

TATA MOTORS FINANCE LIMITED

32nd ANNUAL GENERAL MEETING
Tuesday, August 31, 2021 at 11.15 A.M to 11.30 A.M

AGM Transcript

Mr. Nasser Munjee, Chairman welcomed all the shareholder and participants at 32nd Annual General Meeting (F.Y. 2020-21) of Tata Motors Finance Limited and requested Mr. Vinay Lavannis, Company Secretary to commence the proceedings of the meeting.

Vinay Lavannis, Company Secretary commenced the meeting:

Good Morning Shareholders/ Other Participants

It is a pleasure to be with you for 32nd Annual General Meeting (F.Y. 2020-21) of Tata Motors Finance Limited which is being held through video conference as per Statutory guidelines. Your Company has taken all the requisite steps to enable members to participate and vote on the items being considered at this AGM.

We have received representation letter as per Section 113 of Companies Act, 2013 from TMF Holdings Limited, holding 97 % Equity shareholding in the Company to appoint Ms. Ridhi Gangar as their authorized representative

We have also received representation letter as per Section 113 of Companies Act, 2013 from Tata Motors Finance Solutions Limited, holding 3 % of Equity shareholding in the Company, to appoint Mr. Amit Mittal as their authorized representative for the meeting.

May I request Ms. Ridhi Gangar, Authorized representative of TMF Holding Limited and Mr. Amit Mittal, Authorized representative of Tata Motors Finance Solutions Ltd; Mr. P. B. Balaji, Mr. Shyam Mani, Mr. Samrat Gupta, Mr. Alok Chadha, Mr. Anand Bang, Mr. Rohit Sarada, joint members along with TMF Holdings Ltd. to confirm their presence (Name and their location).

May I further request Mrs. Vedika Bhandarkar, Chairperson of Audit Committee, NRC & CSR; and Mr. P. S. Jayakumar, Chairman of Risk Management Committee, ALCO & Stakeholder Relationship Committee and Ms. Varsha Purandare, Independent Director to confirm their presence (Name and their location).

I wish to inform that Mr. Suhas Ganpule, Secretarial Auditor and Mr. Sameer Mota, representative of M/s B S R & Co. LLP, Statutory Auditors are also present in the meeting as per Statutory requirements.

Commencement of proceedings:

Mr. Vinay Lavannis, Company Secretary:

Since, the requisite quorum is there, I would now like to give general instructions to all the members regarding participation in the meeting.

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Dear Members,

- Members attending the meeting are requested present throughout the meeting to ensure quorum.
- Voting will be by way of show of hands.
- The members can pose their questions/ views/ suggestions during Question & Answer session.
- The statutory registers including Register of Directors and the Register of Contracts or Arrangements are available electronically for inspection by the members during this AGM along with all other documents referred in the AGM Notice. Members seeking to inspect such documents may mail such requests to me at vinay.lavannis@tmf.co.in.
- This meeting would be recorded for the statutory purposes. I request all the participants of the Meeting to keep their videos on during the meeting, in order to facilitate proper recording. Recorded transcript of this AGM shall be maintained, and it will remain in the safe custody of the Company.

I would like to now request Ms. Ridhi Gangar, CFO to make a presentation on Performance of the Company during the F.Y. 2020-21.

Ms. Ridhi Gangar:

The key highlights of the performance of the Company are as under:

