

**TATA CAPITAL LIMITED**

**Registered Office:** 11<sup>th</sup> Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013  
CIN:U65990MH1991PLC060670

Telephone: (022) 6606 9000 • Fax: (022) 6656 2699 • Website: [www.tatacapital.com](http://www.tatacapital.com)

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE TWENTY NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF TATA CAPITAL LIMITED** will be held on Tuesday, September 8, 2020 at 3.00 p.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Report of the Auditors thereon.
3. To confirm the payment of Interim Dividend on the Cumulative Redeemable Preference Shares for the Financial Year ended March 31, 2020.
4. To appoint a Director in place of Ms. Aarthi Subramanian (DIN: 07121802), who retires by rotation and, being eligible, offers herself for re-appointment.

**Special Business:**

5. **Payment of Commission to Non-Executive (Non-Independent and Independent) Directors of the Company**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“**RESOLVED** that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), as amended from time to time, the consent of the Members of the Company be and is hereby accorded for the payment of remuneration, in addition to the sitting fees being paid / payable for attending the meetings of the Board of Directors and its Committees thereof, by way of commission or otherwise, not exceeding in aggregate of one percent per annum of the Net Profits of the Company calculated in accordance with the provisions of Section 198 of the Act for each corresponding Financial Year, to be paid to and distributed amongst the Non-Executive Directors of the Company or some or any of them (other than the Managing Director and Whole-time Director, if any) in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors [hereinafter referred to as the “Board”, which term shall include the Nomination and Remuneration Committee and / or any other Committee constituted by the Board for this purpose from time to time] and such payments shall be made in respect of the profits of the Company for each year, for a period of five years, commencing from Financial Year 2020-21 to Financial Year 2024-25.”

6. **Terms of Remuneration of Mr. Rajiv Sabharwal, Managing Director & CEO of the Company**

“**RESOLVED** that pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (“Act”) and the applicable Rules framed there under (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act, as amended from time to time, the consent of the Company be and is hereby accorded for payment of remuneration to Mr. Rajiv Sabharwal (DIN: 00057333), Managing Director & CEO of the Company, in the event of loss or inadequacy of profits in any financial year for the remainder of his term as Managing Director & CEO i.e. for a period commencing from April 1, 2021 and ending on March 31, 2023, and as detailed in the Explanatory Statement attached hereto, with authority to the Board of Directors or the Nomination and Remuneration Committee to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed to between the Board of Directors and Mr. Sabharwal.”

“**RESOLVED FURTHER** that except as mentioned above, the Special Resolution passed by the Members at the Extraordinary General Meeting of the Company held on March 29, 2018 appointing Mr. Rajiv Sabharwal as Managing Director & CEO of the Company, for a period of five years with effect from April 1, 2018, shall remain in full force and effect.”

“**RESOLVED FURTHER** that the Board, be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

By Order of the Board of Directors  
For **Tata Capital Limited**

**Avan K. Doomasia**  
Company Secretary

Mumbai, August 10, 2020

**Registered Office:**

11<sup>th</sup> Floor, Tower A, Peninsula Business Park,  
Ganpatrao Kadam Marg,  
Lower Parel, Mumbai 400 013

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the Businesses set out at Item Nos. 5 and 6 above, is annexed hereto. Additional information, pursuant to Secretarial Standard – 2 i.e. Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Ms. Aarthi Subramanian, Director seeking re-appointment at the Annual General Meeting (“AGM”), is furnished as a part of this Notice.
2. In view of the massive outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, the Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 20/2020 dated May 5, 2020 read with Circular No.14/2020 dated April 8, 2020 and Circular No.17/2020 dated April 13, 2020 (collectively referred to as MCA Circulars), permitted the holding of the AGM through VC / OAVM, without the physical presence of the Members at a common venue. The deemed venue for the AGM will be 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013.
3. In compliance with the applicable provisions of the Act read with aforesaid MCA Circulars the Twenty Ninth AGM of the Company is being held through VC / OAVM.
4. Pursuant to the provisions of the Act, 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 AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF Format) of its Board or Governing body Resolution / Authorization etc., with attested specimen signature of the duly authorised signatory(ies), authorizing its representative to attend this AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [cs@parikhassociates.com](mailto:cs@parikhassociates.com) with a copy marked to [investors@tatacapital.com](mailto:investors@tatacapital.com).
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
7. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more

shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

8. The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
10. The relevant Registers and all other documents referred to in this Notice will be available for inspection by the Members. The Members can send a request to the Company at [investors@tatacapital.com](mailto:investors@tatacapital.com) to inspect the same.
11. To support the “Green Initiative”, Members who have not registered their e-mail addresses are requested to register the same with the Company’s Share Registrars and Transfer Agents, TSR Darashaw Consultants Private Limited (formerly known as TSR Darashaw Limited) / their Depository Participants, in respect of shares held in physical / electronic mode, respectively.
12. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to all the Members whose e-mail addresses are registered with the Depositories and the same are also available on the website of the Company [www.tatacapital.com](http://www.tatacapital.com). The Notice of AGM can also be accessed on the website of the National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and website of National Securities Depository Limited (“NSDL”) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
13. The holders of Cumulative Redeemable Preference Shares (“CRPS”) can attend the AGM but are not entitled to vote on the items set out in the Notice.
14. Instructions for e-voting and joining the AGM through VC / OAVM are, as under:
  - A. Process and manner for Members voting through Electronic means**
    - (i) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means and the businesses set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-voting platform of NSDL (“remote e-voting”).
    - (ii) Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut Off Date of Tuesday, September 1, 2020, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice who has no voting rights as on the Cut Off Date, shall treat this Notice as intimation only.
    - (iii) A person who has acquired the shares and has become a Member of the Company after the dispatch of the Notice of the AGM and prior to the Cut Off Date i.e. Tuesday, September 1, 2020, shall be entitled to exercise his/her vote electronically i.e. remote e-voting by following the procedure mentioned in this part and may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
    - (iv) The remote e-voting will commence on Friday, September 4, 2020 at 9:00 a.m. and will end on Monday, September 7, 2020 at 5.00 p.m. During this period, the Members of the Company holding shares either in physical form or in demat form as on the Cut-Off Date i.e. Tuesday, September 1, 2020, may cast their vote electronically.
    - (v) Once the vote on a resolution is cast by the Member by remote e-voting prior to the AGM, he/she shall not be allowed to change it subsequently or cast the vote again.
    - (vi) The facility of voting through electronic means would also be made available at the AGM and the Members present in the AGM through VC/OAVM facility who have not already cast their votes by remote e-voting shall be able to exercise their right of voting through e-voting system during the Meeting. The Members who have already cast their vote by remote e-voting prior to the Meeting, may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

- (vii) The remote e-voting module on the day of the AGM shall be disabled by NSDL for voting, 15 minutes after the conclusion of the Meeting.
- (viii) The voting rights of the Members shall be in the proportion to their share in the paid-up equity share capital of the Company as on the Cut Off Date of Tuesday, September 1, 2020.
- (ix) The Company has appointed Mr. P. N. Parikh (FCS No. 327; COP No. 1228) or failing him, Mr. Mitesh Dhaliwala (FCS No. 8331; COP No. 9511) of M/s. Parikh & Associates, Practicing Company Secretaries, to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting at the AGM, in a fair and transparent manner.
- (x) The procedure and instructions for remote e-voting are, as follows:

**Step 1 – Login to NSDL website ([www.evoting.nsdl.com](http://www.evoting.nsdl.com))**

- a) Once the home page of e-voting system is launched, click on the icon “Login” which is available under “Shareholders /Member” section.
- b) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

- c) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example, if Folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- d) Your password details are, given below:
  - If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-voting system for the first time, you will need to retrieve the “initial password” which was communicated to you. Once you retrieve your “initial password”, you need to enter the “initial password” and the system will force you to change your password.
  - How to retrieve your “initial password”?
    - I. If your email ID is registered in your demat account or with the Company, your “initial password” is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or Folio number for shares held in physical form. The pdf file contains your ‘User ID’ and your ‘initial password’.
    - II. If your email ID is not registered, please follow the below mentioned steps:
      - In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self

- attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (Company email id).
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id).
- e) If you are unable to retrieve or have not received the “initial password” or have forgotten your password:
- Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/Folio number, your PAN, your name and your registered address.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- f) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- g) Click on “Login” button.
- h) After you click on the “Login” button, Home page of e-voting will open.

