

**SCHEME OF ARRANGEMENT
BETWEEN
TATA MOTORS FINANCE LIMITED
AND
TATA MOTORS FINANCE SOLUTIONS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013**

1. PREAMBLE

This Scheme of Arrangement ('the Scheme') is presented under the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of Companies Act, 2013, as may be applicable, and also read with Section 2(19AA) and other relevant provisions of the IT Act (as defined below), for demerger of Demerged Undertaking (defined hereinafter) of Tata Motors Finance Limited ('TMFL' or 'Demerged Company') into Tata Motors Finance Solutions Limited ('TMFSL' or 'Resulting Company') and their respective shareholders followed by reorganization and reduction of the share capital of TMFL and various other matters consequential, incidental, supplementary or otherwise integrally connected therewith.

2. BACKGROUND OF THE COMPANIES

- i. Tata Motors Finance Limited ('TMFL' or 'Demerged Company'), is a public limited company incorporated on the 24th day of January, 1989 under the Companies Act, 1956. The Corporate identification number of TMFL is U45200MH1989PLC050444. It is registered with RBI as a systemically important non-deposit taking non-banking financial company and is categorized as an Investment & Credit Company. TMFL is a subsidiary of TMF Holdings Limited ('TMFHL') which in-turn is a wholly owned subsidiary of Tata Motors Limited ('TML'). The Demerged Company is primarily engaged in the business of granting loans and facilities for, *inter-alia*, financing the purchase of new vehicles manufactured by TML and other entities within the TML group. TMFL is also engaged in providing commercial vehicles and passenger vehicles on lease. The registered office of TMFL is situated at 14, 4th Floor, Sir H.C. Dinshaw Building 16, Horniman Circle, Fort, Mumbai 400001, Maharashtra. Certain non-convertible debentures issued by TMFL are listed on the Stock Exchanges (as defined hereinafter)
- ii. Tata Motors Finance Solutions Limited ('TMFSL' or 'Resulting Company'), is a public limited company incorporated on the 16th day of June, 1992 under the Companies Act, 1956. The corporate identification number of TMFSL is U65910MH1992PLC187184. It is registered with RBI as a NBFC-ND-SI and is categorized as an Investment & Credit Company. TMFSL is a wholly owned subsidiary of TMFHL which in-turn is a wholly owned subsidiary of TML. TMFSL is engaged in the business of (a) granting loans and facilities for, *inter-alia*, financing the purchase of pre-owned vehicles including refinancing existing vehicle finance loans and (b) granting loans and advances to dealers and vendors of TML. The registered office of TMFSL is situated at 14, 4th Floor, Sir H.C. Dinshaw Building 16, Horniman Circle, Fort, Mumbai 400001, Maharashtra. Certain non-convertible debentures issued by TMFSL are listed on the Stock Exchanges (as defined hereinafter)

3. RATIONALE FOR THE SCHEME

TMFHL, being a core investment company, currently has 2 subsidiaries viz. TMFL and TMFSL, who are primarily engaged in the business of lending and are registered as a NBFC ND SI. While each of the entities cater to distinct segments and offer different products, it is proposed to consolidate the Non-banking finance related businesses at TMFSL level, for creation of a single larger unified entity and reduce the number of non-banking financial companies (NBFCs) within the TMF group to achieve optimal and efficient utilization of capital; enhance operational and management efficiencies and have a simplified organizational structure.

Thus, the demerger of the Demerged Undertaking from TMFL to TMFSL pursuant to this Scheme would, *inter-alia*, have the following benefits:

- i. Consolidation of businesses would help in achieving simplified organizational structure, improve operational and management efficiencies, streamline business operations and decision-making processes and enable greater economies of scale.
- ii. Lead to creation of a single unified entity engaged in Non-banking finance related business with a wider and stronger capital and asset base, having greater capacity for conducting its operations more efficiently and competitively.
- iii. Reduce the number of NBFCs within the group, as well as achieving a reduction in administrative costs, overheads, multiplicity of legal and regulatory compliances and provide a common governance structure.
- iv. The companies have significant complementarities and synergies and the consolidation of the Non-banking finance related businesses carried on by them is strategic in nature and will generate significant business synergies thereby enhancing stakeholders' value.
- v. The companies have a proven track record in the respective businesses of credit and consolidating those will lead to pooling of knowledge and expertise and align with the business plans which will enable to meet the long-term objectives of the group.

TMFL has also received an in-principle approval from the RBI vide its letter dated October 28, 2022 for proposed demerger of Demerged Undertaking to TMFSL.

4. TREATMENT OF THE SCHEME FOR THE PURPOSE OF INCOME TAX ACT, 1961

This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2(19AA) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with the conditions as specified in Section 2(19AA) of the Income-Tax Act, 1961 and such modification would not affect other parts of the Scheme.

5. PARTS OF THE SCHEME:

The Scheme is divided into following parts:

Part I: Deals with definitions and share capital;

Part II: Deals with the demerger of Demerged Undertaking from Demerged Company to Resulting Company

Part III: Re-organisation and reduction of capital of Demerged Company.

Part IV: Deals with the general clauses, terms and conditions

This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

PART I – DEFINITIONS AND SHARE CAPITAL

1 DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;
- 1.2 **“Accounting Standards”** means the Indian Accounting Standards as notified under Section 133 of the Act read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, issued by the Ministry of Corporate Affairs and the other accounting principles generally accepted in India;
- 1.3 **“Applicable Law”** shall mean any applicable law, statute, ordinance, rule, regulation, guideline or policy having the force of law;
- 1.4 **“Appointed Date”** shall mean opening business hours of 1st of April 2023 or such other date as may be agreed between the parties;
- 1.5 **“Board of Directors”** in relation to the Demerged Company and the Resulting Company, as the case may be, shall, unless it is repugnant to the context or otherwise, include a committee of directors authorized for the matters pertaining to this Scheme or any other matter relating hereto or any person authorized by the Board of directors or such committee of directors;
- 1.6 **“Book Value(s)”** shall, for the purpose of Part II, mean the value(s) of the assets and liabilities of the Demerged Company, as appearing in its books of accounts, at the close of the business as on the day immediately preceding the Appointed Date and excluding any value arising out of revaluation;
- 1.7 **“Competent Authority”** means the National Company Law Tribunal (“NCLT”) at Mumbai or the National Company Law Appellate Tribunal (“NCLAT”) as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under the relevant provisions of the Act;
- 1.8 **“Demerged Company”** or **“TMFL”** shall for the purposes of this Scheme mean Tata Motors Finance Limited;
- 1.9 **“Demerged Undertaking”** means all the businesses, undertakings, activities, operations and properties, of whatsoever nature and kind and where so ever situated, forming part of the Non-banking finance related business of TMFL, as a going concern and includes:
- 1.9.1 all assets and properties, including rights and interests of every description, (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situated) of the Demerged Undertaking, wherever situated including, without limitation, all lands (whether leasehold or freehold or leave and licensed or right of way and all documents of title, rights, easements in relation thereto including panchnamas, declarations, receipts) including the land parcels, structures, capital work-in-progress, capital advance, estates, furniture, fixtures, office equipment, computers, appliances, water connections, utilities, all stocks, leasehold improvements, repossessed assets held for sale or otherwise, current assets (including inventories, sundry debtors, bills of exchange, loans and advances, credits), earnest money all cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Demerged Undertaking, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending/financial contracts, security documents with respect to lending/financial contracts, insurance contracts and policies, powers of attorney, approvals attached to the security documents, rights and benefits under any agreement, rights, claims, title, rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves (including securities premium, capital redemption reserve, special reserve, retained earnings, general reserve, capital reserve, and any other reserve), provisions, funds, benefits of assets or properties or all agreements other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature whosoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Undertaking or in connection with or relating to the Demerged Undertaking and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Undertaking, whether in India or abroad;
- 1.9.2 in respect of movable assets whether present or future or contingent, tangible or intangible, in possession or reversion and properties other than those referred to in Clause 1.9.1 above, including but not limited to, including inventory, actionable claims, current assets, financial assets, margin money deposits, securitization receivables, capital advances, security deposits, rental deposits, telephone deposits, investments in shares (including investments in subsidiaries, associates, joint ventures, whether in India or abroad), scrips,

mutual funds, bonds, security receipts, debentures, debenture stock, units, pass through certificates, other securities (whether in dematerialized form or physical form), prepaid expenses, claims receivables, staff advances, rebates, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, insurances, and tax related assets/credits, including but not limited to service tax input credits, goods and services tax credits or set-offs, advance tax, self-assessment tax, minimum alternate tax credit, unabsorbed tax depreciation, tax losses, deferred tax assets/liabilities, tax deducted/collected at source and tax refunds, contingent rights or benefits, receivables, including dividend declared or interest accrued thereon;

