

Tata Communications Limited
'MATERIAL SUBSIDIARY' POLICY

1) SCOPE AND PURPOSE OF THE POLICY

Clause 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”) requires the Company to formulate a policy for determining ‘material’ subsidiaries of the Company.

In accordance with the above, this ‘Material Subsidiary’ Policy (“**Policy**”) is set out.

2) ABOUT THE COMPANY

The Company offers international and national voice and data transmission services, selling and leasing of bandwidth on undersea cable systems, internet dial up and broadband services, and other value-added services comprising telepresence, managed hosting, mobile global roaming and signaling services, transponder lease, television uplinking and other services.

3) OBJECTIVE OF THE POLICY

The objective of this Policy is to set out (a) the materiality thresholds for considering a subsidiary as ‘material’ and; (b) The subsidiary oversight that the Company will have over its ‘material’ subsidiaries.

4) DEFINITIONS

As per Clause 16(1)(c) of the Regulations, a material subsidiary has been defined in the following manner:

- Material Subsidiary - “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

5) SEBI REQUIREMENTS FOR MATERIAL SUBSIDIARIES

In addition to the stipulated general oversight requirements for all subsidiaries, with respect to Material Subsidiary, the Regulations prescribe the following:

- At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India.
- A listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such

divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

- Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

6) APPROVAL OF THIS POLICY

The Board of Directors of Tata Communications Limited has approved and adopted this 'material subsidiary Policy'. The Board of Directors may, if thought fit, review and amend the Policy, as and when required.

In case of any clarifications required with respect to this policy, kindly contact Mr. Manish Sansi, Company Secretary at manish.sansi@tatacommunications.com.

November 25, 2015