

महाराष्ट्र MAHARASHTRA

© 2022 ©

BX 693825

प्रधान मुद्रांक कार्यालय, मुंबई  
प. मु. वि. क्र. ८००००२०  
23 FEB 2023  
सक्षम अधिकारी

श्री. जे. पी. बाईकर

This Stamp Paper is an integral part  
of the Agreement executed between Tata  
Capital Limited and Mr. Rajiv Sabharwal  
dated April 1, 2023



Rajiv

JS

जोड़पत्र-२ Annexure - II

[illegible]

THIS AGREEMENT (hereinafter the "Agreement") made on the 1<sup>st</sup> day of April, 2023.



**Between**

Tata Capital Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at 11<sup>th</sup> Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra 400013 (hereinafter called "the Company" or "TCL", which expression shall unless repugnant to the context include its successors and assigns) of the One Part

**And**

Mr. Rajiv Sabharwal, Managing Director & CEO (hereinafter called Mr. Sabharwal or the "Managing Director & CEO" as the case may be), residing at C-183, 18<sup>th</sup> Floor, Kalpataru Sparkle, Nanasaheb Dharmadhikari Road, Gandhi Nagar, Bandra (East), Mumbai – 400 051, Maharashtra, India, of the Other Part.

**WHEREAS** based on the recommendation on the Nomination and Remuneration Committee at its meeting held on January 24, 2023, the Board of Directors of the Company (hereinafter called the "Board") had at its meeting held on January 24, 2023, re-appointed Mr. Rajiv Sabharwal as the Managing Director & CEO of the Company for a period of 5 years ("Term") with effect from April 1, 2023 ("Date of Re-Appointment"), and Mr. Sabharwal has agreed to serve the Company upon the terms and conditions contained in the resolution passed by the Board at its meeting held on January 24, 2023, and in the agreement to be executed between the Company and the Managing Director & CEO, subject to the approval of the shareholders of the Company.

**WHEREAS** the Members of the Company had, at its Extraordinary General Meeting held on March 29, 2023, approved the re-appointment and payment of remuneration to Mr. Sabharwal as the Managing Director & CEO for a period of five years with effect from April 1, 2023.

**AND WHEREAS** the Parties hereto are desirous of entering into an agreement, being these presents, to record the terms and conditions aforesaid.

**NOW THESE PRESENTS WITNESSETH AND IT IS HEREBY AGREED** as follows:

**1. Definitions and interpretation**

**1.1 Definitions**

- 1.1.1 **'Act'** means the Companies Act, 2013, as amended, modified or re-enacted from time to time.
- 1.1.2 **'Confidential Information'** includes information relating to the business, products, affairs and finances of the Company or any of its associated companies or subsidiaries for the time being confidential to it or to them and trade secrets (including without limitation technical data and know-how) relating to the business


of the Company, its subsidiaries or of any of its associated companies or of any of its or their suppliers, clients or customers.

1.1.3 **'Intellectual Property'** includes patents, trademarks whether registered or unregistered, registered or unregistered designs, utility models, copyrights including design copyrights, applications for any of the foregoing and the right to apply for them in any part of the world, discoveries, creations, inventions or improvements upon or additions to an invention, Confidential Information, know-how and any research effort relating to any of the above mentioned business, names whether registrable or not, moral rights and any similar rights in any country of the Company or any of its associated companies or subsidiaries.

1.1.4 **'Parties'** means collectively the Company and the Managing Director & CEO and **"Party"** means individually each of the Parties.

## 1.2 Interpretation

In this Agreement, unless the context otherwise requires:

1.2.1 Any reference herein to any clause is to such Clause. The Recitals and Clauses to this Agreement including this Interpretation Clause shall be deemed to form part of this Agreement;

1.2.2 The headings are inserted for convenience only and shall not affect the construction of this Agreement;

1.2.3 Words importing the singular include the plural and vice versa, and words importing a gender include each of the masculine, feminine and neuter gender;

## 2. **Term and Termination**

2.1 Subject as hereinafter provided, this Agreement shall remain in force up to the close of business hours on March 31, 2028 from the Date of Appointment unless terminated earlier.

2.2 This Agreement may be terminated earlier, without any cause, by either Party by giving to the other Party six months notice of such termination or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Incentive Remuneration/Commission (at the discretion of the Board), in lieu of such notice.

## 3. **Duties & Powers**

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



- 3.2 The Managing Director & CEO shall not exceed the powers so delegated by the Board pursuant to clause 3.1 above.
- 3.3 The Managing Director & CEO undertakes to employ the best of his skill and ability and to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.
- 3.4 Mr. Sabharwal shall undertake his duties from such location as may be directed by the Board.

**4. Remuneration**

- 4.1 So long as the Managing Director & CEO 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.

