

TATA INVESTMENT CORPORATION LIMITED

Seventy-Third annual report 2009-2010

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BOARD OF DIRECTORS :

Mr. N. A. Soonawala (*Chairman*)
 Mr. A. B. K. Dubhash
 Mr. K. N. Suntook
 Mr. M. J. Kotwal (*Executive Director & Secretary*)
 Mr. N. N. Tata
 Mr. K. A. Chaukar
 Mr. F. N. Subedar
 Mr. H. N. Sinor
 Mr. P. P. Shah
 Mr. A. N. Dalal (*Executive Director - Investments*) w.e.f. 1-1-2010
 Mr. Z. Dubash (*Appointed : 17.03.2010*)
 Mr. A. Chandra (*Appointed : 29.03.2010*)

Registered Office :

Ewart House,
 Homi Mody Street,
 Mumbai - 400 001.
 (Tel: 66658282 – Fax: 22652629)
 e-mail: ticl@tata.com

Principal Bankers :

Catholic Syrian Bank Ltd.
 HDFC Bank Ltd.

Auditors :

Messrs Deloitte Haskins and Sells
 Chartered Accountants.

Solicitors :

Messrs Mulla & Mulla & Craigie, Blunt & Caroe

Registrars & Share Transfer Agents :

TSR Darashaw Limited
 6-10, Haji Moosa Patrawala Industrial Estate
 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.
 (Tel.: 022-6656 8484 Fax: 022-6656 8494)
 e-mail: csg-unit@tsrdarashaw.com
 Website: www.tsrdarashaw.com

Annual General Meeting on Wednesday, 23rd June, 2010 at Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai - 400020 at 3.30 p.m.

No hand bags/parcels of any kind will be allowed inside the Hall. The same will have to be deposited outside the Hall on the counter provided, at the visitor's own risk.

NOTICE

THE SEVENTY-THIRD ANNUAL GENERAL MEETING OF TATA INVESTMENT CORPORATION LIMITED will be held at Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai 400 020, on Wednesday, the 23rd day of June, 2010, at 3.30 p.m. to transact the following business :-

1. To receive and adopt the Directors' Report, the Audited Profit and Loss Account and the Cash Flow statement for the year ended 31st March, 2010, and the Balance Sheet as at that date.
2. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

"**RESOLVED** that Mr.Noel N.Tata, who retires by rotation as a Director pursuant to the provisions of Section 256 of the Companies Act, be and is hereby re-appointed a Director of the Company."
3. To consider and, if thought fit, to pass with or without modification, 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, be and is hereby re-appointed a Director of the Company."
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

"**RESOLVED** that Mr. Zubin Dubash, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 17th March, 2010, pursuant to Section 260 of the Companies Act, 1956 and Article 130 of the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing from a member, under Section 257 of the Act, proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company."
5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

"**RESOLVED** that Mr. Amit Chandra, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 29th March, 2010, pursuant to Section 260 of the Companies Act, 1956 and Article 130 of the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing from a member, under Section 257 of the Act, proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company."
6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

"**RESOLVED** that Mr. N.A. Soonawala who retires at this meeting but has indicated his desire not to seek re-election (in accordance with the Company's retirement age policy), be not re-appointed and the resulting vacancy be not filled, pursuant to Section 256(4)(a) of the Companies Act, 1956, and that the number of Directors be reduced accordingly."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

"RESOLVED that Mr. K.N. Suntook who retires at this meeting but has indicated his desire not to seek re-election (in accordance with the Company's retirement age policy), be not re-appointed and the resulting vacancy be not filled, pursuant to Section 256(4)(a) of the Companies Act, 1956, and that the number of Directors be reduced accordingly."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

"RESOLVED that pursuant to Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act, the Company hereby approves of the appointment and terms of remuneration of Mr. Amit N. Dalal, as an Executive Director of the Company for a period of five years with effect from 1st January, 2010, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Dalal.

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

9. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :-

"RESOLVED that pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, a sum not exceeding 1% per annum of the net profits of the Company computed in accordance with the provisions of the Act for each of the five financial years of the Company commencing from 1st April, 2010 be paid to and distributed as commission amongst the Directors in such amounts or proportions and in such manner and in all respects, as may be directed from time to time, by the Board of Directors of the Company.

10. To appoint Auditors and to fix their remuneration.

NOTES :

- a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under Item Nos. 4 to 9 set out above are annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- c) The Register of Members and the Transfer Books of the Company will remain closed from Saturday, 12th June, 2010 to Wednesday, 23rd June, 2010, both days inclusive.

- d) Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents for shares held in physical form and to their respective Depository Participants for shares held in electronic form.
- e) In accordance with RBI notification, with effect from 1st October, 2009, the remittance of money through ECS is replaced by National Electronic Clearing Service (NECS) which essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solutions (CBS) for centralised processing of inward instructions and efficiency in handling bulk transactions.

