



NOTICE IS HEREBY GIVEN THAT 32ND ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF TATA MOTORS FINANCE LIMITED WILL BE HELD ON TUESDAY, AUGUST 31, 2021 AT 11.15 A.M. THROUGH VIDEO CONFERENCING FACILITY VIA MICROSOFT TEAMS TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the Reports of Board of Directors and Auditors thereon.
2. To declare a final dividend on Preference Shares (CCPS) and Equity Shares of the Company for the F.Y. 2020-21
3. To appoint a Director in place of Mr. Shyam Mani, Non- Executive Director who retires by rotation and being eligible, offers himself for re-appointment

SPECIAL BUSINESS:

4. **REGULARIZATION OF APPOINTMENT OF MS. VARSHA VASANT PURANDARE (DIN: 05288076) AS AN INDEPENDENT DIRECTOR**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Varsha Vasant Purandare (DIN: 05288076), who was appointed as an Independent, Additional Director of the Company by the Board of Directors vide circular resolution dated June 16, 2021 effective from June 16, 2021, whose term of office expires at this Annual General Meeting (‘AGM’) who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years commencing from June 16, 2021.”

5. **APPROVAL FOR ADDITIONAL PERFORMANCE INCENTIVE AND LONG TERM INCENTIVE PAYOUT (LTIP) TO MR. SAMRAT GUPTA, MANAGING DIRECTOR & CEO AND AMENDMENT IN AGREEMENT EXECUTED BY THE COMPANY WITH MR. SAMRAT GUPTA TOWARDS HIS APPOINTMENT AND REMUNERATION**

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

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“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with Schedule V to the Act (including any amendment or re-enactment thereto) and recommendation of the Nomination and Remuneration Committee of Board at its meeting held on April 30, 2021, the approval of members be and is hereby accorded to the Company to pay 5% additional performance incentive i.e., Rs.7.53 Lakhs to Mr. Samrat Gupta, Managing Director & CEO for F.Y. 2020-21, in accordance with the Company’s policy applicable to all other employees.”

“RESOLVED FURTHER THAT pursuant to recommendation of the Nomination and Remuneration Committee of Board at its meetings held on November 13, 2020 and April 30, 2021 and subject to the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013, the consent of the members be and is hereby accorded:

- For payment of Long Term Incentive to Mr. Samrat Gupta as per 3 years’ scheme approved by Nominations and Remuneration Committee from FY 20-21 up to FY 22-23 as under:
 - o Samrat Gupta is eligible for 15% of the LTIP pool. The LTIP amount for Samrat Gupta over 3 years would range between Rs.167.88 lakhs at 85% achievement to Rs.1036.88 lakhs at 105% achievement subject to achievement of LTIP parameters laid down and payouts approved by Nominations and Remuneration Committee from time to time.
 - o The LTIP pool will be decided on a year-to-year basis based on following thresholds on achievement of PBT –
 - 1% of PBT if PBT achievement is between 85-94.99% of the budget
 - 4% of PBT if PBT achievement is between 95%-104.99% of the budget
 - 5% of PBT if PBT achievement is 105% or above of the budget with the pay-out restricted to 5% of 105% of budget PBT
 - o The pay-out will be deferred pay-out as follows –

Payout for	FY 20-21	FY 21-22	FY 22-23
Year 1 LTIP	50%	25%	25%
Year 2 LTIP	NA	50%	50%
Year 3 LTIP	NA	NA	100%

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“**RESOLVED FURTHER THAT** consent of the members be and is hereby accorded for ratification of the payment of 50% of Rs.192.01 Lakhs (i.e., 96.01 lacs paid in July, 2021, based on achievement of 105% of the PBT as per the approved scheme), to Mr. Samrat Gupta, Managing Director & CEO as year-1 pay-out for Long Term Incentive in accordance with the Company’s LTIP policy applicable to select employees.”