1.9.3 all permits, quotas, rights, entitlements, intellectual property rights and registrations (including without limitation the copyright registered in respect of the computer software work titled 'Lakshmi- The Integrated Collections Management System' bearing registration number SW-14562/2021) development rights (whether vested or potential and whether under agreements or otherwise), approvals, consents, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business therewith), permissions (including not limited to permissions granted in relation to launch futures and options contracts), allotments, approvals, consents, concessions, clearances, credits, exemptions, subsidies, registrations, no objection certificate, permits, quotas, entitlements, authorization, application made for obtaining all or any of the aforesaid, awards, bid acceptances, tender, certificates, service mark, logos, domain names, sales tax credit, service tax input credit, GST input credit, income tax credit, sanctions as required under Applicable Law, including tenancy rights, incentives, concessions, grants, subsidies, privileges, income tax benefits, deferrals and exemptions, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking;

1.9.4 all contracts, agreements, operation and maintenance contracts, loan agreements, trustee agreements, security documents, title deeds, insurance contracts and policies, term sheets, credit assessment memoranda, KYC documents, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, bids, tenders, expressions of interest, letters of intent, hire and purchase arrangements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreements with customers, purchase and other agreements with suppliers/manufacturers of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes (including but not limited to the ESOP schemes, as applicable), insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder in connection with or relating to the Demerged Undertaking;

1.9.5 all insurance policies in respect of the Demerged Undertaking ("Insurance Policies");

1.9.6 all secured and unsecured debts (including without limitation debt securities, non-convertible debentures and commercial papers), liabilities (including but not limited to contingent liabilities and provisions) and other obligations, liabilities, duties and sums owing to the extent relatable to Demerged Undertaking;

For the purpose of this Scheme, it is clarified that liabilities pertaining to Demerged Undertaking shall include:

- (a) The liabilities, which arise out of the activities or operations of the Demerged Undertaking;
- (b) Specific loans and borrowings raised, incurred and utilised solely for the activities or operation of the Demerged Undertaking;
- (c) Liabilities other than those referred to in sub-clause (a) and sub-clause (b) above, being the amounts of general or multipurpose borrowings of TMFL, allocated to its Demerged Undertaking in the same proportion (on an overall basis) in which the gross value of the assets transferred under this Scheme bear to the total value of the assets of TMFL immediately before giving effect to this Scheme.

1.9.7 the employees of the Demerged Undertaking on the payroll of TMFL as on the Effective Date.

1.9.8 all Transferring Litigations; and

1.9.9 all book, records, files, papers, engineering and process information, application, software, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawing manuals, data, databases including databases for procurement, commercial or management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, list of present and former borrowers, lenders and suppliers including service providers, other borrower information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form;

1.10 For the avoidance of any doubt, it is clarified that the NBFC license of the Demerged Company, shall be surrendered after effectuation of the Scheme and shall not be transferred to or vested in the Resulting Company pursuant to the Scheme, in accordance with applicable regulatory requirements of the RBI.

1.11 "Effective Date" means the last of the dates on which all the conditions and matters referred to in Clause 22 occur or have been fulfilled or waived in accordance with this Scheme/Applicable Law. References in this Scheme to 'date of coming into effect of the Scheme' or 'effectiveness of the Scheme' shall mean the Effective Date;

1.12 "Excluded Litigation" means such litigations that are instituted or pending against the Demerged Company and which under Applicable Law cannot be transferred/ continued against the Resulting Company;

1.13 "GST" means goods and services tax and shall include any statutory modifications, re-enactments or amendments thereof and the rules made thereunder, for the time being in force;

1.14 "Governmental Authority" means any supra-national, national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, legislative body, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having

the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country including the Registrar of Companies, Regional Director, Competition Commission of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, National Company Law Tribunal, and such other sectoral regulators or authorities as may be applicable;

- 1.15 "IT Act" shall mean the Income-tax Act, 1961 or any modifications or reenactments or amendments thereof from time to time;
- 1.16 "Listed CPs" shall mean the Commercial Papers issued by Demerged Company which are listed on the Stock Exchanges, the details of which, as on September 30, 2022, are set out in Annexure A to the Scheme;
- 1.17 "Listed NCDs" shall mean the Non-Convertible Debentures issued by Demerged Company and listed on the Stock Exchanges, the details of which, as on September 30, 2022, are set out in Annexure A to the Scheme;
- 1.18 "RBI" shall mean the Reserve Bank of India;
- 1.19 "Record Date" means a mutually agreed date to be fixed by the respective Boards of the Demerged Company and the Resulting Company for the purposes of determining the shareholders of the Demerged Company to whom equity shares / preference shares of Resulting Company would be allotted pursuant to the demerger in accordance with Clause J4 of this Scheme;
- 1.20 "Registrar of Companies" or "RoC" means the Registrar of Companies at Mumbai, Maharashtra;
- 1.21 "Remaining Business" shall mean the operating lease business and any other remaining businesses, undertakings, activities, properties, assets and liabilities (including but not limited to, contingent liabilities, guarantees and indemnities), of whatsoever nature and kind and wheresoever situated, pertaining and/or relating to the Demerged Company, upon the completion and taking effect of the demerger of the Demerged Undertaking to the Resulting Company, in terms of this Scheme;
- 1.22 "Resulting Company" or "TMFSL" shall for the purposes of this Scheme mean Tata Motors Finance Solutions Limited;
- 1.23 "SEBI" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.24 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form as submitted to the Competent Authority or this Scheme with such modification(s), if any made, as per Clause 21 of the Scheme;
- 1.25 "Stock Exchanges" means the BSE Limited and the National Stock Exchange of India Limited individually and collectively;
- 1.26 "Taxation" or "Tax" or "Taxes" means all forms of taxes (direct or indirect) and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction / collection at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Demerged Company and the Resulting Company and all penalties, charges, costs and interest relating thereto.
- 1.27 "Transferring Litigation" means all civil, legal or other proceedings (including VAT litigation) in relation to the Demerged Undertaking, except the Excluded Litigations. It is clarified that in respect of VAT liability on account of ongoing litigations, even if required by law that the ongoing litigation be the responsibility of the Demerged Company, the primary and financial liability shall be of the Resulting Company and all actions performed in respect of the VAT liability by the Demerged Company shall be for and on behalf of the Resulting Company.

2 INTERPRETATION

- 2.1 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other Applicable Law, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 2.2 References to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme.
- 2.3 The headings herein shall not affect the construction of this Scheme.
- 2.4 Unless the context otherwise requires, reference to any law or to any provision thereof shall include references to (i) any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted; (ii) any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision; (iii) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated); and (iv) all statutory instruments or orders made pursuant to a statutory provision.
- 2.5 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 2.6 Reference to days, months and years are to calendar days, calendar months and calendar years respectively.
- 2.7 Any reference to 'writing' shall include printing, typing, lithography and other means of reproducing words in visible form.
- 2.8 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2.9 References to a person include any individual, firm, body corporate (whether or not incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

3 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Competent Authority or made as per Clause 21 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

4 SHARE CAPITAL

4.1 The share capital of TMFL as at 31st March 2022 is as under:

Particulars	Amount in Rupees
Authorised Capital	
12,00,00,000 Equity Shares of Rs. 100/- each	12,00,00,00,000
8,00,00,000 Preference Shares of Rs. 100/- each	8,00,00,00,000
Total	20,00,00,00,000
Issued, Subscribed and Paid-up	
6,08,27,689 Equity Shares of Rs. 100/- each	6,08,27,68,900
5,38,00,000 cumulative compulsory convertible preference shares of Rs. 100/- each (Equity portion)	2,86,11,43,743
1,85,00,000 non-cumulative compulsory convertible preference shares of Rs. 100/- each (Equity portion)	1,85,00,00,000
Total	10,79,39,12,643

TMFL has converted both cumulative and non-cumulative compulsory convertible preference shares into 2,34,70,506 equity shares of Rs. 100 each fully paid up on 29 June 2022. Further, TMFL has issued equity shares on right issue basis of Rs. 66,74,76,700/- divided into 66,74,767 equity shares with face value of Rs. 100 each fully paid up on 30 August 2022.

The revised share capital of TMFL as on the date of board resolution approving the Scheme is as under:

Particulars	Amount in Rupees
Authorised Capital	
12,00,00,000 Equity Shares of Rs. 100/- each	12,00,00,00,000
8,00,00,000 Preference Shares of Rs. 100/- each	8,00,00,00,000
Total	20,00,00,00,000
Issued, Subscribed and Paid-up	
9,09,72,962 Equity Shares of Rs. 100/- each	9,09,72,96,200

4.2 The share capital of TMFSL as at 31st March 2022 is as under:

Particulars	Amount in Rupees
Authorised Capital	
18,00,00,000 Equity Shares of Rs. 100/- each	18,00,00,00,000
2,00,00,000 Preference Shares of Rs. 100/- each	2,00,00,00,000
Total	20,00,00,00,000
Issued, Subscribed and Paid-up	
17,00,49,735 Equity Shares of Rs. 100/- each	17,00,49,73,500

Further, there has been no change in the share capital of TMFSL post 31st March 2022 till the date of board resolution approving the Scheme.