Please therefore ensure that the new Bank Account Number allotted to you by your bank after implementation of CBS is furnished to your Depository Participant (DP) if you hold shares in electronic form, or to the Registrars if you hold shares in physical form. If the new account number is not available with your DP/Registrars, the ECS to your old account may either be rejected or returned.

- f) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto the financial year ended 31st March, 1998 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrants for the said period, are requested to forward their claims in the prescribed Form No.II to the Registrar of Companies, Central Government Office Bldg., 'A' Wing, 2nd floor, Next to Reserve Bank of India, CBD Belapur 400 614.

Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2004 onwards, are requested to make their claims to the Company accordingly, without any delay.

By Order of the Board of Directors,
TATA INVESTMENT CORPORATION LIMITED

M.J. KOTWAL
Executive Director & Secretary.

Mumbai, 17th May, 2010

Registered Office :
Ewart House
Homi Mody Street
Mumbai 400 001.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the special business mentioned in Item Nos. 4 to 9 of the accompanying Notice dated 17th May, 2010.

Item Nos. 4 & 5 : Mr. Zubin Dubash and Mr. Amit Chandra were appointed Additional Directors of the Company on 17th March, 2010 and 29th March, 2010 respectively, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 130 of the Articles of Association of the Company. These Directors hold office upto the end of this Annual General Meeting.

Mr. Dubash holds a Bachelors Degree in Commerce from Mumbai University and a Masters in Business Administration from The Wharton School, Philadelphia. He is also a Chartered Accountant from the Institute of Chartered Accountants, England and Wales and has over 24 years of experience in finance and business development. Mr. Dubash is at present Group Executive President & Director of ATC Tires Pvt. Ltd. Prior to this, Mr. Dubash was the Managing Director and Head India, DSP Merrill Lynch Ltd., Global Private Equity, and earlier he was the Group CFO and a key member of the leadership team of WNS Holdings Ltd. (an NYSE listed company). Mr. Dubash was also associated with Tatas upto the year 2000.

Mr. Chandra is a Bachelor of Engineering from VJTI, Mumbai, and has obtained his MBA from Boston College, USA. He is the Managing Director of Bain Capital Advisors, a leading global private investment firm that was an early pioneer in private equity and has consistently produced superior returns for its investors. Mr. Chandra has previously served as Managing Director, Board Member & Head of Global Markets & Investment Banking at DSP Merrill Lynch, India's leading Investment Bank. Mr. Chandra also serves as a Trustee/Board Member of various public charitable trusts.

The relevant particulars of Mr. Zubin Dubash and Mr. Amit Chandra are given separately in this Notice.

Item Nos. 6 & 7 : Mr. N.A. Soonawala and Mr. K.N. Suntook are due for retirement by rotation at the ensuing Annual General Meeting. In accordance with the non-executive directors' retirement age policy adopted by the Company, Mr. Soonawala and Mr. Suntook have indicated their intention not to offer themselves for re-appointment. It is proposed for the present not to fill the vacancies caused by the retirement of these two Directors and the number of Directors on the Board shall stand reduced accordingly.

Item No. 8 : Mr. Amit Dalal was appointed a non-executive Director of the Company, liable to retire by rotation, at the Annual General Meeting held on 8th July, 2009. The Board of Directors of the Company ("the Board") has since appointed Mr. Dalal as an Executive Director of the Company, designated as Executive Director - Investments ('Executive Director'), subject to the approval of the members, for a period of 5 years with effect from 1st January, 2010.

Mr. Dalal has obtained his MBA from the University of Massachusetts, USA and has been a member of the Bombay Stock Exchange for many years. Mr. Dalal is a Director on the Board of various companies and is associated with certain charitable institutions. Having been associated with the Company as a non-executive Director, he has gained adequate knowledge of the working of the Company and the parameters within which the Company operates.

On the recommendation of the Remuneration Committee, the Board, has approved the remuneration and the terms and conditions of the appointment of Mr. Dalal as an Executive Director, subject to the approval of the Shareholders.

A. Tenure of Agreement :

For a period of 5 years commencing from 1st January, 2010.

B. Nature of Duties :

- a) The Executive Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.

- b) The Executive Director shall not exceed the powers so delegated by the Board pursuant to clause 2(a) above.
- c) The Executive Director undertakes to employ the best of his skill and ability to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

C. Remuneration :

- a) Basic Salary as may be decided by the Board with effect from 1st January, 2010 within a grade upto a maximum of Rs.7,00,000 per month; with annual increments which will be effective 1st April each year, as may be decided by the Board, based on merit and taking into account the Company's performance.
- b) Allowances and other entitlements: In addition to the Basic Salary referred to above, Mr. Dalal shall be entitled to allowances and entitlements, as may be decided by the Board from time to time, within the overall ceilings prescribed under the Act.
- c) Contribution to Provident Fund as per the rules of the Company.
- d) Contribution to Gratuity Fund as per the rules of the Company.
- e) Hospitalisation and major medical expenses for self, spouse and dependent children, as per the rules of the Company.
- f) Commission and/or incentive remuneration based on certain performance criteria and such other parameters as may be considered appropriate by the Board/Committee from time to time.
- g) Leave and encashment of unavailed leave in accordance with the rules of the Company.