“**RESOLVED FURTHER THAT** pursuant to recommendation of the Nomination and Remuneration Committee and Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013, consent of the members be and is hereby accorded for amending the clause 4 and 5 of an agreement dated August 15, 2020 executed between the Company and Mr. Samrat Gupta for his appointment as Managing Director & CEO and to execute addendum to the aforesaid agreement effective from April 01, 2021 for the following changes:

4. Remuneration

- 4.1 So long as the Managing Director & Chief Executive Officer performs his duties and conforms to the terms and conditions contained in this Agreement, he shall, subject to such approvals as may be required, be entitled to the following remuneration subject to deduction at source of all applicable taxes in accordance with the laws for the time being in force. The annual increments which will be effective 1st April each year/ or as may be decided by Nomination and Remuneration Committee of the Company, will be decided by the Board and will be merit-based and take into account the Company’s performance as well.
- I. **Fixed CTC:** The Managing Director & Chief Executive Officer will be entitled to a Fixed CTC of Rs. Rs.21,19,864/- (Rupees Twenty-One Lakhs Nineteen Thousand Eight Hundred and Sixty-Four only) per month.
 - a. **Basic Salary:** The Managing Director & Chief Executive Officer will be entitled to a Basic Salary of 7,21,576/- (Rupees Seven Lakhs Twenty-One Thousand Five Hundred and Seventy-six only) per month.
 - b. **Benefits, Perquisites, and Allowances and Retirals:** In addition to the basic salary referred to in (a) above, the Managing Director & Chief Executive Officer shall be entitled to:

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- 1) Rent-free residential accommodation (furnished or otherwise) the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

House Rent, House Maintenance and Utility Allowances aggregating 70% of the basic salary. *(in case residential accommodation is not provided by the Company)*

- 2) Car Perquisite / Car Allowance: The Managing Director & Chief Executive Officer shall be entitled for one/ two cars perquisites with total ex-showroom price, Mumbai worth not exceeding Rs. 37,50,000/- (Rupees Thirty-seven lakhs fifty thousand only). In the event the Managing Director & Chief Executive Officer does not avail the facility of a car(s), he will be entitled to a monthly Car Allowance of Rs. 62,500/- (calculated on the basis of perquisite car value spread over a period of five years as per present TMF Perquisite Car policy).
- 3) The Managing Director & Chief Executive Officer shall be entitled to following perquisites, allowances and retiral benefits:
 - Grade Allowance at 20% of basic salary
 - Superannuation Allowance at 15% of basic salary
 - Leave Travel Allowance (LTA) of 8.33% of annual basic salary and will be paid as per the prevailing LTA policy
 - Fuel Allowance of Rs. 13,500 /- (Rupees Thirteen Thousand and Five Hundred only)
 - Driver's Salary & Bonus of Rs. 16,250 /- (Rupees Sixteen Thousand Two Hundred and Fifty only)
 - Housing Loan Subsidy of Rs. 13,333 /- (Rupees Thirteen Thousand Three Hundred and Thirty-Three only)
 - Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company
- 4) Composite allowance would be Fixed CTC minus amounts stated under clauses 4.1(I.a), 4.1(I.b.1), 4.1(I.b.2) and 4.1(I.b.3) above.

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II. Other Benefits:

- a. Club Membership: The Managing Director & Chief Executive Officer shall be entitled to a Club Membership as per the rules of the Company;
- b. Hospitalization and medical expenses for self, spouse and dependent children as per Group Medical Insurance Policy of the Company;
- c. Telecommunication facilities including broadband, internet and fax;
- d. Company Car maintenance and insurance as per policy of the Company.
- e. Housing Loan as per the Rules of the Company.
- f. Privilege Leave earned but not availed by the Managing Director & Chief Executive Officer is en-cashable in accordance with the Rules of the Company.

III. Commission: Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 197 read with rules made there under and Schedule V of the of the Companies Act, 2013. The specific amount payable to the Managing Director & Chief Executive Officer will be based on performance as evaluated by the Board or a Committee thereof duly authorized in this behalf and will be payable annually after the Annual Accounts have been approved by the Board.

IV. Incentive Remuneration: Such incentive remuneration not exceeding 200% of basic salary to be paid at the discretion of the Board annually, based on certain performance criteria and such other parameters as may be considered appropriate from time to time. However, the Nomination and Remuneration Committee of the Board may prescribe for such higher incentive to Managing Director & Chief Executive Officer in accordance with the Company's policy applicable to all other employees. Mr. Samrat Gupta is also eligible for annual incentive remuneration/ performance linked bonus as per NRC approved Long Term Incentive Plan (LTIP) payable to select employees and NRC shall take decision on its continuation/ revision from time to time.

“RESOLVED FURTHER THAT the Board of Directors/ Nomination and Remuneration Committee be and is hereby authorized to amend any terms/ clause/ clauses of the said Managing Director's agreement as and when required in mutual consultation with Mr. Samrat Gupta within the statutory provisions of the Companies Act, 2013 and other law as applicable from time to time.”