PART II – DEMERGER OF DEMERGED UNDERTAKING OF DEMERGED COMPANY INTO RESULTING COMPANY

5 TRANSFER OF DEMERGED UNDERTAKING OF TMFL

With effect from the Appointed Date, the Demerged Undertaking of TMFL (as defined in Clause 1.9) shall stand transferred to and vested in or deemed to be transferred to and vested in TMFSL, as a going concern, in accordance with Section 2(19AA) of the IT Act and in the following manner:

- 5.1 The Demerged Undertaking of TMFL shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, stand transferred to and vested in and/or deemed to be transferred to and vested in TMFSL, such that TMFSL becomes entitled to all the rights, title and interest pertaining to the Demerged Undertaking.
- 5.2 Without prejudice to the generality of the foregoing paragraph, upon the Scheme becoming effective, on and from the Appointed Date:

ASSETS & LIABILITIES

- 5.2.1 In respect of such of the assets of the Demerged Undertaking, as are movable in nature and/or otherwise capable of transfer by manual or constructive delivery and/or by endorsement and delivery, the same shall stand transferred by the Demerged Company to the Resulting Company, upon the coming into effect of this Scheme pursuant to the applicable provisions of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Resulting Company.
- 5.2.2 In respect of assets other than those dealt with above, the same shall stand transferred to and vested in the Resulting Company, without any notice or other intimation to any person in pursuance of the relevant provisions of the Act to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company. The Resulting Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.
- 5.2.3 All immovable properties of the Demerged Company, pertaining to its Demerged Undertaking [i.e. land together with the buildings and structures standing thereon or under construction, whether freehold, leasehold, leave and licensed or otherwise], including any tenancies in relation to office space, guest houses and residential premises including those provided to/occupied by the employees and all documents of title, rights and easements in relation thereto and all plant and machineries constructed or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties, shall stand transferred to and vested in the Resulting Company, without any further act or deed done/executed or being required to be done/executed by the Resulting Company. The Resulting Company shall be entitled to exercise and enjoy all rights and privileges attached to the immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations and be entitled to all rights in relation to or as applicable to such immovable properties.
- 5.2.4 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold/leave and license/right of way properties of the Demerged Company in relation to the Demerged Undertaking, shall, pursuant to the relevant provisions of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to or vested in the Resulting Company on the same terms and conditions.
- 5.2.5 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme, all permits, licenses (excluding NBFC license as mentioned earlier), permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of the Demerged Company, and the rights and benefits under the same, in so far as they relate to the Demerged Undertaking and all quality certifications and approvals, trademarks, trade names, service marks, copyright, domain names, designs, research and studies, technical knowhow and other intellectual properties and all other interests relating to the goods or services being dealt with by the Demerged Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by the Demerged Company in relation to the Demerged Undertaking shall be transferred to and vested in the Resulting Company and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, the Resulting Company on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company and continuation of operations pertaining to the Demerged Undertaking of the Demerged Company in the Resulting Company without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against the concerned Resulting Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee or obligor thereto.
- 5.2.6 All bank accounts which relate to the Demerged Undertaking (as may be identified by the Board of Directors of the Demerged Company) shall stand transferred to the Resulting Company by virtue of the Scheme and the Resulting Company shall be entitled to continue to operate such bank accounts in the name of the Demerged Company. In addition, the Resulting Company shall be entitled to and the banker of the Resulting Company shall allow maintaining of bank accounts in the name of the Demerged Company by the Resulting Company for such time as may be determined to be necessary by the Demerged Company and the Resulting Company for presentation and deposition of cheques and other negotiable instruments, payment orders, NACH mandates, ECS debit mandates that have been issued in the name of the Demerged Company in connection with the business of the Demerged Undertaking. All cheques and other negotiable instruments, payment orders, NACH mandates, ECS debit mandates received or presented for encashment which are in the name of the Demerged Company pertaining to the Demerged Undertaking after the Effective Date shall be accepted by the bankers of the Resulting Company and shall be credited to the bank account(s) vested in the Resulting Company if presented by the Resulting Company. Similarly, it is hereby expressly clarified that any legal proceedings filed by the Demerged Company in relation to cheques and negotiable instruments, payment orders, NACH mandates, ECS debit mandates received or presented for encashment which are in the name of the Demerged Company pertaining to the Demerged Undertaking shall be instituted, or as the case may be, continued by or against the Resulting Company after the coming into effect of the Scheme.

- 5.2.7 All assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking shall also stand transferred to and vested in the Resulting Company upon the coming into effect of this Scheme.
- 5.2.8 Upon coming into effect of this Scheme and with effect from Appointed Date, all debts, duties, obligations and liabilities (including contingent liabilities) of the Demerged Company relating to the Demerged Undertaking shall without any further act, instrument or deed be and stand transferred to the Resulting Company and shall thereupon become the debts, duties, obligations and liabilities of the Resulting Company, which it undertakes to meet, discharge and satisfy to the exclusion of the Demerged Company and to keep the Demerged Company indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.
- 5.2.9 In so far as loans and borrowings of the Demerged Company are concerned with respect to the Demerged Undertaking, the loans and borrowings and such amounts pertaining to the Demerged Undertaking and further, the loans and borrowings, if any which are of a general or multipurpose nature, such loans and borrowings, in the same proportion, which the value of the assets pertaining to the Demerged Undertaking bears to the total value of assets of the Demerged Company, if any, which are to be transferred to the Resulting Company in terms of Clause 1.9.1.6, shall, without any further act or deed, become loans and borrowings of the Resulting Company (including same rights, interests and benefits), and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Resulting Company as if it had entered into such loans and incurred such borrowings. Subject to the above, from the Effective Date, the Resulting Company alone shall be liable to perform all obligations in respect of the liabilities of the Demerged Undertaking as the borrower/issuer thereof, and the Demerged Company shall not have any obligations in respect of the said liabilities transferred and vested.
- 5.2.10 Without prejudice to the foregoing provisions of this Clause, upon the coming into effect of the Scheme and with effect from Appointed Date, all non-convertible debentures ("NCDs") (including Listed NCDs), listed and unlisted perpetual debt instruments ("PDIs"), commercial papers ("CPs") (including Listed CPs), external commercial borrowings, bonds or other debt securities and other instruments of like nature (whether convertible into equity shares or not) ("Debt Securities") taken for the purpose of operations of Demerged Undertaking and further, the Debt Securities, if any which are of a general or multipurpose nature, such Debt Securities, in the same proportion in which the gross value of the assets transferred under this Scheme bear to the total value of the assets of TMFL immediately before giving effect to this Scheme as on the Appointed Date which shall, pursuant to the provisions of Sections 230-232 and other relevant provisions of the Act, without any further act, instrument or deed, become the Debt Securities of the Resulting Company on the same terms and conditions (including same rights, interests and benefits) as applicable to the Demerged Company and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Resulting Company as if it was the issuer of such Debt Securities, so transferred and vested. Subject to the requirements, if any, imposed or concessions, if any, by the stock exchanges, and other terms and conditions agreed with the stock exchanges, the Listed NCDs (including Listed PDIs) and the CPs shall be vested in the Resulting Company, shall continue to be listed and/or admitted to trading on the relevant Stock Exchanges, where the NCDs, PDIs and CPs are currently listed, subject to applicable regulations and prior approval requirements. The Board of the Companies shall be authorized to take such steps and do all acts, deeds and things in relation to the foregoing. For the sake of completeness, it is clarified that all terms thereof will remain the same for the holders and there will be no transfer, reissue or swap of the security/ instrument from the perspective of the holders thereof.
- 5.2.11 Subject to the other provisions of this Scheme, in so far as the assets of the Demerged Undertaking are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of the Demerged Company shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of the Demerged Company which are not transferred to the Resulting Company.
- 5.2.12 Unless otherwise agreed to between the Demerged Company and the Resulting Company, the vesting of all the assets of the Demerged Company forming part of the Demerged Undertaking, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets forming part of the Demerged Undertaking of the Demerged Company or part thereof on or over which they are subsisting on and vesting of such assets in the Resulting Company and no such Encumbrances shall extend over or apply to any other asset(s) of Resulting Company. Any reference in any security documents or arrangements (to which Demerged Company is a party) related to any assets of Demerged Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Resulting Company. Similarly, Resulting Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures or other financial assistance already availed of/ to be availed of by it.
- 5.2.13 Without prejudice to the provisions of the foregoing clauses, the Demerged Company and the Resulting Company shall enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies, to give formal effect to the provisions of this clause and foregoing clauses, if required.
- 5.2.14 The Demerged Company shall transfer all reserves (viz. securities premium, retained earnings, general reserve, capital reserve and any other reserve) of the Demerged Undertaking at their carrying values, in the same proportion in which the net value of the assets transferred under this Scheme bear to the total net value of the assets of TMFL immediately before giving effect to this Scheme as on the Appointed Date. Separately, special reserve and other component of equity like equity instruments through other comprehensive

income, debt instruments through other comprehensive income, cost of hedging reserve and hedging reserve being entirely attributable to the Demerged Undertaking will be transferred at its carrying value as on the Appointed Date.