- Disbursements in F.Y. 2020-21 was decreased to Rs. 10,791 Crores against disbursement of Rs. 12,451 Crores in F.Y. 2019-20.
- IRR increased by 30 bps from 12.0% in F.Y. 2019-20 to 12.30 % in F.Y. 2020-21
- AUM was Rs. 35,671 Crores in F.Y. 2020-21 against Rs. 31,518 Crores in F.Y. 2019-20
- GNPA was reduced by -28 bps in F.Y. 2020-21 which was 5.6 % against 5.9 % in F.Y.2019-20.
- Debt to Equity ratio was 6 times in F.Y. 2020-21 against 7.5 times in F.Y. 2019-20.
- Cost to Income ratio was 39% in FY 20-21 whereas in it was 54% in FY 2019-20.
- Total Income of the Company for the F.Y. 2020-21 was Rs. 4,024 Crores as compared to Rs. 3,852 Crores in F.Y. 2019-20.
- The Company reported profit after tax of Rs. 250 crores in FY 2020-21 as compared to profit after tax of Rs. 59 crores in FY 2019-20.
- Net Worth of the Company was Rs. 4,481 crores in FY 2020-21 as compared to Rs. 3,367 Crores in FY 2019-20.
- CRAR was at 19.4% in F.Y. 2020-21 against 16.8% in F.Y. 2019-20.

Thank You, Over to Mr. Lavannis.

Mr. Vinay Lavannis:

With members' permission, since the Notice has already been circulated, with the permission of members, I take the same as read.

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Now I would like to move ahead with Agenda items for discussion and vote as set out in the Notice.

RESOLUTION NO: 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

I wish to inform that the Statutory Auditors- B S R & Co. LLP has expressed unqualified opinion in their audit report for the financial year 2020-21. There were no qualifications, observations and adverse remarks in the auditors' report on the financial statements for the year ending March 31, 2021 and on matters which has any material bearing on the functioning of the Company.

Therefore, with your permission, I take the Auditors Report as read.

Ordinary Resolution:

"RESOLVED THAT the Audited Statement of Profit & Loss for the year ended March 31, 2021 and the Balance Sheet as at that date, together with the Directors' Report and the Auditors' Report thereon and statement of changes in equity, submitted to the meeting be and are hereby adopted."

Before I put the resolution to vote, I invite any queries from the shareholders.

As there are no queries, May I request any member to kindly propose the resolution.....

Vinay Lavannis joint member with TMF Holdings Ltd. **(Proposed)**

Alok Chadha, joint member with TMF Holdings Ltd. **seconded** this resolution.

The Resolution has been proposed by Mr. Vinay Lavannis and seconded by Mr. Alok Chadha.

I now put the Resolution at Item No. 1 of the Notice to vote, on a show of hands, as an Ordinary Resolution:

THOSE IN FAVOUR, please raise your hands.

THOSE AGAINST, please raise your hands.

Resolution passed unanimously.

RESOLUTION NO: 2

TO DECLARE A FINAL DIVIDEND ON PREFERENCE SHARES (CCPS) AND EQUITY SHARES OF THE COMPANY FOR F.Y. 2020-21

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Ordinary Resolution:

“RESOLVED THAT final dividend 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)

aggregating to Rs. 65,55,00,000/- (Sixty-Five Crores Fifty-Five Lakhs only) for the financial year ending on March 31, 2021 as recommended by the Board, be and is hereby declared which shall be paid to all the CCPS Holders/ beneficial owners in respect of shares held in electronic form as per the data made available by the Depositories as at the close of business hours on June 25, 2021.”

RESOLVED FURTHER THAT final dividend of Rs. 6.05/- per Equity Share for 6,08,27,689 Equity Shares of Rs. 100/- each (6.05 %) aggregating to Rs.36,80,07,519/- (Rupees Thirty-Six Crores Eighty Lakhs Seven Thousand Five Hundred Nineteen only) the financial year ending on March 31, 2021 as recommended by the Board, be and is hereby declared which shall be paid to all the CCPS Holders/ beneficial owners in respect of shares held in electronic form as per the data made available by the Depositories as at the close of business hours on June 25, 2021.”

May I request members to kindly propose the resolution.....

Mr. Amit Mittal, Authorized Representative of Tata Motors Finance Solutions Limited (**Proposed**)

May I request members to second the resolution.