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“RESOLVED FURTHER THAT the Board of Directors or a Committee thereof of the Company, and Mr. Vinay Lavannis, Company Secretary be and are hereby authorised to take such steps as may be necessary, proper and expedient to give effect to this Resolution.”



For TATA MOTORS FINANCE LIMITED

VINAY LAVANNIS
Company Secretary
Membership No.: A7911

Address:

TATA MOTORS FINANCE LIMITED

CIN: U45200MH1989PLC050444

14, 4TH Floor, Sir H.C. Dinshaw Building 16,
Horniman Circle, Fort Mumbai

Tel: 91 22 61815400/ Fax: 91 22 6181 5700

E-mail: vinay.lavannis@tmf.co.in

Web: www.tmf.co.in

Date: 25/08/2021

Place: Mumbai

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NOTES:

1. The said Annual General Meeting (AGM) is proposed to be held on shorter notice and relevant consent as required u/s 101 (1) of the Companies Act, 2013 have been obtained for holding the AGM on shorter notice.
2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 20/2020 dated 05.05.2020 read with General Circular No. 14/2020 dated 08.04.2020 and General Circular No. 17/2020 dated 13.04.2020 has permitted and issued procedural guidelines in respect of holding of Annual General Meeting /Extra Ordinary general meetings through video conferencing (VC) or other audio visual means (OAVM) without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013 and MCA Circulars, the AGM of the Company is being held through Video Conference (VC) via Microsoft Teams on Tuesday, August 31, 2021 at 11.15 a.m. (IST).
3. **PURSUANT TO THE PROVISIONS OF THE COMPANIES ACT, 2013, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE, THIS ANNUAL GENERAL MEETING (AGM) WILL BE HELD PURSUANT TO THE MCA CIRCULARS THROUGH VIDEO CONFERENCING FACILITY, PHYSICAL PRESENCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY OF APPOINTMENT OF PROXIES BY MEMBERS WILL NOT BE AVAILABLE FOR THIS MEETING. HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.**
4. The attendance of the members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In pursuance of Section 113 of the Companies Act, 2013, Corporate members intending to appoint their authorized representatives to attend and to vote at this AGM are requested to send a certified true copy (PDF Format) of their Board/ Governing Body Resolution/Authorization, etc., to the Company. The said resolution/ authorization can be send to the Company addressing Mr. Vinay Lavannis, Company Secretary at e-mail: vinay.lavannis@tmf.co.in.
6. A Statement pursuant to section 102 of the Companies Act, 2013 ("the Act") relating to the special business to be transacted at the meeting is annexed hereunder and forms part of the Notice.

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7. Since, the Company is not required to conduct e-voting, the voting at the meeting shall be conducted through show of hands, unless demand for a poll is made by any member in accordance with Section 109 of the Act. In case of a poll on any resolution at the AGM, members are requested to convey their vote by e-mail at vinay.lavannis@tmf.co.in.
8. All relevant documents referred to in this Notice requiring the approval of the members at the meeting shall be made available for inspection in case of any request from the members. The said request for inspection of documents can be send to Mr. Vinay Lavannis, Company Secretary at vinay.lavannis@tmf.co.in.
9. During this AGM, members may access the electronic copy of The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, by writing to the Company on vinay.lavannis@tmf.co.in.
10. Preference Shareholders are requested to note that they can attend the meeting but they cannot vote on any resolution except to the extent contemplated in Section 47 of the Companies Act, 2013.
11. The Board of Directors, at its meeting held on April 30, 2021 had recommended dividend on Cumulative Compulsorily Convertible Preference Shares (CCPS) of
 - a) Rs 8.2 per CCPS of Rs 100 each for 2,25,00,000 CCPS (8.2 %) (ISIN: INE601U03011);
 - b) Rs 8.2 per CCPS of Rs 100 each for 1,50,00,000 CCPS (8.2 %) (ISIN: INE601U03029);
 - c) Rs. 10/- per CCPS of Rs. 100/- each (10%) for 1,85,00,000 Non-Cumulative CCPS (ISIN: INE601U03045); and
 - d) Rs. 10 per CCPS of Rs. 100 each for 1,63,00,000 (10%) (ISIN: INE601U03037)
12. The Board members had declared final dividend of Rs. 6.05 per Equity share on 6,08,27,689 Equity shares which would be paid to shareholders whose names appears as beneficial owners as on June 25, 2021.
13. The final dividend for the financial year ended 31st March, 2021, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid to those members whose names appear on the Register of Members as on record date i.e. June 25, 2021.