**Step 2 - How to cast your vote electronically on NSDL e-voting system?**

- a) After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting, then click on Active Voting Cycles.
- b) After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- c) Select “EVEN” of company for which you wish to cast your vote.
- d) Now you are ready for e-voting as the Voting page opens.
- e) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- f) Upon confirmation, the message “Vote cast successfully” will be displayed.
- g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**B. Instructions for Members for attending the AGM through VC / OAVM**

- (i) Members will be provided the facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above in the Notice to avoid last minute rush. Further, the Members can also use the OTP based login for logging into the e-voting system of NSDL.
- (ii) Members can participate in AGM through Laptop / Desktop / Mobile devices, however, for better experience and smooth participation, it is advisable to join the Meeting through Laptops connected through broadband. Further, the Members will be required to allow Camera and use Internet with a good speed to avoid any avoid disturbance during the Meeting. Please note that Participants connecting

from Mobile devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

- (iii) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at [investors@tatacapital.com](mailto:investors@tatacapital.com) between August 30, 2020 (9:00 a.m.) to September 1, 2020 (5:00 p.m.). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

### **C. General Information For The Members**

- (i) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- (ii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting and, thereafter, unblock the votes cast through remote e-voting and shall not later than three days of the conclusion of the meeting, issue a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- (iii) The Results declared, along with the Scrutinizer’s Report, will be posted after the declaration of the same by the Chairman on the Company’s website, [www.tatacapital.com](http://www.tatacapital.com) and also on the website of NSDL, [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (iv) In case you have any queries or issues regarding remote e-voting, please contact Ms. Avan Doomasia, Company Secretary at [avan.doomasia@tatacapital.com](mailto:avan.doomasia@tatacapital.com) or Tel. No. 022-66069140. Members can also refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).



## EXPLANATORY STATEMENT

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") and the Rules framed thereunder sets out all material facts relating to the businesses mentioned under Item Nos. 5 and 6 of the accompanying Notice dated August 10, 2020.

### Item No. 5

Currently, the composition of the Board of Directors of the Company comprises 3 Non-Executive Independent Directors, 3 Non-Executive Non-Independent Directors and 1 Managing Director & CEO.

The Directors of the Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as corporate strategy, macro economics, governance, legal, finance and risk management and it is necessary that adequate compensation should be given to the Non-Executive (Non-Independent and Independent) Directors ("NEDs") for the valuable contribution made by them towards the business of the Company.

Pursuant to the provisions of Section 197 of the Act, an amount not exceeding one percent per annum of the Net Profits of the company, calculated in accordance with the provisions of Sections 197 and 198 of the Act, could be paid by way of Commission to directors who are neither managing directors nor whole-time directors.

The Members of the Company, at its Twenty-Fifth Annual General Meeting held on July 22, 2016, had accorded their approval for the payment of remuneration by way of Commission, not exceeding one percent per annum of the Net Profits of the Company, to be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole-time Directors, if any) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors, for a period of five years, starting from Financial Year ("FY") 2015-16 and ending on FY 2019-20.

Considering the rich experience and expertise brought to the Board by the NEDs, the Nomination and Remuneration Committee ("NRC") at its meeting held on June 26, 2020, recommended the continuation of compensating the NEDs for their time and efforts and also to retain and attract the pool of talent for the business. Based on recommendation of the NRC, the Board of Directors of the Company had, at its meeting held on June 30, 2020, approved continuation of payment of Commission to NEDs for a further period of five years commencing from FY 2020-21 to FY 2024-25, subject to the approval of the Members of the Company. Further, the Board would determine the specific amount to be paid as Commission to the NEDs which shall not exceed in aggregate of one per cent per annum of the Net Profits of the Company as computed in the manner provided in Section 198 of the Act for each corresponding Financial Year. Such payment will be in addition to the sitting fees for attending Board/Committee Meetings.