Minimum Remuneration

Where, in any financial year during the currency of the tenure of Mr. Dalal, the Company has no profits or its profits are inadequate, the Company will pay to Mr. Dalal remuneration by way of basic salary, allowances and incentive remuneration, as specified above.

- D. The terms and conditions of the appointment of the Executive Director also include clauses pertaining to adherence with the Tata Code of Conduct, intellectual property, non-competition, conflict of interest with the Company and maintenance of confidentiality.
- E. The Executive Director, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- F. The terms and conditions of the appointment of the Executive Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule XIII to the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the Executive Director, subject to such approvals as may be required.
- G. This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of notice.
- H. The employment of the Executive Director may be terminated by the Company without notice or payment in lieu of notice :
 - a) If the Executive Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
 - b) In the event of any serious breach or non-observance by the Executive Director of any of the stipulations contained in the Agreement; or
 - c) In the event the Board expresses its loss of confidence in the Executive Director.

- I. In the event the Executive Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate this contract on such terms as the Board may consider appropriate in the circumstances.
- J. The Executive Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1)(l) of the Act.
- K. If and when this Agreement expires or is terminated for any reason whatsoever, Mr. Dalal will cease to be the Executive Director and also cease to be a Director. If at any time, the Executive Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Executive Director and this Agreement shall forthwith terminate. If at any time, the Executive Director ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Executive Director of the Company.

An abstract of the main terms and conditions of the appointment of Mr. Dalal, pursuant to Section 302 of the Act was sent to the members in November 2009.

Except, Mr. Dalal, no other Director is concerned or interested in this Resolution.

Item No. 9 : At the Annual General Meeting held on 22nd July, 2005, the Company had, by a Special Resolution passed under Section 309 of the Companies Act, 1956, authorised payment of remuneration not exceeding 1% p.a. of the net profits of the Company computed in accordance with the provisions of the Act, for each of the five financial years of the Company, commencing from 1st April, 2005.

Taking into account (i) the considerable increase in size and value of the Company's portfolio of investments over the last five years, (ii) the onerous responsibilities cast on the non-executive directors due to various SEBI Regulations, RBI requirements, and Clause 49 of the Listing Agreements with the Stock Exchanges on Corporate Governance and (iii) the increased involvement of the non-executive Directors, including their participation in statutory and other committees, it is proposed that, in terms of Section 309 of the Companies Act, 1956, a remuneration not exceeding 1% per annum of the net profits of the Company computed in accordance with the provisions of the Act, be continued to be paid to the non-executive Directors for each of the five financial years of the Company commencing from 1st April, 2010, subject to such ceiling per annum as may be fixed by the Board of Directors from year to year. This remuneration will be distributed amongst all or some of the Directors in such proportion and manner as the Board may decide. The payment of the aforesaid remuneration would be exclusive of any fees payable to the Directors for attending meetings of the Board and/or Committee thereof.

All the Non-Executive Directors of the Company may be deemed to be concerned or interested in the Resolution to the extent of the remuneration that may be received by them.

By Order of the Board of Directors,
TATA INVESTMENT CORPORATION LIMITED

M.J. KOTWAL
Executive Director & Secretary.

Mumbai, 17th May, 2010.

Registered Office :
Ewart House
Homi Mody Street
Mumbai 400 001.

**Details of the directors seeking re-appointment at the
Forthcoming Annual General Meeting -
Clause 49(1)(A) of the Listing Agreement**

Name of the Director	Mr. Noel N. Tata	Mr. K.A. Chaukar	Mr. Amit Dalal
Date of Birth	12.11.1956	01.08.1947	31.01.1963
Date of Appointment	09.06.2004	09.06.2004	19.06.2008
Expertise in specific functional areas	Marketing Administration & Investments	Investment & Finance	Investments and Capital Markets
Qualifications	B.A. (Economics) University of Sussex IEP, INSEAD, France	B.A. (Economics) PGDBA DEA -Rural Economics	B.Com, MBA (University of Massachusetts)
No. of Shares held in the Company	16,551 Ordinary Shares	Nil	Nil
Directorships held in other companies (excluding private and foreign cos.)	Trent Ltd. Voltas Ltd. Titan Industries Ltd. Trent Brands Ltd. Landmark Ltd. Bombay Chamber of Commerce & Industry Kansai Nerolac Paints Ltd. Trent Hypermarket Ltd. Tata International Ltd.	TSR Darashaw Ltd. (Chairman) Tata Industries Ltd. (Managing Director) Tata Advanced Materials Ltd. Tata Teleservices Ltd. Tata Autocomp Systems Ltd. Tata Communications Ltd. IDFC Private Equity Company Ltd. Tata Business Support Services Ltd. (Chairman) Tata Petrodyne Ltd. Praj Industries Ltd. Tata Industrial Services Ltd. Tata Yazaki Autocomp Ltd. (Chairman) Tata Teleservices (Maharashtra) Ltd. (Chairman) Tata AIG Life Insurance Company Ltd.	HL Investment Co. Ltd. Manugraph India Ltd. Sutlej Textiles & Industries Ltd. The Phoenix Mills Ltd.