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14. The Notice is being sent to all the members whose names appeared in the Register of Members as on the close of business hours on Friday, June 25, 2021.
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report for the FY 2020-201 is being sent by electronic mode to those members whose email addresses are registered with the Company/Depositories Participant(s)/ Registrar & Transfer Agent.
16. Considering the current situation of Lockdown across the county due to COVID-19 Pandemic, physical copies of the aforementioned documents could not be send. Hence, members who have not registered their email lds so far, are requested to register their email ids for receiving all communications including Annual Report, Notices, etc., from the Company electronically.

The copy of this notice shall be displayed on the website of the Company i.e. www.tmf.co.in. Further, in pursuance of MCA circular No. 14/2020, the recorded transcript of the said meeting shall also be made available on the website of the Company after the conclusion of the meeting.



For TATA MOTORS FINANCE LIMITED

VINAY LAVANNIS
Company Secretary
Membership No.: A7911

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EXPLANATORY STATEMENT

The following Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 (“Act”) sets out all material facts relating to the special business of the accompanying Notice dated August 25, 2021:

ITEM NO. 4:

REGULARIZATION OF APPOINTMENT OF MS. VARSHA VASANT PURANDARE (DIN: 05288076) AS AN INDEPENDENT DIRECTOR

The Board of Directors of the Company based on the recommendations of the Nominations and Remuneration Committee, vide Circular Resolution dated June 16, 2021 had appointed **Ms. Varsha Vasant Purandare (DIN: 05288076)** as an Independent, Additional Director of the Company for a term of 5 (Five) years, which was effective from June 16, 2021.

Profile of Ms. Varsha Vasant Purandare:

Ms. Varsha Vasant Purandare, holds a Bachelor’s degree in Science (Chemistry) and has a Diploma in Business Management.

Ms. Varsha Purandare, has varied experience of 36 years in the areas of Credit, Forex, Risk, Treasury, Capital Markets, Investment Banking and Private Equity.

Ms. Purandare was the Managing Director and Chief Executive Officer of SBI Capital Markets Limited (“SBI Caps”) from November 2015 upto December 2018, where she was overall in-charge of SBI Caps and its five subsidiaries, covering investment banking and encompassing Equity Capital Markets, Debt Markets, Private Equity, Institutional & Retail Broking, Trustee & Foreign Subsidiaries. Prior to this, Ms. Purandare was the Deputy Managing Director and Chief Credit and Risk Officer of State Bank of India (“SBI”), where she headed the highest Credit Committee and was in-charge of the overall credit function.

Besides the above, Ms. Purandare has held several positions in SBI, in India and abroad.

Ms. Varsha Vasant Purandare has given a declaration to the Board that she meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Ms. Varsha Purandare fulfills the conditions specified in the Act and the Rules made there under for appointment as an Independent Directors and she is independent of the management.

Other details of Director seeking appointment at the forthcoming Annual General Meeting Information as required under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is given hereunder:

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Name of Director	Ms. Varsha Vasant Purandare		
DIN	05288076		
Date of Birth/ Age	December 07, 1958; 62 Years		
A brief resume, Qualification(s), Experience and Nature of her expertise in specific functional areas, Recognition or awards	As mentioned in explanatory statement above		
Details of remuneration sought to be paid	Sitting Fees and Commission (if any), as may be declared by the Board from time to time.		
Details of the remuneration last drawn by such person (FY 2020-21)	Nil		
Date of first appointment on the Board	June 16, 2021		
Shareholding in the Company	Nil		
Relationship with other Directors, Manager and other Key Managerial Personnel	None		
The number of Meetings of the Board attended during FY 2020-21	Not applicable since the appointment is effective June 16, 2021.		
Other Directorships	Sr. No	Name Of Companies	Designation
	1	Deepak Fertilisers and Petrochemicals Corporation Ltd	Independent Additional Director
	2	Orient Cement Limited	Independent Director

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	3	Shaily Engineering Plastics Limited	Independent Director
	4	The Federal Bank Ltd	Independent Additional Director
	5	Tata Cleantech Capital Limited	Independent Director
	6	Tata Capital Limited	Independent Director
	7	Tata Capital Financial Services Limited	Independent Director
	8	Legal Entity Identifier India Limited	Director