In view of the above, the approval of the Members of the Company is sought to pay commission to NEDs for a period of five years commencing from FY 2020-21 and ending on FY 2024-25.

The Board commends the Special Resolution at Item No. 5 of the accompanying Notice, for the approval of the Members of the Company. This Item being a Special Business, is unavoidable in nature.

All the Directors of the Company and their relatives, except the Managing Director & CEO and his relatives, are concerned or interested in the Resolution at Item No. 5 of the accompanying Notice, to the extent of Commission that may be received by each of the NED.

None of the Key Managerial Personnel ("KMP") or relatives of KMPs are concerned or interested in the Resolution at Item No.5 of the accompanying Notice.

### Item No. 6:

The Members are requested to note the following:

- i. As recommended and approved by the Nomination and Remuneration Committee ("NRC") and the Board of Directors, the Members of the Company had, at its Extraordinary General Meeting ("EGM") held on March 29, 2018, approved the appointment and terms of remuneration of Mr. Rajiv Sabharwal as the Managing Director & CEO of the Company, for a period of five years, with effect from April 1, 2018, with authority to the Board of Directors or the NRC to alter and vary the terms and conditions of the said appointment and/or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Sabharwal.

- ii. Further, pursuant to the above authority and as recommended by the NRC, the Board of Directors of the Company had, at its Meeting held on September 28, 2018, approved of the variation in the terms and conditions of remuneration payable to Mr. Sabharwal for Financial Year ("FY") 2018-19, within the overall scale approved by the Members of the Company, with effect from April 1, 2018, as under:
  - a. Increase in the Basic Salary from ₹ 16,83,000 per month to ₹ 16,86,187 per month; and
  - b. Increase in the Allowances from 33.34% to 38.34%, within the overall Benefits, Perquisites, Allowances limit of 55% of the Annual Basic Salary.
- iii. As recommended by the NRC, the Board of Directors of the Company had, at its Meeting held on May 6, 2019, approved of an Increment in the Basic Salary of ₹ 1,01,171 per month from ₹ 16,86,187 per month to ₹ 17,87,358 per month for FY 2019-20, Total Fixed Pay of ₹ 6,03,30,550 in respect of FY 2019-20 and a Commission of ₹ 2,75,00,000 in respect of FY 2018-19 within the overall scale approved by the Members of the Company.
- iv. Further, as recommended by the NRC, the Board of Directors of the Company had, at its Meeting held on June 30, 2020, approved the Total Fixed Pay of ₹ 5,58,05,759 in respect of FY 2020-21 and a Commission of ₹ 2,20,00,000 in respect of FY 2019-20, within the overall scale approved by the Members of the Company.

In terms of the provisions of Section 196 of the Act (as amended by the Companies (Amendment) Act, 2017), read with Schedule V of the Act, a company can appoint a person as the Managing Director of the company for a term not exceeding five years at a time. Further, as per Section 197 of the Act (as amended by the Companies (Amendment) Act, 2017) read with Schedule V to the Act, in the event of no profits or inadequacy of profits, for payment of remuneration to Managerial Personnel in excess of the limits prescribed therein, a company is required to pass a special resolution for a period not exceeding three years and hence, the same would be valid for a period of three years from the date of passing of such resolution in the General Meeting.

The Members at its EGM held on March 29, 2018, while approving the appointment of Mr. Sabharwal as the Managing Director & CEO of the Company for a period of five years, with effect from April 1, 2018, had also approved the terms and conditions of such appointment and terms of remuneration, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment.

It may be noted that the existing approval of the Members for the payment of remuneration to Mr. Sabharwal is for a period of five years, however, as per the provisions of the Act mentioned above, in the event of no profits or inadequacy of profits, it is necessary to obtain approval of the Members for a period not exceeding three years. As the balance tenure of Mr. Sabharwal's appointment is less than three years, approval of the Members is sought for payment of remuneration for the remaining tenure of two years of his appointment.