Name of the Director	Mr. Noel N. Tata	Mr. K.A. Chaukar	Mr. Amit Dalal
Position held in mandatory committees of other companies	Trent Ltd. (Member: Investment Committee) Voltas Ltd. (Chairman: Shareholders/ Investors Grievance)	Tata Autocomp Systems Ltd. (Member: Audit Committee) Tata Teleservices Ltd. (Member/Alternate Chairman: Audit Committee) Tata Communications Ltd. (Chairman:Shareholders/ Investor Grievance Committee) (Member: Remuneration Committee) (Chairman: Ethics and Compliance Committee) Tata Business Support Services Ltd. (Member: Audit Committee) (Member: Remuneration Committee) Tata Industrial Services Ltd. (Member: Audit Committee) (Member: Remuneration Committee) Tata Advanced Materials Ltd. (Member: Remuneration Committee) Tata Teleservices (Maharashtra) Ltd. (Member: Remuneration Committee)	Sutlej Textiles & Industries Ltd. (Member: Audit Committee) The Phoenix Mills Ltd. (Member: Audit Committee)

Name of the Director	Mr. Zubin Dubash	Mr. Amit Chandra
Date of Birth	16.08.1959	12.06.1968
Date of Appointment	17.03.2010	29.03.2010
Expertise in specific functional areas	Investments and Finance	Investments, Capital markets and Private Equity
Qualifications	B.Com (Hons.), ACA (England and Wales), MBA (Wharton)	B.Engineering - VJTI MBA - (Boston)
No. of Shares held in the Company	Nil	Nil
Directorships held in other companies (excluding private and foreign cos.)	Nil	Nil
Position held in mandatory committees of other companies	Nil	Nil

DIRECTORS' REPORT

TO

THE MEMBERS,

The Directors present their Seventy-third Annual Report with the Audited Statement of Accounts for the year ended 31st March, 2010.

2. FINANCIAL RESULTS :

	Rupees (in crores)	Previous Year Rupees (in crores)
Total Income	232.62	213.44
Profit before tax.....	222.81	203.47
Less: Provision for tax	28.89	17.18
Profit after tax	193.92	186.29
Balance brought forward from the previous year	131.86	83.31
Amount available for appropriation	325.78	269.60
The Directors have made the following appropriations -		
Interim dividend on Ordinary Shares.....	62.02	–
Final dividend on Ordinary Shares	–	51.69
Tax on Dividend	10.54	8.78
Reserve Fund	39.00	37.26
General Reserve	20.00	40.00
	131.56	137.73
leaving a balance to be carried forward of	194.22	131.87

3. OPERATIONS :

The total income of the Company during the year was Rs. 232.62 crores against Rs.213.44 crores in the previous financial year. The increase in total income was mainly due to an increase in profit on sale of investments and write back of Rs. 2.73 crores being the provision for diminution in value of investments no longer required. The total expenditure during the year was more or less the same at Rs.9.82 crores against Rs.9.97 crores in the previous year.

The profit before tax for the year under review was higher by about 10% at Rs. 222.81 crores from Rs.203.47 crores in the previous year though the profit after tax for the year under review was only 4% higher at Rs. 193.92 crores compared to Rs.186.29 crores in the previous year due to a higher provision for taxation of about Rs.29 crores (under the new tax rules) as compared to Rs.17 crores in the previous year.

The basic and diluted earnings per share (EPS) computed in accordance with the Accounting Standard 20 issued by the Institute of Chartered Accountants of India was Rs. 49.64 per share and Rs. 40.20 per share respectively as against Rs.54.05 and Rs.46.04 per share (basic and diluted respectively) for the previous year, taking into account the increase in the Ordinary share capital.

3. DIVIDEND :

An interim dividend of Rs.15.00 per share i.e. 150% (previous year's full dividend was also 150%) was paid on 16th February, 2010 on the Company's then Ordinary Share capital of Rs.41.35 crores (compared to the previous year's capital of Rs.34.46 crores) to those shareholders whose names stood on the Register of