Membership / Chairmanship of Committees of other Board	Sr. No.	Company	Name of Committees of which a Chairperson	Name of Committee of which a member
	1.	Deepak Fertilisers And Petrochemicals Corporation Ltd	Nil	Nil
	2.	Orient Cement Limited	Stakeholders Relationship Committee	1. Audit Committee 2. Nomination & Remuneration Committee 3. Risk Management Committee
	3.	Shaily Engineering Plastics Limited	Stakeholders Relationship Committee	Audit Committee
	4.	The Federal Bank Ltd	-	1. Credit Committee 2. Investment and Raising Capital Committee 3. Information Technology and operations committee and Customer Service 4. Marketing Strategy and Digital

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					Banking Committee
	5.	Tata Cleantech Capital Limited	<ol style="list-style-type: none"> 1. Risk Management Committee 2. Finance and Asset Liability Supervisory Committee 3. Investment Credit Committee 4. Corporate Social Responsibility 5. Asset Purchase Committee 6. Referral Committee 	<ol style="list-style-type: none"> 1. Audit Committee 2. Nomination and Remuneration Committee 3. Information Technology Strategy Committee 	
	6	Tata Capital Limited	<ol style="list-style-type: none"> 1. Audit Committee 2. Nomination and Remuneration Committee 	<ol style="list-style-type: none"> 1. Risk Management Committee 2. Finance and Asset Liability Supervisory Committee 3. Information Technology Strategy Committee 	
	7	Tata Capital Financial Services Limited	<ol style="list-style-type: none"> 1. Risk Management Committee 2. Finance and Asset Liability Supervisory Committee 3. Investment Credit Committee 4. Information Technology 	<ol style="list-style-type: none"> 1. Audit Committee 2. Nomination and Remuneration Committee 3. Corporate Social Responsibility Committee 	

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				Strategy Committee		
		8	Legal Entity Identifier India Limited	Nil	Nil	

Therefore, approval of the shareholders is sought by way of an Ordinary resolution for the appointment of Ms. Varsha Purandare as an Independent Director of the Company for a period of 5 years commencing from June 16, 2021.

None of other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Items No. 4, except for Ms. Varsha Vasant Purandare.

ITEM NO. 5:

APPROVAL FOR PERFORMANCE INCENTIVE/ LONG TERM INCENTIVE PAYOUT (LTIP) PAYABLE TO MR. SAMRAT GUPTA, MANAGING DIRECTOR & CEO AND AMENDMENT IN AGREEMENT EXECUTED BY THE COMPANY WITH MR. SAMRAT GUPTA TOWARDS HIS APPOINTMENT AND REMUNERATION:

Mr. Samrat Gupta has been appointed as Managing Director & CEO of Tata Motors Finance Limited w.e.f June 17, 2020 and an agreement in this regard was executed on August 15, 2020 which was subsequently approved by the shareholders at their Annual General Meeting held on September 21, 2020.

Mr. Samrat Gupta, Managing Director is entitled for performance incentives for FY 2020-21 not exceeding 200% of his last drawn basic salary i.e. Rs.1.51 Crore as per agreement. The nomination and remuneration committee of the Board had approved 1.05 multiplier (105 %) for the bonus payout for the F.Y. 2020-21 which was extended to every employee of the Company. Therefore, it is proposed to take shareholder's approval by way of Special resolution to pay Rs. 7.53 Lakhs as an additional 5% performance incentive/ bonus (i.e., 5% of Rs.150.59 Lakhs) for FY 2020-21 payable to Mr. Samrat Gupta within the provision of the Companies Act, 2013 and rules made thereunder.

It is also proposed to amend incentive clause of the said agreement to enable the Company to pay such higher incentive to Managing Director based on certain performance parameters which may be formulated and deem appropriate from time to time and shall be applicable for every employee of the Company with the approval of Nomination and Remuneration Committee.

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The shareholders are requested to note that Company has introduced the Long Term Incentive Plan (LTIP) scheme depending upon the achievement of certain performance threshold of the Company i.e. PBT, AUM, GNPA % and Direct Assignment payable to certain eligible employees as identified by Nomination & Remuneration Committee. However, this scheme was introduced after Mr. Samrat Gupta had signed MD Agreement with TMFL. Hence managerial remuneration as approved by shareholders does not include the LTIP amount and the said agreement does not have any provision relating to aforesaid scheme. Hence, it is proposed to amend the MD agreement to include the provision relating to Long Term Incentive Plan (LTIP) payable to Mr. Samrat Gupta.