However, the Members are requested to note that there would be no change in the tenure of appointment of Mr. Sabharwal, as Managing Director & CEO of the Company.

Pursuant to the conversion of the Company into a Core Investment Company ("CIC"), its business activities are confined to holding securities in and loans to companies in the Group and other activities permitted for CIC by the Reserve Bank of India ("RBI"). Accordingly, in view of its permissible activities, the revenue earning streams of the Company are dividend / interest from the underlying companies and certain fee income and other income / profits of a capital nature, a portion of which is not taken into account for determination of profits under Section 198 of the Act for payment of managerial remuneration. Hence, taking into consideration the same there could be a situation of inadequacy of profits for payment of managerial remuneration.

Currently, the Company is profitable, but considering the above and other relevant factors including prevailing market conditions, it is possible that there could be a situation of inadequacy of profit in any Financial Year(s) during the remaining period of Managing Director & CEO's tenure viz. two years with effect from April 1, 2021, computed in the manner prescribed under Section 198 read with Section 197 of the Act and the managerial remuneration payable during the said period may exceed the limits prescribed under Sections 196 to 198 of the Act.

It is, therefore, considered desirable to obtain fresh approval of Members by way of Special Resolution for payment of remuneration to Mr. Sabharwal for the remaining period of his tenure viz. two years with effect from April 1, 2021, within the limits as approved by the Members of the Company, in case the Company has loss or inadequacy of profits in any financial year(s) during the said period of two years.



Based on the recommendation and approval of the NRC, the Board of Directors of the Company had at its meeting held on June 30, 2020, approved the terms of remuneration of Mr. Sabharwal in the event of loss or inadequacy of profits during the remaining period of his tenure, subject to the approval of the Members of the Company.

The principal terms of remuneration of Mr. Sabharwal as the Managing Director & CEO (hereinafter referred to as "Mr. Sabharwal" or the "Managing Director & CEO") continue to be, as follows:

**A. Terms of Remuneration:**

**I. Basic Salary:** ₹ 15,30,000 per month upto a maximum of ₹ 25,00,000 per month. The annual increments will be effected on April 1 of each year, to be decided by the Board of Directors or a Committee of thereof and will be merit based and will take into account the Company's performance as well.

**II. Benefits, Perquisites, Allowances:**

In addition to the Salary referred to in (I) above, the Managing Director & CEO shall be entitled to:

a. Rent-free residential accommodation (furnished or otherwise) with 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 85% of the Salary, in case residential accommodation is not provided by the Company.

b. Hospitalization, Transport, Telecommunication and other facilities:

(i) Hospitalization and major medical expenses for self, spouse, dependent (minor) children and dependent parents;

(ii) Car, with driver provided, maintained by the Company for official and personal use; In case, the Managing Director & CEO chooses not to take a company provided driver, then an allowance of ₹ 1,80,000 per annum will be payable on a monthly basis for such time;

(iii) Telecommunication facilities including broadband, internet and fax;

(iv) Housing Loan as per the Rules of the Company.

c. Other perquisites and allowances given below subject to a maximum of 55% of the Annual Basic Salary:

The categories of perquisites / allowances to be included within the 55% limit shall be –

Allowances	38.34%
Leave Travel Concession/Allowance	8.33%
Medical allowance	8.33%
	<b>55.00%</b>

d. Contribution to Provident Fund, Superannuation Fund ("SAF") or Annuity Fund and Gratuity Fund as per the Rules of the Company. In case there is no contribution to the SAF, the same will be payable as an Allowance as per the Rules of the Company;

e. The Managing Director & CEO shall be entitled to leave in accordance with the Rules of the Company. Privilege Leave earned but not availed by the Managing Director shall be encashable 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 Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the Managing Director & CEO 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 the Annual Basic Salary to be paid annually at the discretion of the Board of Directors or a Committee thereof, based on certain performance criteria and such other parameters as may be considered appropriate from time to time. Incentive Remuneration will be payable only when the Company cannot pay Commission.

**V. Long Term Incentive Pay:**

To pay such amount under the Long Term Incentive Plan to Mr. Sabharwal over the period of his tenor as Managing Director & CEO, as may be approved by the Nomination and Remuneration Committee / Board of Directors of the Company, from time to time.