5.2.15 It is hereby clarified that all assets and liabilities of the Demerged Undertaking, which are set forth in the closing balance sheet of Demerged Company as on the close of business hours on the date immediately preceding the Appointed Date, shall be transferred at values appearing in the books of account of Demerged Company as on the Appointed Date.

6 LEGAL PROCEEDINGS

- 6.1 Upon the Effective Date and with effect from Appointed Date, all Transferring Litigations, pending on the Effective Date, by or against the Demerged Company in relation to the Demerged Undertaking, shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Resulting Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if this Scheme had not been made.
- 6.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Demerged Company in relation to the Demerged Undertaking, Resulting Company shall be made party thereto, and any payment and expenses made thereto shall be the liability of Resulting Company. For the avoidance of doubt, it is clarified that all Excluded Litigations shall continue to be prosecuted and enforced by or against the Demerged Company.
- 6.3 From the Effective Date, the Resulting Company (a) shall be replaced / added (as may be required) as party to Transferring Litigations; and (b) shall, subject to any agreement between the Parties and subject to any liabilities that would remain with the Demerged Company by operation of Applicable Law, prosecute or defend or enforce such proceedings as the case may be to the exclusion of the Demerged Company. Each of the Parties shall be entitled to make relevant applications in that behalf, as may be required.

7 CONTRACTS, DEEDS, ETC.

- 7.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertaking, arrangements, policies, agreements of whatever nature but not limited to shareholders agreements, share subscription agreements or any right devolving pursuant to such agreements (either entered into or vested in terms of any legal process) whatsoever nature pertaining to the Demerged Undertaking, to which Demerged Company is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Resulting Company, as the case may be, and may be enforced by or against Resulting Company as fully and effectually as if, instead of Demerged Company, Resulting Company had been a party thereto.
- 7.2 Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Demerged Company and to implement or carry out all formalities required on the part of the Demerged Undertaking to give effect to the provisions of this Scheme.
- 7.3 All guarantees provided by any bank, financial institution, or other third party in favour of the Demerged Company including without limitation guarantees in respect of loans disbursed by the Demerged Company in respect of or in relation to the Demerged Undertaking that are outstanding as on the Effective Date, shall vest in the Resulting Company and shall enure to the benefit of the Resulting Company as if the same were issued directly in favour of the Resulting Company. [All guarantees issued by any bank or financial institution in respect of the obligations of the Demerged Company in respect of or in relation to the Demerged Undertaking and outstanding on the Effective Date shall be deemed to have been issued at the request of and to guarantee the obligations of the Resulting Company and continue in favour of the relevant third party till its maturity or earlier termination].
- 7.4 Without prejudice to the generality of the foregoing,
- 7.4.1 in respect of guarantee procured by the Demerged Company from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) it is clarified that
- i. all outstanding guarantees as on the Effective Date will stand transferred to Resulting Company for the balance period of time which would have been available to Demerged Company;
 - ii. all claims lodged for which settlement is pending as on the Effective Date, will stand transferred to Resulting Company as if such claim was made by the Resulting Company
- In respect of the loans extended under Emergency Credit Line of Guarantees Scheme (ECLGS), launched by Government of India as a Special Scheme in view of COVID -19 crisis, it is clarified that:
- i. all outstanding guarantees as on the Effective Date together with the underlying loans, will stand transferred to Resulting Company for the balance period of time which would have been available to Demerged Company as if such loan was disbursed by and the guarantee was issued in favour of the Resulting Company;
 - ii. all claims lodged for which settlement is pending as on the Effective Date will stand transferred to Resulting Company as if such claim was made by the Resulting Company.

8 SECURITISATION TRANSACTIONS

- 8.1 In respect of any direct assignment and/or securitisation transactions entered into by the Demerged Company prior to the Appointed Date it is clarified that:
- a. All Minimum Retention Requirement positions (whether in the form of investments in securities or otherwise) shall stand transferred and shall comprise part of the Demerged Undertaking being transferred to the Resulting Company in terms of this Scheme; and
 - b. All credit enhancement exposures/ obligations of the Demerged Company (including without limitation the related fixed deposits, if any) and/or collection and servicing agent obligations of the Demerged Company shall stand transferred to the Resulting Company in terms of the Scheme.
- 8.2 Pursuant to the Scheme the Demerged Company will transfer inter alia the entire portfolio of loan assets comprised in the Demerged Undertaking pursuant to the Scheme. Accordingly, in the context of fresh direct assignment or securitisation transactions undertaken by the Demerged Company after the Appointed Date and/or by the Resulting Company after the Effective Date, the holding period of such asset on the books of the Demerged and the Resulting Company shall be aggregated for the purposes of the applicable minimum holding period requirements.

9 SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 5 above and the continuance of proceedings by or against Demerged Company under Clause 6 above shall not affect any transaction or proceedings in relation to the Demerged Undertaking already concluded by Demerged Company on and after the Appointed Date till the Effective Date, to the end and intent that Resulting Company accepts and adopts all acts, deeds and things done and executed by Demerged Company in respect thereto as done and executed on behalf of Resulting Company.

10 EMPLOYEES

- 10.1 Upon the coming into effect of this Scheme, all the employees relating to the Demerged Undertaking that were employed by the Demerged Company, immediately before the Effective Date, shall become employees of the Resulting Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Demerged Undertaking of the Demerged Company immediately prior to the demerger of such Demerged Undertaking.
- 10.2 The Resulting Company agrees that the service of all employees pertaining to the Demerged Undertaking with the Demerged Company up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Demerged Company up to the Effective Date. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity, employee stock option and pension schemes, or other terminal benefits, such past service with the Demerged Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.
- 10.3 Upon the coming into effect of this Scheme, the Resulting Company shall make all the necessary contributions for such transferred employees relating to their respective Demerged Undertaking, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Resulting Company will also file relevant intimations in respect of their Demerged Undertaking to the statutory authorities concerned who shall take the same on record and substitute the name of the Resulting Company for the Demerged Company.
- 10.4 In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Demerged Company for employees of the Demerged Undertaking are concerned, such proportion of the funds, contributions to the funds or the scheme or the investments made into the funds relating to the employees pertaining to the Demerged Undertaking as on the Effective Date, who are being transferred along with the Demerged Undertaking in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of the Resulting Company and till the time such necessary funds, schemes or trusts are created by the Resulting Company, all contributions shall continue to be made to the existing funds, schemes or trusts of the Demerged Company.

11 CONDUCT OF BUSINESS OF THE DEMERGED UNDERTAKING OF DEMERGED COMPANY TILL EFFECTIVE DATE

Clause 11 to be given effect to only in case when Effective Date will be subsequent to Appointed Date.

- 11.1 With effect from the Appointed Date and up to and including the Effective Date:
- 11.1.1 The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to its Demerged Undertaking for and on account of and in trust for Resulting Company. Demerged Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
 - 11.1.2 Demerged Company shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of Resulting Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose-off the business or part thereof of the Demerged Undertaking.
 - 11.1.3 All the profits or income accruing or arising to the Demerged Undertaking or expenditure or losses arising or incurred or suffered by the Demerged Undertaking shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of Resulting Company.

- 11.1.4 Demerged Company shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or with the prior consent of Resulting Company or pursuant to any pre-existing obligation undertaken by Demerged Company as the case may be, prior to the Appointed Date.
- 11.1.5 Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which Resulting Company, may require pursuant to this Scheme.

12 VALIDITY OF EXISTING RESOLUTIONS

Upon the coming into effect of the Scheme, the resolutions, if any, of the Demerged Company relating to the Demerged Undertaking, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Resulting Company.

13 TAX

- 13.1 The Resulting Company will be the successor of the Demerged Company vis-à-vis the Demerged Undertaking. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-a-vis the Demerged Undertaking and the obligations, if any, for payment of taxes on any assets of the Demerged Undertaking, shall be deemed to have been availed by the Resulting Company or as the case may be deemed to be the obligations of the Resulting Company.
- 13.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess receivable/payable by the Demerged Company relating to the Demerged Undertaking including all or any refunds/credit/claims/tax losses /unabsorbed depreciation relating thereto shall be treated as the asset/liability or refunds/credit/claims/tax losses /unabsorbed depreciation, as the case may be, of the Resulting Company.
- 13.3 The Demerged Company and the Resulting Company are expressly permitted to revise its tax returns, electronically or physically, after taking credit for taxes paid including tax deducted at source (TDS) / tax collected at source (TCS) certificates/ returns, wealth tax returns, service tax, excise duty, sales tax, value added tax, GST, entry tax, cess, professional tax or any other statutory returns, if required, and shall be entitled to claim credit for advance tax paid, claim for sum(s) prescribed under Section 43B of the IT Act on payment basis, claim for deduction of provisions written back by the Demerged Company pertaining to Demerged Undertaking previously disallowed in the hands of the Demerged Company under the IT Act, MAT credit, credit of foreign tax paid/withheld, if any, pertaining to Demerged Undertaking of the Demerged Company, consequent to implementation of this Scheme and where necessary to give effect to this Scheme, even if the prescribed time limit for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum to claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the Demerged Undertaking of the Demerged Company, upon the coming into effect of this Scheme.