The current Long term incentive approved by NRC at its meeting held on November 13, 2020 to Mr. Gupta is as under:

- Samrat Gupta is eligible for 15% of the LTIP pool. The LTIP amount for Samrat Gupta over 3 years would range between Rs.167.88 lakhs at 85% achievement to Rs.1036.88 lakhs at 105% achievement subject to achievement of LTIP parameters laid down and payouts approved by Nominations and Remuneration Committee from time to time.
- The LTIP pool will be decided on a year-to-year basis based on following thresholds on achievement of PBT –
 - 1% of PBT if PBT achievement is between 85-94.99% of the budget
 - 4% of PBT if PBT achievement is between 95%-104.99% of the budget
 - 5% of PBT if PBT achievement is 105% or above of the budget with the pay-out restricted to 5% of 105% of budget PBT

The pay-out will be deferred pay-out as follows –

Payout for	FY 20-21	FY 21-22	FY 22-23
Year 1 LTIP	50%	25%	25%
Year 2 LTIP	NA	50%	50%
Year 3 LTIP	NA	NA	100%

Based on achievement of threshold performance on the identified parameters, the Nomination and Remuneration Committee of the Board at its meeting held on April 30, 2021 has approved payment of 50% of the 1st year amount of Rs. 192.01 Lakhs as LTIP amount to Mr. Samrat Gupta, Managing Director & CEO. This is based on achievement of 105% PBT as well as other applicable parameters for FY 20-21. Therefore, the approval / ratification of the shareholders is sought for the payment of Rs. 96.01 Lakhs as 1st year LTIP amount to

TATA MOTORS FINANCE LIMITED



Mr. Samrat Gupta, Managing Director & CEO as per Long Term Incentive Payout Policy of the Company in July 2021.

The shareholders are further requested to note that Nomination and Remuneration Committee (NRC) at its meeting held on 30th April 2021 had approved a 15% increment for Mr. Samrat Gupta on his Fixed CTC. As per company's policy, increment for Fixed CTC is distributed amongst all variable components in proportion to Basic Salary. However, when Mr. Samrat Gupta's agreement was executed, few of the variable components (example: Superannuation Allowance) were inadvertently mentioned as absolute amounts instead of stating them as a % of Basic Salary which would result in a disproportionate increase in Basic Salary contrary to what has been adopted for all other employees. Therefore, his agreement to be modified in line with company's policy and 15% increment be applied to all his salary components.

It is further proposed to give authority to Board of Directors and Nomination & Remuneration Committee to amend any clause/ clauses of Managing Director's agreement that may need to be amended in future in mutual consultation with Mr. Samrat Gupta within the statutory provisions of the Companies Act, 2013 and other applicable laws.

Therefore, in light of above explanation, it is proposed to seek shareholders' approval by way of a Special Resolution for following changes:

- i. To pay Rs. 7.53 Lakhs as additional 5 % performance incentive/ bonus accrued for the F.Y. 2020-21 payable in F.Y. 2021-22 to Mr. Samrat Gupta within the provision of the Companies Act, 2013.
- ii. To approve Long term incentive scheme as mentioned above and the payment of 50 % of Rs. 192.01 Lakhs to Mr. Samrat Gupta towards 1st tranche of LTIP amount as per Long Term Incentive Payout scheme approved by NRC and ratification of payment of Rs. 96.01 Lakhs paid to him in July 2021.
- iii. To amend clause 4.1 of MD agreement dated August 15, 2020 for the appointment and remuneration of Mr. Samrat Gupta as Managing Director and CEO of the Company by executing addendum/ supplementary agreement effective from April 01,2021.
- iv. To authorize Board of Directors/ Nomination and Remuneration Committee to amend any clause/ clauses of MD agreement on going forward in mutual consultation with Mr. Samrat Gupta within the provisions of the Companies Act, 2013 or other applicable laws

TATA MOTORS FINANCE LIMITED



Except for Mr. Samrat Gupta, none of the Directors, Key Managerial Personnel's and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.



For TATA MOTORS FINANCE LIMITED

VINAY LAVANNIS
Company Secretary
Membership No.: A7911

Address:

TATA MOTORS FINANCE LIMITED

CIN: U45200MH1989PLC050444

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E-mail: vinay.lavannis@tmf.co.in

Web: www.tmf.co.in

Date: 25/08/2021

Place: Mumbai

TATA MOTORS FINANCE LIMITED

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