**B. Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director & CEO, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director & CEO, remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration, as specified above.

The terms of remuneration or any variation thereof, will be pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Act, the applicable Rules framed thereunder read with Schedule V to the Act, as amended from time to time.

It may be noted that the Company has:

- (i) never made any default in repayment of any of its debts or debentures or interest payable thereon and of preference shares and dividend on preference shares for a continuous period of thirty days; and
- (ii) filed the Balance Sheet and Annual Return which are due to be filed with the Registrar of Companies except with respect to filing of the Financial Statements for FY 2018-19. Please note that the Company was not able to file the Standalone Financial Statements in Form AOC-4 NBFC (Ind AS) for the FY 2018-19, since there were some technical issues in the said form provided by Ministry of Corporate Affairs ("MCA"). The Company had raised the above issues with the MCA, and their response is awaited. Accordingly, the Company is also unable to file Form AOC-4 CFS (Ind AS) for Consolidated Financial Statements. In view of the above, the same would not be considered as a violation of the provisions of Companies Act, 2013 with respect to filing of Annual Financial Statements. Further, please note that the Company has filed the Annual Return for the FY 2018-19 with the MCA within the statutory timelines.

The Company, as on date, is not in default in payment of dues to any bank or public financial institution or to non-convertible debenture holders or to any other secured creditor and, accordingly, their prior approval is not required, for approval of the proposed special resolution.

In view of the above, it is proposed to seek the approval of the Members by way of Special Resolution at Item No. 6 of the accompanying Notice for the payment of remuneration to Mr. Sabharwal, for the remainder of his term as Managing Director & CEO of the Company, commencing from April 1, 2021, in the event of no profits or inadequacy of profits, on the same terms and conditions as approved by the Members of the Company at the EGM of the Company held on March 29, 2018 and also in accordance with terms of remuneration as may be varied from time to time pursuant to the authority granted by the Members at the said EGM.

The Board commends the Special Resolution at Item No.6 of the accompanying Notice, for the approval of the Members of the Company. This Item being a Special Business, is unavoidable in nature.

Mr. Sabharwal and his relatives may be deemed to be concerned and interested in the Resolution mentioned at Item No. 6 of the accompanying Notice pertaining to his remuneration. Other than Mr. Sabharwal, no other Director or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 6 of the accompanying Notice.

**Additional Information relevant to the Remuneration to be payable to the Managing Director & CEO as per Part II Section II (B) of Schedule V to the Companies Act, 2013:**
**I. General Information:**
**1. Nature of Industry:**

The Company is in the Non - Banking Financial Services Industry and is a Non-Deposit Accepting Core Investment Company registered with the RBI.

**2. Date or expected date of commencement of commercial production:**

Not Applicable since it is not a manufacturing company.

The Company (formerly known as 'Primal Investments & Finance Limited') was incorporated on March 8, 1991 and received the Certificate of Commencement of Business on April 1, 1991. The Company was registered with the RBI as a Non-Banking Financial Company. At inception, the main business of the Company was 'investments'. However, in May 2007, the Company changed its name to 'Tata Capital Limited' ("TCL") to reflect the new business of financial services it proposed to undertake. In July 2007, the Main Objects of the Company were amended accordingly.

Subsequently, the Company converted itself into a CIC in terms of Guidelines issued by the RBI and for this purpose, had transferred certain businesses to Tata Capital Financial Services Limited ("TCFSL"), a wholly owned subsidiary, pursuant to a Scheme of Arrangement between the Company and TCFSL. Currently, TCL carries on activities that are permitted by the RBI for being carried on by a CIC.

The Company is a subsidiary of Tata Sons Private Limited, the apex holding company of the Tata Group.