**I. Remuneration**

- A. Basic Salary:** Rs. 20,26,864/- per month (Current Basic Salary) upto a maximum of Rs. 27,50,000/- 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 thereof and will be merit based and will take into account the Company's performance as well.

**B. Benefits, Perquisites, Allowances:**

In addition to the Salary referred to in (A) 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 Rs. 2,60,000 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 Salary:

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

i) Executive Allowance	46.67%
ii) Leave Travel Concession/Allowance	8.33%
	55.00%

- 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 & CEO shall be encashable in accordance with the rules of the Company.

**C. 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 as per the schedule decided by the Board of Directors or a Committee thereof.

**D. Incentive Remuneration:**

Such Incentive Remuneration not exceeding 200% of the Annual Fixed Compensation (Basic Salary, Benefits, Perquisites and Allowances) to be paid 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. Incentive Remuneration shall be paid as per the schedule decided by the Board of Directors or a Committee thereof.

**E. 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 Director of the Company, from time to time.

**Malus and Clawback:** The variable pay i.e. Commission, Incentive Remuneration and Long Term Incentive Pay shall be subject to Malus and Clawback provisions as per the Remuneration / Compensation Policy of the Company, as approved by the Board of Directors or a Committee thereof duly authorised in this behalf.

## **II. 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.

### **5. Variation**

The terms and conditions of the appointment of the Managing Director & CEO and / or this Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director & CEO, subject to such approvals as may be required.

### **6. Intellectual Property**

6.1 The Parties acknowledge that the Managing Director & CEO may make, discover or create Intellectual Property (IP) in the course of his employment and agree that in this respect the Managing Director & CEO has a special obligation to protect such IP and use it to further the interests of the Company, or any of its associated companies or subsidiaries.

6.2 Subject to the provisions of the laws relating to intellectual property for the time being in force in India, if at any time during his employment, the Managing Director & CEO makes or discovers or participates in the making or discovery of any IP relating to or capable of being used in the business for the time being carried on by the Company or any of its subsidiaries or associated companies, full details of the Intellectual Property shall immediately be communicated by him to the Company and such IP shall be the absolute property of the Company. At the request and expense of the Company, the Managing Director & CEO shall give and supply all such information, data, drawings and assistance as may be required to enable the Company to exploit the IP to its best advantage and the Managing Director & CEO shall execute all documents and do all things which may be necessary or desirable for obtaining patent or other protection for the Intellectual Property in such parts of the world as may be specified by the Company and for vesting the same in the Company or as it may direct.

6.3 The Managing Director & CEO hereby irrevocably appoints the Company as his attorney in his name and on his behalf to sign or execute any such instrument or do any such thing and generally to use his name for the purpose of giving to the Company or its nominee the full advantage of the provisions of this clause 6 and if in favour of any third Party, a certificate in writing signed by any director or the secretary of the Company that any instrument or act falls within the authority conferred by this clause shall be conclusive evidence that such is the case.

6.4 If the IP is not the property of the Company, the Company shall, subject to the provisions of the applicable laws for the time being in force, have the right to acquire for itself or its nominee, the Managing Director & CEO's rights in the IP within 3 months after disclosure pursuant to clause 6.2 above on fair and reasonable terms.

6.5 The rights and obligations under this clause shall continue in force after termination of the Agreement in respect of IP relating to the period of the Managing Director & CEO's employment under the Agreement and shall be binding upon his heirs and legal representatives.

## **7. Confidentiality**

7.1 The Managing Director & CEO is aware that in the course of his employment he will have access to and be entrusted with information in respect of the business and finances of the Company including intellectual property, processes and product specifications, etc. and relating to its dealings, transactions and affairs and likewise in relation to its subsidiaries, associated companies, customers or clients all of which information is or may be of a confidential nature.

7.2 The Managing Director & CEO shall not except in the proper course of performance of his duties during or at any time after the period of his employment or as may be required by law divulge to any person whatever or otherwise make use of and shall use his best endeavours to prevent the publication or disclosure of any Confidential Information of the Company or any of its subsidiaries or associated companies or any of its or their suppliers, agents, distributors or customers.

7.3 All notes, memoranda, documents and Confidential Information concerning the business of the Company and its subsidiaries or associated companies or any of its or their suppliers, agents, distributors or customers which shall be acquired, received or made by the Managing Director & CEO during the course of his employment shall be the property of the Company and shall be surrendered by the Managing Director & CEO to the Company upon the termination of his employment or at the request of the Board at any time during the course of his employment.

