Mr. Tata's eye for detail and was sure that the Board would identify the right stock and make it a grand company. He also commended the Company's focus on consistent NAV rather than speculating and taking risks. He urged the Board to be vigilant and seize opportunities in order to perform well. He ended by saying that he hoped TICL will keep on doing well.

MRS. ASHA LATA MAHESHWARI :

Mrs. Maheshwari thanked the Chairman and the team for ensuring sustained growth and enhanced shareholders value even during competitive and challenging times. She thanked the Company Secretary for the excellent, transparent and informative Annual Report. Whilst she acknowledged that the present time was not right, she urged the Chairman and the Board to consider issuing bonus shares at an appropriate time. Referring to the Company's portfolio, she stated that out of 158 companies, 130 companies were listed and 28 were unlisted companies. She wanted to know the Chairman's views for investing in equity during the current year because of market volatility and the global scenario. In conclusion, she thanked Mr. Manoj Kumar and all the staff members.

MR. ADIL POLAD:

Mr. Polad stated that he had trust in TATAs, more so in TICL. Although the dividend had been maintained at 160%, in actual terms, it was deemed to have reduced because of inflation. He commented that old people like him depended on dividend and whilst staff salaries were always going up, he saw no reason why dividend should not be increased likewise. He felt that investment in the Company's shares by some Directors, viz. Mr. N.N. Tata, Mr. F.N. Subedar, Mr. A.B.K. Dubash, was a healthy sign of having faith in the company and requested other members of the Board to invest likewise.

He wondered whether commission could be paid to the Directors partly by issue of shares. He also thanked the Chairman for the democratic manner by conducting the meeting by asking shareholders to raise questions at the meeting.

MR. JOSEPH MARTIN :

Mr. Martin expressed his admiration for all the Board members and he was proud that these were people with great achievements. He stated that he did not wish to ask any questions but just wanted to share his views on the Annual Report. Initially, he appreciated the extensive Chairman's Speech which covered a lot of topics and hoped that this tradition would be maintained.

Commenting on the Annual Report, he stated that an investment company giving a dividend of Rs.16/- per share was commendable. As regards financial statistics given on the last page of the Annual Report, these were informative but he would have liked the book value and the EPS to have been mentioned there. He commented on the size of the Annual Report which was not very bulky like the Annual Report of other companies, yet gave all the necessary figures in a very informative way.

He also commented on the companies adopting the practice of sending the Annual Reports by email and felt that this was not a shareholder - friendly activity as many old shareholders did not have computers at home and elderly shareholders like him were not so very computer literate.

MR. MICHAEL MARTIN :

Mr. Martin shared the sentiments expressed by his brother. He commented on the blank page in the Annual Report and said that although many companies were doing it, this was an enormous waster of paper.

MR. KIRTI SHAH :

Mr. Shah explained his satisfaction that the dividend given was good for the current year. He suggested that, looking at the market conditions, the Company should have borrowed funds from outside and invested in the market. Mr. Shah also commented on the performance of other companies and wondered where the corporate sector was heading. He wished the Company all the very best for its future.

MRS. H.S. PATEL :
Mrs. Patel thanked the Board for the dividend of Rs.16/- per share and also thanked the Secretarial team for giving the Annual Report on time. She agreed with Mrs. Asha Lata Maheshwari's comments about issue of bonus shares which was last given in the year 2005 and felt that the Board should consider the same in the next year. She inquired about the Security Deposit of Rs.3 crores and foreign exchange deposit placed with Hatton National Bank, Sri Lanka.

MR. H. SANGHVI :
Whilst thanking the Board for the dividend of Rs.16/- per share, Mr. Sanghvi stated that the rights issue made by the Company were always at a premium, so that the actual dividend received was much lower. He further stated that the dividend received were tax free whereas for a dividend pay out, the Company was paying out dividend distribution tax and therefore the dividend should be declared taking into consideration this amount. He requested the Chairman and the Board to find a way to compensate the shareholders on both these issues.

DR. ABHIJIT PHADNIS :
Dr. Phadnis stated that TICL scrip was quoting at Rs.364/- and therefore there was a significant destruction of the shareholder value. Whilst the number of scrips has gone down over the years, the Company still had scripts in 20 different industries, presumably to diversify risks. He wanted the management to enlighten him on the investment policy followed by the Company. He also sought clarification on current and non-current investments and profits earned on the same.

Dr. Phadnis also commented on MAT payable by the Company without actually getting the benefit, as an investment company. He felt that since the markets were likely to be under pressure for sometime because of the political situation, he saw no compulsion in deploying into equities and wanted to know how flexible was the investment policy in terms of asset allocation.

Mr. Noel N. Tata thanked all the shareholders for their valuable comments and stated that he would try and answer as many queries from the shareholders as he possibly could.

Mr. Tata explained to Dr. Bopanna and other shareholders that the reason for acquiring Simto was really to be able to explore other avenues of income generation which otherwise could not be done in the parent Company. The decision to acquire Simto was largely to take advantage of short term volatility in the market through a subsidiary company which otherwise TICL is not able to take advantage of.