14 CONSIDERATION

- 14.1 Upon this Scheme becoming effective and upon Demerger of the Demerged Undertaking of TMFL into TMFSL in terms of this Scheme, TMFSL shall, without any application or deed, issue and allot its equity shares, credited as fully paid up, to the extent indicated below, to the members of TMFL whose names appear in the register of members of TMFL (except for shares already held by TMFSL) as on record date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of TMFSL in the following proportion viz.:
- "34 equity shares of face value of Rs. 100/- each of TMFSL shall be issued and allotted as fully paid up for every 10 equity shares of the face value of Rs. 100/- each fully paid up held in TMFL"*
- 14.2 Equity shares shall be issued free from all liens, charges, equitable interests, encumbrances and other third-party rights of any nature whatsoever to each shareholder of TMFL whose name is recorded in the register of members of TMFL as of the Record Date. Equity shares issued shall be subject to the Memorandum and Articles of Association of TMFSL.
- 14.3 TMFSL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of equity shares to the members of TMFL under the Scheme.
- 14.4 Under and pursuant to the Scheme, no fractional shares shall be issued by TMFSL in respect of the fractional entitlements, if any, of the shareholders of TMFL and such fractional entitlement, if any, shall be rounded off to next integer.
- 14.5 Approval of this Scheme by the shareholders of TMFSL shall be deemed to be the due compliance with the provisions of section 42 and 62 of the Act and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by TMFSL, as provided in this Scheme.

15 ACCOUNTING TREATMENT

- 15.1 Upon the Scheme becoming effective, and with effect from Appointed Date, the Demerged Company shall account for the transfer of the Demerged Undertaking in its books of accounts in accordance with Appendix-C of Ind-AS 103 (Business Combinations of entities under common control) and other Indian Accounting Standards, as applicable, and notified under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 15.2 Upon the Scheme becoming effective, and with effect from Appointed Date, the Resulting Company shall account for the transfer and vesting of the Demerged Undertaking in its books of accounts in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix-C of Ind-AS 103 (Business Combinations of entities under common control) and other Indian Accounting Standards, as applicable, and notified under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India.

16 **REMAINING BUSINESS**

The Remaining Business and all the assets, liabilities, obligations and Excluded Litigation pertaining thereto shall continue to belong to and continue to be vested in and be managed by the Demerged Company.

17 **CHANGE OF NAME OF DEMERGED COMPANY**

Upon the Scheme becoming effective, the name of the Demerged Company shall, without any further act, instrument or deed, stand changed to "TMF Business Services Limited" or any other such name as available with the Registrar of Companies and which the Board of Directors of Demerged Company may deem fit. Such alteration in the name of the Demerged Company shall take place as an integral part of the Scheme and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this alteration in the name of the Demerged Company. No further resolution(s) under Section 230-232, 4, 13, 114 of the Act or any other applicable provisions of the Act or any Rules thereunder, would be required to be separately passed

18 **CHANGE OF NAME OF RESULTING COMPANY**

Upon the Scheme becoming effective, the name of the Resulting Company shall, without any further act, instrument or deed, stand changed to "Tata Motors Finance Limited" or any other such name as available with the Registrar of Companies and which the Board of Directors of Resulting Company may deem fit. Such alteration in the name of the Resulting Company shall take place as an integral part of the Scheme and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this alteration in the name of the Resulting Company. No further resolution(s) under Section 230-232, 4, 13, 114 of the Companies Act, 2013 or any other applicable provisions of the Act or any Rules thereunder, would be required to be separately passed.

**PART III – REORGANIZATION AND REDUCTION OF SHARE CAPITAL AND SECURITIES PREMIUM OF
THE DEMERGED COMPANY**

19 **Reduction of securities premium and share capital of the Demerged Company**

19.1 The securities premium of the Demerged Company to be reduced on account of the transfer of the Demerged Undertaking from Demerged Company to the Resulting Company as per Clause 5.2.14 of Part II above. Further the securities premium, capital reserve, general reserve and capital redemption reserve available with the Demerged Company after giving effect to the demerger to be reduced against negative balance in demerger reserve (arising on demerger) and/ or retained earnings. This consequential capital reduction of the Demerged Company shall be effected as an integral part of this Scheme itself and not under a separate procedure, in terms of Section 52(1) read with Section 66 of the Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of the Demerged Company and the Resulting Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 52(1) read with Section 66 of the Act as well and no further compliances would be separately required.

19.2 The Scheme further provides for reduction of equity share capital of TMFL by reducing the face value of paid-up equity shares of the TMFL, by upto Rs 99/- (Rupees Ninety-Nine Only) per equity share, thereby reducing the face value from existing Rs. 100/- (Rupees Hundred Only) per equity share to minimum of Re. 1/- (Rupee One Only) per equity share. Accordingly, there may be adjustment of an amount upto Rs. 99/- (Rupees Ninety-Nine Only) per equity share against the balance in negative demerger reserve and / or retained earnings of TMFL after adjustment carried out in Clause 19.1.

The issued, subscribed and paid-up share capital of the TMFL shall stand reduced from the existing Rs. 9,09,72,96,200/- (Rupees Nine hundred nine crore seventy-two lakhs ninety-six thousand two hundred Only) divided into 9,09,72,962 (Nine crore nine lakh seventy-two thousand nine hundred sixty two only) equity shares with face value of Rs. 100/- (Rupees Hundred Only) per equity share to minimum of Rs. 9,09,72,962 (Nine crore nine lakh seventy-two thousand nine hundred sixty-two only) divided into 9,09,72,962 (Nine crore nine lakhs seventy-two thousand nine hundred sixty two only) equity shares with face value of minimum of Re. 1/- (Rupee One Only).

Thus, upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of TMFL could stand reduced upto Rs. 9,00,63,23,238/- (Rupees Nine hundred crore sixty-three lakhs twenty-three thousand two hundred thirty-eight Only).

19.3 As a consequence of the capital reduction indicated in clause 19.2 above, the authorised share capital of TMFL will be modified and appropriate amendment will be carried out to Clause V of the Memorandum of Association

19.4 For the sake of completeness, it is clarified that the rights/ interests of the shareholders shall remain unaltered

19.5 The Demerged Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon the reduction of capital under Clause 19 of this Part III above.

19.6 The reduction of capital of the Demerged Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

PART IV – GENERAL TERMS AND CONDITIONS

20 APPLICATION TO COMPETENT AUTHORITY

Resulting Company and Demerged Company shall with all reasonable dispatch make all necessary applications under the Act and other applicable provisions of the Act to the Competent Authority for seeking approval of the Scheme.

21 MODIFICATION OR AMENDMENTS TO THE SCHEME

Resulting Company and Demerged Company by their respective Boards of Directors ('the Board', which term shall include Committee thereof), may assent to / make and / or consent to any modifications / amendments to the Scheme or to any conditions or limitations that the Competent Authority and / or any other authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board). Resulting Company and Demerged Company by their respective Board are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

22 CONDITIONALITY OF THE SCHEME

22.1 This Scheme is and shall be conditional upon and subject to:

- 22.1.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of Resulting Company and Demerged Company as may be directed by the Competent Authority.
- 22.1.2 The sanction of the Competent Authority under the provisions of the Act in favour of Resulting Company and Demerged Company under the said provisions and to the necessary Order under the provisions of the Act being obtained.
- 22.1.3 Certified or authenticated copy of the Order of the Competent Authority sanctioning the Scheme being filed with the Registrar of Companies at Maharashtra by Resulting Company and Demerged Company, respectively as may be applicable.
- 22.1.4 The requisite(s), consent(s), approval(s) or permission(s) of statutory or regulatory authority(s) including RBI and Stock Exchanges, which by law may be necessary for the implementation of this Scheme, being obtained in accordance with the Scheme.

22.2 If all the conditions specified under Clauses 22.1 above are satisfied or waived prior to 1 April 2023, then the Scheme would be deemed to be given effect to on the Appointed Date i.e., 1 April 2023;

22.3 Without prejudice to Clause 22.1 and 22.2 above, the Scheme shall be made effective in the order as contemplated below:

- 22.3.1 Part II of the Scheme shall be made effective subject to satisfaction or waiver of conditions prescribed in Clause 22.1 and 22.2 by the Boards of the Demerged Company and Resulting Company
- 22.3.2 Part III of the Scheme shall be made effective immediately after the implementation of Part II of the scheme

23 EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding Clause 22 not being obtained and/ or the Scheme not being sanctioned by the Competent Authority failing which this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

24 COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Demerged Company and the Resulting Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by Resulting Company.