**3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not applicable.

**4. Financial performance based on given indicators:**

As per the audited annual accounts, the financial performance of the Company was, as under:

(₹ in crore)

Particulars	FY 2018-19	FY 2019-20
Gross Income	680.84	415.80
Profit Before Tax	68.09	54.50
Profit / (Loss) as computed under Sections 197 and with Section 198 of the Act	335.07	220.96
Profit After Tax	27.53	29.26

**5. Foreign investments or collaborations, if any:**

Investment in Tata Capital Pte. Ltd. ("TCPL"), a wholly owned subsidiary of the Company incorporated in Singapore in 2008. TCPL, either on its own or through its subsidiaries, is engaged in fund management, dealings in securities and investments in debt papers.

**II. Information about the Appointee:**
**1. Background details:**

Mr. Rajiv Sabharwal, a B. Tech from IIT Delhi and PGDM from IIM Lucknow, has over 28 years of experience in the banking and financial services industry. Mr. Sabharwal is currently the Managing Director & CEO of TCL. He is also the Chairman of TCFSL, Tata Capital Housing Finance Limited and Tata Securities Limited and is also on the Board of Tata Cleantech Capital Limited, TCPL, Tata Capital Advisors Pte. Ltd., Tata Asset Management Limited and Tata Realty and Infrastructure Limited.

He has served as an Executive Director on the Board of ICICI Bank where he was responsible for several businesses including retail banking, business banking, rural banking, financial inclusion, technology and digital banking. He has also served as the Chairman of ICICI Home Finance Company Limited and was on the Board of ICICI Prudential Life Insurance Company Limited. He was also on the Investment Advisory Committee (Real Estate) of ICICI Prudential AMC.

Mr. Sabharwal has been acknowledged for his contribution to the growth of the Retail Banking and Real Estate and Housing Finance market in India.

He has also served on a number of committees of the RBI and Indian Banks' Association.

Mr. Sabharwal had successful stints with True North Managers LLP, Sequoia Capital, Godrej Group, SRF Finance, GE Capital and Times Bank.

## 2. Past remuneration:

Mr. Sabharwal's last drawn gross earnings from TCL as Managing Director & CEO were, as follows:

Particulars	FY 2018-19	FY 2019-20
Fixed CTC	5,70,30,548	6,03,30,550
Others	88,39,680*	2,57,06,994#
Commission/Incentive Remuneration	2,75,00,000	2,20,00,000
<b>Total</b>	<b>9,33,70,228</b>	<b>10,80,37,544</b>

\*ESOPs granted under Long Term Incentive Plan 2018

#ESOPs granted under Long Term Incentive Plan 2018 and 2019

## 3. Recognition or Awards:

Mr. Sabharwal is highly respected in the banking and financial services industry and his acumen has been recognized by several independent bodies.

## 4. Job profile and his suitability:

Mr. Sabharwal brings with him a wealth of expertise and a deep understanding of financial services, as a result of his past association with ICICI Bank Limited and True North Managers LLP. Mr. Sabharwal's acumen has been recognized by several independent bodies. Mr. Sabharwal's extensive experience would be highly beneficial in Tata Capital's quest to expand its footprint in this industry and that his expertise and knowledge would help Tata Capital chart the next phase of its growth in financial services. To manage a business across such a diverse array of financial services requires the expertise of a person of Mr. Sabharwal's calibre.

## 5. Remuneration Proposed

Please refer to Terms of Remuneration mentioned in Paragraph A above.

## 6. Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of Mr. Sabharwal, the responsibilities shouldered by Mr. Sabharwal and the industry benchmarks, the above remuneration is commensurate with the remuneration packages paid to similar senior level personnel in other companies.

## 7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration paid to Mr. Sabharwal as Managing Director & CEO of the Company, he holds 5,000 Cumulative Redeemable Preference Shares of ₹ 1,000 each in the Company and 1,200 Non-Convertible Debentures of ₹ 1,000 each of TCFSL, a wholly owned subsidiary. Mrs. Sangeeta Sabharwal, spouse of Mr. Sabharwal holds 5,000 Cumulative Redeemable Preference Shares of ₹ 1,000 each in the Company. Apart from this, he does not have any pecuniary relationship directly or indirectly with the Company or with the managerial personnel.