As regards issue of bonus shares, normally raised by other shareholders and Mrs. Maheshwari, he reiterated that the bonus issue was merely a book entry and does not make too much of a difference either to the Company or to the shareholders. He further stated that the main aim of this Company was to generate higher and higher NAVs. Mr. Tata agreed with Mr. Phadnis that this year, in particular, the share price had dipped whereas it should really reflect the NAV and move with the NAV of the investments held. The Board has often debated what could be done in addition, to make the share price reflect more closely, the increase in NAV as delivered. As regards equity, the Company had a team of people to look at both long term and short term investments but primarily long term investments, short term investments could be done either through current investments or through Simto.

Commenting on Mr. Polad's query regarding the increase in dividend each year, Mr. Tata mentioned that the Board could consider the request next year. As regards payment of commission, partly by issue of shares to the Directors, Mr. Tata mentioned that he was not sure whether this could be done as the legal issues could be involved and he would not like to commit himself on this issue.

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Mr. Tata thanked Mr. Joseph Martin for his observations and mentioned that the EPS figure was mentioned on page 23 of the Report and that the EPS as on 31st March, 2013 was Rs.30.34. The book value of investments had also been mentioned, and that figure divided by the number of shares would give the book value per share.

As regards sending of the Annual Reports by email, Mr. Tata stated that vast number of shareholders may not be reading the Annual Report, and the Company would save a lot of money by sending the Annual Report through the electronic media. He, however, mentioned that the shareholders always has an option to ask for a hard copy of the Report. He assured the shareholders that the Company does make every effort throughout the year to conserve costs wherever it can.

Mr. Tata informed Mr. Kirti Shah that borrowing monies from the market for investments was something which the Board had considered and felt that it was not appropriate at this juncture. As regards investments in certain companies as mentioned by Mr. Shah, he stated that the Executive Director and his team would look into the same and the management would take necessary action wherever necessary.

Replying to Mrs. H.S. Patel, Mr. Tata informed her that the Security Deposit of Rs.3 crores was placed with Ewart Investments Ltd., a subsidiary of Tata Sons Ltd., for an office rented by the Company from Ewart Investments Ltd. The monies lying in Sri Lanka were from sale of shares some 15 years ago which is not allowed to be repatriated out of Sri Lanka and has therefore been placed as a Fixed Deposit with the Bank in Sri Lanka.

Replying to Mr. Sanghvi, Mr. Tata mentioned that whilst he agreed that one did not calculate the dividend on the share premium, it was to be borne in mind that the premium charged on the Rights each time a fraction of the market price of the share at that time, so that there was an implied element of bonus in the shares offered to the shareholders.

The Chairman stated that he had answered almost all the questions raised by the shareholders to the best of his ability and since there were no further comments, he put the first Resolution to vote and declared it as carried unanimously by show of hands.

Item No.2 :

Mrs. Asha Lata Maheshwari proposed and Mr. Rajendra Patil seconded the following Resolution as an Ordinary Resolution:-

> "**RESOLVED** that a dividend on 5,50,95,296 Ordinary Shares @ Rs.16 per share (160%) for the year ended 31st March, 2013, be and is hereby declared and that the same be made payable on or after 1st August, 2013, to those members whose names are on the Company's Register of Members on 31st July, 2013, and in respect of shares held in the electronic form to the beneficial owners of shares as at the end of business hours on 16th July, 2013, as per the details furnished by the Depositories for this purpose."

The Resolution was carried unanimously by show of hands.

Item No.3 :

Mr. Adil Polad proposed the following resolution as an Ordinary Resolution which was seconded by Dr. Arun Kumar Boppanna :-

> "**RESOLVED** that Mr. F. N. Subedar, who retires by rotation as a Director pursuant to the provisions of Section 256 of the Companies Act, 1956, be and is hereby re-appointed a Director of the Company."

The Resolution was carried unanimously by show of hands.

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Item No.4 :

Mrs. Asha Lata Maheshwari proposed and Mr. Kirti Shah seconded the following resolution as an Ordinary Resolution :-

> "**RESOLVED** that Mr. K.A. Chaukar, who retires by rotation as a Director pursuant to the provisions of Section 256 of the Companies Act, 1956, be and is hereby re-appointed a Director of the Company."

The Resolution was carried unanimously by show of hands.

Item No.5 :

Dr. Arun Kumar Boppanna proposed and Mr. Rajendra Patil seconded the following resolution as an Ordinary Resolution :-

> "**RESOLVED** that Mr. Amit Chandra, who retires by rotation as a Director pursuant to the provisions of Section 256 of the Companies Act, 1956, be and is hereby re-appointed a Director of the Company."

The Resolution was carried unanimously by show of hands.

Item No.6 :

Mrs. Asha Lata Maheshwari proposed and Dr. Arun Kumar Boppanna seconded following resolution as an Ordinary Resolution:-

> "**RESOLVED** that pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Deloitte Haskins & Sells, Chartered Accountants, (Registration No.117365W) the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company, to examine and audit the accounts of the Company for the financial year 2013-2014 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors, plus service tax, out-of-pocket, travelling and living expenses etc."

The Resolution was carried unanimously by show of hands.

The meeting terminated with a vote of thanks to the Chair.

CHAIRMAN

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