Recommendation of fair equity share entitlement ratio for the proposed demerger of the **Lending Business** (Demerged Undertaking) of **Tata Motors Finance Limited** into **Tata Motors Finance Solutions Limited**

Report Date: 03rd October 2022

Rashmi Shah FCA | Registered Valuer
IBBI Registration No.: IBBI/RV/06/2018/10240
For R V SHAH & ASSOCIATES
Chartered Accountants
702, Shah Trade Centre, Malad East, Mumbai - 400 097
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Recommendation of fair equity share entitlement ratio for the proposed demerger

To,
The Board of Directors
Tata Motors Finance limited
I-Think Lodha Techno Campus, 2nd Floor, Tower A, Off. Pokhran Road No. 2,
Thane West, Mumbai, Maharashtra – 400 601

Sub: Recommendation of fair share equity entitlement ratio for the proposed demerger of the Demerged Undertaking of Tata Motors Finance Limited into Tata Motors Finance Solutions Limited

Dear Sir/Madam

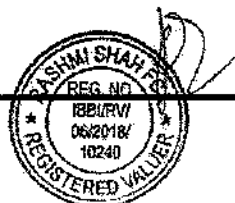
We refer to our engagement whereby we have been requested by the Management of Tata Motors Finance Limited (hereinafter referred to as the 'Management') to issue a report containing the recommendation of fair equity share entitlement ratio for the proposed demerger of the Lending Business ('Demerged Undertaking') of Tata Motors Finance Limited ('TMFL' or 'Client') into Tata Motors Finance Solutions Limited ('TMFSL'). TMFL and TMFSL are hereinafter collectively referred to as the 'Companies.'

We have been given to understand that TMFL is proposing to demerge the Demerged Undertaking into TMFSL as part of internal restructuring.

It is therefore proposed to demerge the Demerged Undertaking of TMFL into TMFSL in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as 'Scheme of Arrangement' or the 'Scheme'). Subject to necessary approvals, the Demerged Undertaking of TMFL will be demerged into TMFSL (hereinafter referred to as 'Proposed Demerger Transaction' or 'Proposed Transaction').

As a consideration for the Proposed Demerger Transaction, TMFSL will issue equity shares to shareholders of TMFL.

Private and Confidential



Page 2

Recommendation of fair equity share entitlement ratio for the proposed demerger

In this regard, Rashmi Shah FCA, Registered Valuer with IBBI Registration No. IBBI/RV/06/2018/10240 under the category of Securities or Financial Assets ('RVS' or 'We' or 'Us'), has been requested to issue a report containing the recommendation of fair equity share entitlement ratio for the Proposed Demerger Transaction as on 20th September 2022 ('Analysis Date' or 'Valuation Date').

We understand that the findings of this report will be used for the said Valuation Purpose only. Please find enclosed our valuation report containing value recommendations. We appreciate the support extended to us by the Management and staff of the Companies.

Yours truly,

Rashmi Shah FCA

Registered Valuer (Securities or Financial Assets)

IBBI Registration No.: IBBI/RV/06/2018/10240



For R V Shah & Associates

Chartered Accountants

Membership No.: 123478

FRN: 133958W

Date: 03rd October 2022

ICAI UDIN: 22123478AYBMRM9074

Annexures:

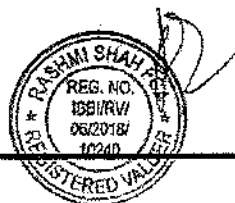
Annexure I – Valuation Workings for Tata Motors Finance Limited

Annexure II – Valuation Workings for Tata Motors Finance Solutions Limited

Annexure III – Valuation Rationale

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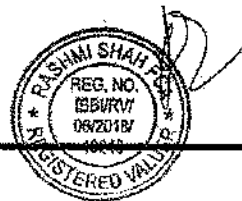


Engagement Background

Pursuant to the Scheme of Arrangement between TMFL and TMFSL and their respective shareholders ('Scheme'), Rashmi Shah FCA, Registered Valuer with IBBI Registration No. IBBI/RV/06/2018/10240 under the category of Securities or Financial Assets ('RVS' or 'We' or 'Us') has undertaken the valuation exercise to determine the fair equity share entitlement ratio for the Proposed Transaction of the Demerged Undertaking of TMFL into TMFSL. As a consideration for the Proposed Transaction, TMFSL will issue equity shares to the shareholders of TMFL. The Appointed Date for the Proposed Demerger Transaction as proposed by the Management of the Companies is 01st April 2023 ('Appointed Date').

Jurisdictional National Company Law Tribunal, Mumbai's ('NCLT') permission has to be obtained for sanction of the Scheme. Consequently, this report is prepared using a fair basis for arriving at the share entitlement ratio for submission to the NCLT and / or regulatory authorities, as the case may be.

The Scheme is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.



Corporate Overview – Tata Motors Finance Limited

Tata Motors Finance Limited has CIN U45200MH1989PLC050444 and registered office of the company is situated at 14, 4th Floor, Sir H.C. Dinshaw Building 16, Horniman Circle, Fort Mumbai, Mumbai, Maharashtra – 400001. TMFL is engaged in financing entire range of Tata Motors Commercial and Passenger vehicles. It is a non-deposit taking systemically important (ND-SI) NBFC.

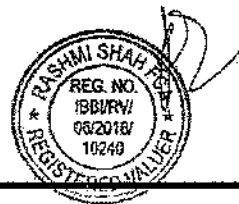
The shareholding pattern of TMFL as of the date of this Report is as below:

Particulars	Number of shares held	% shareholding
Tata Motors Finance Holding Limited	89,150,946	98%
Tata Motors Finance Solutions Limited	1,822,016	2%
Total	90,972,962	100%

Corporate Overview – Tata Motors Finance Solutions Limited

Tata Motors Finance Solutions Limited has CIN U65910MH1992PLC187184 and registered office of the company is situated at 14, 4th Floor, Sir H.C. Dinshaw Building 16, Horniman Circle, Fort Mumbai, Mumbai, Maharashtra – 400001. TMFSL focuses on Tata Motors' 'Used Vehicles' financing business. The company concentrates on growing the market of Used Tata Motors Vehicles through Quick and easy financing for Used Tata Vehicles. It also supports Tata Motors eco system comprising of Dealers & Vendors by extending corporate loans to them.

TMFSL is a wholly-owned subsidiary of TMF Holdings Limited.



Valuation Approaches and Methodologies

The choice of any particular method is also driven by the purpose for which the valuation is required. TMFSL will issue its shares to the shareholders of TMFL as consideration for the Proposed Demerger Transaction. We have determined the relative values of the Demerged Undertaking and TMFSL to arrive at the fair equity share entitlement ratio. Arriving at the fair share entitlement ratio of equity shares for the Proposed Demerger Transaction would require determining the relative values of the Demerged Undertaking and TMFSL. These values are to be determined on a relative and independent basis without considering the effect of the Proposed Demerger Transaction.

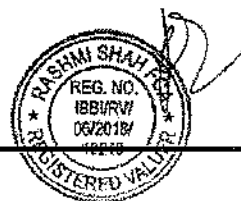
The Institute of Chartered Accountants of India (ICAI) has issued the ICAI Valuation Standards ('IVS') effective for all the valuation reports issued on or after 01st July 2018. The IVS shall be mandatory for the valuations carried out under the Companies Act 2013 and recommendatory for valuation carried out under other statutes/ requirements. We have given due cognizance to the same in carrying out the valuation exercise. The following approaches are generally used for determining the fair value of equity shares:

- Market Approach;
- Income Approach; and
- Asset Approach

Market Approach

Under the "Market" approach, the equity shares of both the companies can be valued using market price method. The market price of an equity share, as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. If the company is not listed, appropriate multiple of listed comparable companies is adopted and applied to the financial parameters of the subject companies to arrive at the fair value of equity shares. The method is disregarded if directly listed comparable companies are unavailable.

Considering availability of listed comparable companies, we have considered the CCM method of valuation to determine the value of shares of Demerged Undertaking and TMFSL. We have considered the Price to Book Value (P/BV) multiple to determine the value of equity shares of the Demerged Undertaking and TMFSL under CCM method.



Income Approach

Under the DCF method the projected free cash flows from subject assets after considering fund requirements for projected capital expenditure are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business. WACC is considered as the most appropriate discount rate in the DCF method, since it reflects both the business and the financial risk of the asset.

Having regard to the economics of financing business in which the companies operate, DCF based valuation does not reflect the fair value of the enterprise and hence such projections have not been made available for the present exercise. In the absence of business plan and projections, we have not considered the Income Approach.

Asset Approach

The asset-based valuation technique is based on the value of the underlying net assets of the company, either on a realizable value basis or replacement cost basis. This method is also known as the Net Asset Valuation ("NAV") methodology. Normally, this method is adopted in the following circumstances:

- When the firm does not meet the "going concern" criteria; or
- When the assets base dominates earnings capability.

The application of any particular method of valuation depends on the circumstances under which valuation is carried out, operations of the company, nature of its business and purpose of the valuation. At any point of time different values may exist for different purposes.

We have not considered Net Asset Value (NAV) method for the said valuation purpose as both TMFL and TMFSL are operating businesses and we understand that historical book value does not reflect intrinsic value of their businesses. The valuation is undertaken with going concern assumption and we do not contemplate an actual sale realization of the individual assets. We have therefore not considered NAV method for the said valuation.