Ms. Ridhi Gangar, Authorized Representative of TMF Holdings Limited (**Seconded**)

The Resolution has been proposed by Mr. Amit Mittal and seconded by Ms. Ridhi Gangar.

I now put the Resolution at Item No. 2 of the Notice to vote as an Ordinary Resolution:

THOSE IN FAVOUR, please raise your hands.

THOSE AGAINST, please raise your hands.

Resolution passed unanimously.

RESOLUTION NO. 3:

Mr. Shyam Mani, Non-Executive Director, being interested in the next agenda item no. 3, did not participate for this item and meeting was resumed after ascertaining the quorum.

TO APPOINT A DIRECTOR IN PLACE OF MR. SHYAM MANI (DIN: 00273598) WHO RETIRES BY ROTATION AND WHO IS ELIGIBLE FOR RE-APPOINTMENT

Ordinary Resolution:

“RESOLVED THAT Mr. Shyam Mani (DIN: 00273598), who retires by rotation and being eligible has offered himself for re-appointment be and is hereby re-appointed a Director of the Company.”

I, Vinay Lavannis, joint member with TMF Holdings Ltd. propose this resolution.

May I request members to second the resolution.

Mr. Amit Mittal, joint member with TMF Holdings Ltd. **(Seconded)**

The Resolution has been proposed by Mr. Vinay Lavannis and seconded by Mr. Amit Mittal.

I now put the Resolution No. 3 of the Notice to vote as an Ordinary Resolution:

THOSE IN FAVOUR, please raise your hands.

THOSE AGAINST, please raise your hands.

Resolution passed unanimously.

Mr. Shyam Mani resumed the meeting after discussion and voting on item no. 3 was done.

RESOLUTION NO. 4:

Ms. Varsha Purandare, Independent Director, being interested in the next agenda item no.4, she did not participate in discussion of item no. 4 and resumed the meeting after voting on item no.4.

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

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.”

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May I request members to kindly propose the resolution.....

Mr. Amit Mittal, Authorized Representative of Tata Motors Finance Solutions Limited **(Proposed)**

May I request members to second the resolution.

Ms. Ridhi Gangar, Authorized Representative of TMF Holdings Limited **(Seconded)**

The Resolution has been proposed by Mr. Amit Mittal and seconded by Ms. Ridhi Gangar.

I now put the Resolution No. 4 of the Notice to vote as Special Resolution:

THOSE IN FAVOUR, please raise your hands.

THOSE AGAINST, please raise your hands.

Resolution passed unanimously.

Ms. Varsha Purandare, resumed the meeting after discussion and voting on item no. 4 was done.

RESOLUTION NO.5:

Mr. Samrat Gupta, Managing Director & CEO, being interested in the next agenda item no.5, he will not participate in discussion of item no. 5 and will resume the meeting after voting on item no.5.

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

Special Resolution:

“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:

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- 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%

“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

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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:
 - 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

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- 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.

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

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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.”

“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.”

May I request members to kindly propose the resolution.....

I, Vinay Lavannis, joint member with TMF Holdings Ltd. propose this resolution.

May I request members to second the resolution.

Mr. Amit Mittal, joint member with TMF Holdings Ltd. **(Seconded)**

The Resolution has been proposed by Mr. Vinay Lavannis and seconded by Mr. Amit Mittal.

I now put the Resolution at Item No. 5 of the Notice to vote as Special Resolution:

THOSE IN FAVOUR, please raise your hands.

THOSE AGAINST, please raise your hands.

Resolution passed unanimously.

Mr. Vinay Lavannis, Company Secretary:

I declare that all the Five (5) resolutions, as set forth in the Notice, have been approved by the members through voting by show of hands and are passed with requisite majority at this meeting. Further, I declare that requisite quorum was present throughout the meeting.

We are grateful to our shareholders for attending 32nd Annual General Meeting (F.Y. 2020-21) by video conferencing and I hereby declare 32nd AGM as closed.

Thank you very much for your kind co-operation.