## **8. Non-competition**

The Managing Director & CEO covenants with the Company that he will not, during the continuance of his employment with the Company, without the prior written consent of the Board, carry on or be engaged, directly or indirectly, either on his own behalf or on behalf of any person, or as manager, agent, consultant or employee of any person, firm or company, in any activity or business, in India or overseas, which shall directly or indirectly be in competition with the business of the Company or its holding company or its subsidiaries or associated companies. The application of this clause needs to be read in conjunction with the relevant clauses in the Tata Code of Conduct, referred to in Clause 10 below.

## **9. Selling Agency**

The Managing Director & CEO, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and / or children, in any selling agency of the Company.

**10. Tata Code of Conduct**

The provisions of the Tata Code of Conduct shall be deemed to have been incorporated into this Agreement by reference. The Managing Director & CEO shall during his term, abide by the provisions of the Tata Code of Conduct in spirit and in letter and commit to assure its implementation.

**11. Personnel Policies**

All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Managing Director & CEO, unless specifically provided otherwise.

**12. Summary termination of employment**

The employment of the Managing Director & CEO may be terminated by the Company without notice or payment in lieu of notice:

- a. if the Managing Director & CEO is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
- b. in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Managing Director & CEO of any of the stipulations contained in the Agreement; or
- c. in the event the Board expresses its loss of confidence in the Managing Director & CEO.

**13. Termination due to physical / mental incapacity**

In the event the Managing Director & CEO is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

**14. Resignation from directorships**

Upon the termination by whatever means of his employment under the Agreement:

- a. the Managing Director & CEO shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167 (1)(h) of the Act and shall resign as trustee of any trusts connected with the Company.
- b. the Managing Director & CEO shall not without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.

**15. Agreement co-terminus with employment / directorship**

If and when this Agreement expires or is terminated for any reason whatsoever, Mr. Sabharwal will cease to be the Managing Director & CEO and also cease to be a Director of the Company. If at any time, the Managing Director & CEO ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director & CEO and this Agreement shall forthwith terminate. If at any time, the Managing Director & CEO ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director & CEO of the Company.



**16. Other Directorships**

The Managing Director & CEO covenants with the Company that he will not during the continuance of his employment with the Company accept any other directorships in any company or body corporate without the prior written consent of the Board.

**17. Non-Solicitation**

The Managing Director & CEO covenants with the Company that he will not for a period of one year immediately following the termination of his employment under this Agreement, without the prior written consent of the Board endeavor or entice away from the Company, any Business or Functional Head directly reporting to the Managing Director & CEO, who has at any time during one year immediately preceding such termination been employed or engaged by the Company or any subsidiaries or associated companies at any time during the period of one year, immediately preceding termination.

**18. Notices**

Notices may be given by either Party by letter addressed to the other Party at, in the case of the Company, its registered office for the time being and in the case of the Managing Director & CEO his last known address and any notice given by letter shall be deemed to have been given at the time at which the letter would be delivered in the ordinary course of post or if delivered by hand upon delivery and in proving service by post it shall be sufficient to prove that the notice was properly addressed and posted by hand or by electronic mail.

**19. Miscellaneous**

**19.1 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of India.

**19.2 Jurisdiction**

The Parties have agreed to the exclusive jurisdiction of the Indian courts.

**19.3 Entire Agreement**

This Agreement contains the entire understanding between the Parties and supersedes all previous written or oral agreements, arrangements, representations, and understandings (if any) relating to the subject matter hereof. The Parties confirm that they have not entered into this Agreement upon the basis of any representations that are not expressly incorporated into this Agreement. Neither oral explanation nor oral information given by any Party shall alter or affect the interpretation of this Agreement.

**19.4 Waiver**

A waiver by either Party of a breach of the provision(s) of this Agreement shall not constitute a general waiver, or prejudice the other Party's right otherwise to demand strict compliance with that provision or any other provisions in this Agreement.

19.5 Severability

Each term, condition, covenant or provision of this Agreement shall be viewed as separate and distinct, and in the event that any such term, covenant or provision shall be held by a court of competent jurisdiction to be invalid, the remaining provisions shall continue to operate.

19.6 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute the same agreement.

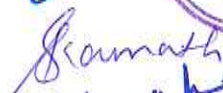
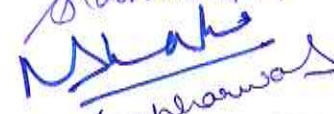
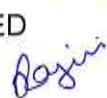
IN WITNESS WHEREOF these presents have been executed by the Parties hereto on the day and year first above written.

The Common Seal of Tata Capital Limited was hereunto affixed in the presence of Mr. Saurabh Agrawal, Director of Tata Capital Limited

Witnesses:

1. Saitha Kamath
2. Rakesh Bhatia

SIGNED, SEALED AND DELIVERED by the said Mr. Rajiv Sabharwal in the presence of:

Witnesses:

1. Avijit Bhattacharya
2. Rakesh Dhanuka