Share Entitlement Ratio Recommendation

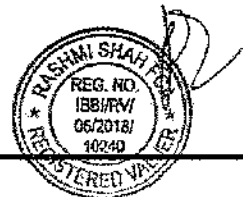
We have considered the Price to Book Value multiple under the CCM method. We have considered the valuation multiple of comparable listed companies of TMFL and TMFSL, to the extent appropriate. The valuation multiple is based on the prevalent market price and last published financials of the said comparable companies.

The valuation summary is as below:

Valuation summary				
Valuation approach	Tata Motors Finance Solutions Limited (TMFSL)		Lending Business of Tata Motors Finance Limited (TMFL) - Demerged Undertaking	
	Value per share (INR)	Weight (%)	Value per share (INR)	Weight (%)
Asset approach - NAV method	108	0%	418	0%
Income approach - DCF method	NA	0%	NA	0%
Market approach - CCM method	170	100%	572	100%
Relative value per share	170		572	
Recommended Fair Equity Share Entitlement Ratio (rounded off)	3.4			
	i.e., 34 equity shares of TMFSL for every 10 equity shares of TMFL			

In the light of the above and on a consideration of all the relevant factors and circumstances, we recommend a fair equity share entitlement ratio of:

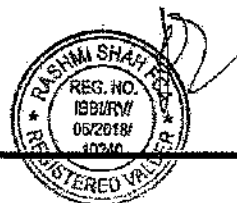
“34 (Thirty-Four) Equity Shares of INR 10 each fully paid-up to be issued by TMFSL for every 10 (Ten) equity shares of INR 10 each fully paid to the shareholders of TMFL as on the Effective Date”



Procedures adopted for the purpose of valuation

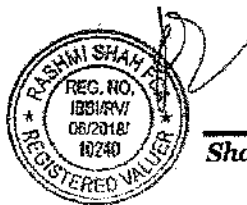
In connection with this exercise, we have adopted the following procedures to carry out the valuation analysis:

- Requested and received all necessary information from the Management including details of shareholding of the Companies
- Discussions with the Management on understanding of the businesses / assets of the Companies and fundamental factors that affect their earning capacity including historical performance, future plans and prospects, etc.
- Obtained and analysed data available in public domain, as considered relevant by us
- Selection of valuation approach and valuation methodology/ (ies), in accordance with IVS, as considered appropriate and relevant by us
- Determined the Share Entitlement Ratio in discussions with the Management, for issue of shares of TMFSL to the shareholders of TMFL for demerging the Demerged Undertaking of TMFL into TMFSL.



Limiting Conditions

- The report is based on information provided to us by the Management. Analysis and results are specific to the purpose mentioned in this report as per agreed terms of our engagement. It may not be valid for any other purpose. Also, it may not be valid if done on behalf of any other entity.
- Provision of opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.
- The report was prepared for the purpose of complying with specified provisions and the stated purpose and is for the confidential use of the client only. Its suitability and applicability of any other use has not been checked by us. Neither the report nor its contents may be disclosed to any third party or referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, any public communication, loan agreement or other agreement or document given to third parties without our prior written consent. We retain the right to deny permission for the same.
- In accordance with the customary approach adopted in such exercises, we have not audited, reviewed or otherwise investigated the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements.
- We have been given to understand by the Management that it has made sure that no relevant and material factors have been omitted or concealed or given inaccurately by people assigned to provide information and clarifications to us for this exercise and that it has checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. We have assumed that the information provided to us presents a fair image of the subject's activities at the Analysis Date. Therefore, we will accept no responsibility for any error or omission in the Report arising from incorrect or incomplete information provided by the Management. Also, we assume no responsibility for technical information furnished by the Management and believed to be reliable. We may however in no way be held responsible for completeness, accuracy, etc. for the data provided to us.
- The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that it will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration to the following matters -
 - Matters of a legal nature, including issues of legal title and compliance with local laws, and
 - Litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Company.



Recommendation of fair equity share entitlement ratio for the proposed demerger

- The analysis and result are governed by concept of materiality.
- The opinion(s) rendered in the Report only represent the opinion(s) based upon information furnished by you and others on your behalf and other sources and the said opinion(s) shall be considered advisory in nature. Our opinion is however not for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors.
- The fee for the Report is not contingent upon the results reported.
- We owe responsibility to only to the directors of the company who have retained us and nobody else.
- We do not accept any liability to any third party in relation to the issue of this report.
- The Report is not for anybody to make any investment into the subject nor meant to assist anybody for any transaction purpose (for which expert opinion needs to be obtained) nor as to how the voting should be conducted in any meeting. The Report is purely for compliance with requirements of the Companies Act, 2013 and the Rules made thereunder. This report has been prepared for a very specific purpose. Thus, this report cannot be used for any other purpose apart from what is mentioned herein.
- We will not be held responsible to anybody in relation to this report. We understand that the contents of the report have been reviewed in detail before we issued the final signed report.
- We are not responsible to update this report subsequent to the date mentioned in this report because of any material event or any event that could have a bearing on our analysis.
- We have not assessed the commercial reasons behind the transaction and have only determined the share entitlement ratio.



Sources of Information

The following sources of information have been utilized in conducting the analysis as provided to us by the Management of the Companies:

- Unaudited financial statements of TMFL and TMFSL for the period ended 30th June 2022
- Book value of Operating Lease Business
- Cash Infusion for Rights issue
- Shareholding pattern of the Companies as of the Analysis Date
- Business and Corporate Profile
- Other background information provided through emails, word documents or during discussions
- Discussions with the Management

In addition to the above, we have also obtained such other information and explanations from the Management as considered relevant. We have obtained a general representation from the Management confirming that they have provided us with all the relevant information, knowledge, supporting documents and confirmations completely and correctly and that no material information has been concealed or withheld or misrepresented to us. During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. The Management has been provided with the opportunity to review the draft report (excluding the recommended share entitlement ratio) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final report.



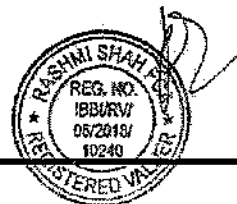
Annexure I – Valuation Workings for Tata Motors Finance Limited (Lending Business)

Value of Equity Shares using Net Asset Value (NAV) method			
Particulars	As of 30-Jun-22 INR Mn		
Share capital - reported	8,430		
Reserves and Surplus	26,962		
Less: Book value of Operating Lease Business	-350		
Add: Cash infusion for Rights Issue	3,004		
Adjusted net asset value	38,046		
Number of equity shares	90,972,962		
Adjusted net asset value per share (INR)	418		

Value of Equity Shares using CCM method			
Particulars			Value
Equity	INR Mn	a	8,430
Add: Reserves and Surplus	INR Mn	b	26,962
Networth	INR Mn	A = a + b	35,392
Less: Book value of Operating Lease Business *	INR Mn	B	350
Adjusted Net Worth	INR Mn	C=A-B	35,042
Adjusted Price to Book Multiple	x	D	1.40
Equity Value	INR Mn	E=CxD	49,059
Add: Cash infusion for Rights Issue	INR Mn	F	3,004
Adjusted Equity Value	INR Mn	G=E+F	52,063
Number of shares	Number	H	90,972,962
Value per share	INR	I=G*10⁶/H	572

* As informed to us by the Management

Determination of Price to Book Value multiple of Comparable Companies						
Particulars		Cholaamudalan Investment & Finance Company Limited	Mahindra & Mahindra Financial Services Limited	Shriram Transport Finance Company Limited	Sundaram Finance Limited	Median
No. of Shares	Nos	821,592,321	1,255,529,920	270,519,713	111,103,860	
Average Share Price	INR	727	201	1,313	2,032	
Market Capitalization	INR	597,217,813,142	248,177,172,492	355,189,015,813	225,721,684,662	
Market Capitalization	INR Mn	597,218	248,177	355,189	225,722	
Share Capital as of 31 Mar 2022	INR Mn	1,643	2,466	2,705	1,102	
Reserves and Surplus as of 31 Mar 2022	INR Mn	116,047	166,067	218,237	86,825	
Networth	INR Mn	117,690	168,533	260,943	87,927	
Price to Book Value (P/BV) multiple	x	5.1	1.6	1.4	2.6	2.0



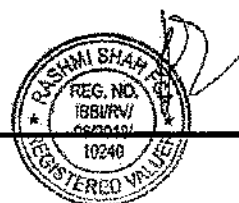
Annexure II – Valuation Workings for Tata Motors Finance Solutions Limited

Value of Equity Shares using Net Asset Value (NAV) method	
Particulars	As of 30-Jun-22 INR Mn
Share capital	17,005
Reserves and Surplus	1,432
Adjusted net asset value	18,437
Number of equity shares	170,049,735
Adjusted net asset value per share (INR)	108

Value of Equity Shares using CCM method			
Particulars			Value
Equity	INR Mn	a	17,005
Add: Reserves and Surplus	INR Mn	b	1,432
Less: Book value of investment in TMFL		c	1,050
Networth	INR Mn	A = a + b - c	17,387
Adjusted Price to Book Multiple	x	B	1.60
Equity Value	INR Mn	C = AxB	27,819
Add: Fair value of investment in TMFL	INR Mn	D	1,050
Equity Value	INR Mn	E = C + D	28,868
Number of shares	Number	F	170,049,735
Value per share	INR	G = E * 10⁶ / F	170