**III. Other Information :****1. Reasons of loss or inadequate profits**

Pursuant to the conversion of the Company into a CIC, its business activities are confined to holding securities in and loans to companies in the Group and other activities permitted for CICs by the RBI. Accordingly, in view of its permissible activities, the revenue earning streams of the Company are dividend / interest from the underlying companies and certain fee income and other income / profits of a capital nature, a portion of which is not taken into account for determination of profits under Section 198 of the Act for payment of managerial remuneration.

Currently, the Company is profitable, but in view of the above and other relevant factors including prevailing market conditions, it is possible that there could be a situation of inadequacy of profit in any Financial Year(s) during the remaining period of Managing Director & CEO's tenure viz. two years with effect from April 1, 2021, computed in the manner prescribed under Section 198 read with Section 197 of the Act and the managerial remuneration payable during the said period may exceed the limits prescribed under Sections 196 to 198 of the Act.

**2. Steps taken or proposed to be taken for improvement**

Not required in view of III (1) above.

**3. Expected increase in productivity and profits in measurable terms**

Not Applicable

By Order of the Board of Directors  
For **Tata Capital Limited**

**Avan K. Doomasia**  
Company Secretary

Mumbai, August 10, 2020

**Registered Office:**

11<sup>th</sup> Floor, Tower A, Peninsula Business Park,  
Ganpatrao Kadam Marg,  
Lower Parel, Mumbai 400 013



**EXHIBIT TO NOTICE**
**PURSUANT TO THE COMPANIES ACT, 2013 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS, BRIEF RESUME OF THE DIRECTOR SEEKING RE-APPOINTMENT AS DIRECTOR AT THIS ANNUAL GENERAL MEETING IS FURNISHED (AS ON JULY 31, 2020)**

<b>Particulars</b>	<b>Ms. Aarthi Subramanian (DIN: 07121802)</b>
Date of Birth and Age	June 26, 1967; 52 years
Date of appointment on Board	October 30, 2017
Qualifications	B. Tech in Computer Science, National Institute of Technology – Warangal India. Master’s Degree in Engineering Management, University of Kansas (USA).
Experience	A professional with over 30 years of experience in the global technology sector, Ms. Subramanian started her career with Tata Consultancy Services (“TCS”) and worked in diverse roles in India, Sweden, the US and Canada, thereby gaining rich experience in consulting engagements and management of large-scale technology programs as well as operations. At TCS, Ms. Subramanian was an Executive Director and Global Head of Delivery Excellence, Governance & Compliance. Ms. Subramanian was responsible for driving excellence in service delivery, governance of key programs & initiatives as well as enterprise-wide compliance. Prior to this role, Ms. Subramanian was the head of Delivery for seven years with the TCS Retail & CPG Business unit, where she was responsible for several strategic accounts and major clients. She led the team to achieve excellence in customer service through relentless customer focus, rigor in service delivery, and proactive value addition focus. Ms. Subramanian played a key role in setting up the SAP Center of Excellence in Chennai. Ms. Subramanian started her career as a graduate trainee in TCS in 1989 and she went on to become an analyst, project manager and then moved from Account Management roles to a Senior Executive role in TCS.
No. of Meetings of the Board attended during FY 2019-20	6 (out of 6)
Other Directorships	<b>Director</b> <ul style="list-style-type: none"> <li>• Tata Consultancy Services Limited</li> <li>• Tata AIA Life Insurance Company Limited</li> <li>• Tata Industries Limited</li> <li>• Tata Digital Limited</li> <li>• Tata Payments Limited</li> <li>• Infiniti Retail Limited</li> </ul>
Memberships/Chairmanships of committees across other companies	Tata Consultancy Services Limited <ul style="list-style-type: none"> <li>• Member:                             <ul style="list-style-type: none"> <li>o Audit Committee</li> <li>o Nomination and Remuneration Committee</li> </ul> </li> </ul>
Shareholding in the Company	Nil
Relationship with other directors, manager or key managerial personnel, if any	None
Last drawn Remuneration	₹ 4,20,000. (Last drawn remuneration is the Sitting Fees paid for FY 2019-20)
Remuneration sought to be paid	Sitting Fees for attending the meetings of the Board of Directors and Committees thereof and Commission (if any)