Fair value of Investment in TMFL			
Particulars	Units		Value
Number of shares held by TMFSL in TMFL	Number	A	1,822,016
Value per share of TMFL	INR	B	572
Value of stake held by TMFSL in TMFL	INR Mn	C = AxB	1,043
% stake held by TMFSL in TMFL	%	D	2%
Operating Lease Business of TMFL	INR Mn	E	350
Stake of TMFSL in Book value of Operating Lease Business	INR Mn	F = DxE	7
Fair Value of stake held by TMFSL in TMFL	INR Mn	G = C + F	1,050

Determination of Price to Book Value multiple of Comparable Companies						
Particulars		Cholamandiam Investment & Finance Company Limited	Mahindra & Mahindra Financial Services Limited	Shriram Transport Finance Company Limited	Sundaram Finance Limited	Median
No. of Shares	Nos	821,592,321	1,235,520,920	270,519,713	111,103,860	
Average Share Price	INR	727	201	1,313	2,032	
Market Capitalization	INR	597,217,813,142	248,177,372,492	355,199,015,813	225,721,684,663	
Market Capitalization	INR Mn	597,218	248,177	355,199	225,722	
Share Capital as of 31 Mar 2022	INR Mn	1,643	2,466	2,705	1,102	
Reserves and Surplus as of 31 Mar 2022	INR Mn	116,047	166,067	258,237	86,825	
Networth	INR Mn	117,690	168,533	260,943	97,927	
Price to Book Value (P/BV) multiple	x	5.1	1.5	1.4	2.6	2.0



Annexure III – Valuation Rationale

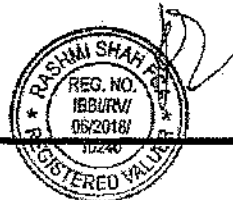
As per our discussion over a period of time, we understand that TMFL and TMFSL are:

- Managed under the same holding company;
- Managed by same group of peoples;
- Both the companies are in the lending business for vehicles (TMFL is into new vehicle finance and TMFSL is into used vehicle finance);
- Operates in similar asset class

The business of TMFL was impacted severely during Covid-19 as the borrower's ability to service loans deteriorated significantly due to economic slowdown and movement restriction. RBI did come up with various relief measures for borrowers during this period to compete with same. However, going forward from FY23 onwards, as the economy is reviving back on track, we expect the CV industry in which TMFL operates to take an uptick and reach pre Covid-19 levels, thereby improving the loan book size and quality of assets of TMFL.

TMFSL on other hand witnessed a surge in the disbursements of ~77% during FY22 i.e.; INR 3,795 crores in FY22 as against INR 2,139 crores in FY21. As the base level and disbursement increases, growth as a percentage for loans will gradually taper down. The company expects disbursement to increase at a CAGR of ~20% - 25% in upcoming 5 years. Further, the Management expects IRRs and NIMs to remain stable with increase of the loan book. As the weighted average seasoning of a growing portfolio increases and reaches a steady state, credit losses as a % is expected to increase, thereby impacting margins to that extent, as the credit losses occur in the later part of a contract's tenure and not in the early part of the tenure.

Basis the above factors listed we understand that both the companies TMFL and TMFSL will be having a similar performance and thus the multiples attributed to both companies would be within a narrow range.





03 October 2022

To
Board of Directors

Tata Motors Finance Solutions Limited
I-Think Lodha Techno Campus
Building A 2nd floor
Off Pokharan Road 2
Thane (West) 400601

Subject: Recommendation of Share Entitlement Ratio for the proposed demerger of Non-banking finance related business ('Lending Business') of Tata Motors Finance Limited ('TMFL') into Tata Motors Finance Solutions Limited ('TMFSL').

Dear Sir/ Madam,

We refer to our engagement letter dated 07 September 2022 and addendum thereto dated 03 October 2022 whereby Tata Motors Finance Solutions Limited (hereinafter referred to as 'TMFSL' or 'Company' or 'Client' or 'you') has appointed PwC Business Consulting Services LLP, to recommend the Share Entitlement Ratio for the proposed demerger of Lending Business into TMFSL.

PwC Business Consulting Services LLP has been hereinafter referred to as 'PwC BCS' or the 'Valuer' or 'we' or 'us' in this report ('Valuation Report' or 'Report').

Share Entitlement Ratio is defined as the ratio in which the equity shareholders of TMFL shall be entitled to receive the equity shares in TMFSL.

BACKGROUND OF COMPANIES

TMF Holdings Limited ('TMFHL'), a wholly-owned subsidiary of Tata Motors Limited ('TML'), is registered as a Non-Banking Financial (Non Deposit taking - Systemically Important - Core Investment) Company under section 45-IA of the Reserve Bank of India ('RBI'), Act 1934. TMFHL is the holding company of TMFL and TMFSL.

TMFL is primarily engaged in the business of vehicle financing and equipment leasing. TMFL is registered as a Systematically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Company under section 45-IA of Reserve Bank of India ("RBI"), Act, 1934. As of 31 August 2022, TMFHL and TMFSL own 98.0% and 2.0% equity stake respectively in TMFL.

TMFSL is primarily engaged in the business of financing the used vehicles. It also provides corporate loans to vendors and dealers of TML. TMFSL is registered as a Systematically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Company under section 45-IA of Reserve Bank of India ("RBI"), Act, 1934. TMFSL is a wholly owned subsidiary of TMFHL.

SCOPE AND PURPOSE OF THIS REPORT

We understand from the management of TMFSL ('the Management') that the Lending Business of TMFL is proposed to be demerged into TMFSL under a scheme to be approved by the National Company Law Tribunal ('NCLT') (referred to as 'Proposed Transaction'). The Proposed Transaction would be in accordance with the provisions of Sections 230 to 232, and other applicable provisions, of the Companies Act, 2013, including the rules and regulations issued thereunder. The consideration for the Proposed Transaction would be discharged by issue of equity shares of TMFSL to the shareholders of TMFL.

For the aforesaid purpose, the Board of Directors of TMFSL ('BOD') require a Registered Valuer Report under section 232 read along with section 247 of Companies Act, 2013 and has appointed PwC BCS to determine the Share Entitlement Ratio for the proposed demerger of Lending Business of TMFL into TMFSL. This would entail valuation of Lending Business of TMFL and valuation of equity shares of TMFSL (together been referred to as 'Valuation'). As instructed by the Management, we have undertaken Valuation as on 31 August 2022 ('Valuation Date').

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PwC Business Consulting Services LLP, 252 Veer Savarkar Marg, Shivaji Park, Dadar, Mumbai - 400 028.

T: +91 (22) 66691500, F: + 91 (22) 66547801 / 04 / 07 / 08, www.pwc.com/india

LLPIN : AAC-9288 Registered with limited liability.

Registered Office : 11-A, Sucheta Bhawan, 1st Floor, Vishnu Digambar Marg, New Delhi, 110 002.



It is clarified that any reference to this Report in any document and/ or filing with any tribunal/ judicial/ regulatory authorities/ government authorities/ stock exchanges/ courts/ shareholders/ professional advisors/ merchant bankers, in connection with the Proposed Transaction, shall not be deemed to be an acceptance by the Valuer of any responsibility or liability to any person/ party other than the Board of Directors of TMFSL.

The Report will be used by TMFSL only for the purpose, as indicated in this Report, for which we have been appointed. The results of our analysis and our Report cannot be used or relied by the Client for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this Report.

The scope of our services is to conduct a relative (and not absolute) valuation of Lending Business of TMFL and equity shares of TMFSL and to recommend a Share Entitlement Ratio in accordance with generally accepted professional standards.

This Report is our deliverable for the above engagement. This Report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management and gathered from public domain:

- audited financial statements for 3 years ended 31 March 2022 and unaudited financial statements for 3 months period ended 30 June 2022 of TMFL and TMFSL;
- details of issue of equity shares on rights basis by TMFL in August 2022;
- net assets of the equipment leasing business of TMFL;
- secondary research and market data on comparable companies, comparable transactions to the extent readily available in public domain;
- discussions and correspondence with the Management;
- the International Valuation standards (effective January 31, 2022) published by the International Valuation Standards Council;
- other information and documents that we considered necessary for the purpose of this engagement.

The Client has been provided with the opportunity to review the draft report (excluding the recommended Share Entitlement Ratio) as part of our standard practice to make sure that factual accuracies/ omissions are avoided in our final report.

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- considered audited financial statements for the past three years ended 31 March 2022 and unaudited financial statements for 3 months period ended 30 June 2022 of TMFL and TMFSL;
- discussions with the Management to understand macro-economic fundamentals, key value drivers and competitive scenario affecting the industry in general and the business of TMFL and TMFSL in particular;
- discussions with the Management to understand the historical performance, expectation of the future performance of Lending Business of TMFL, equipment leasing business of TMFL and TMFSL;
- selection of well accepted valuation methodology/(ies) as considered appropriate by us;
- carried out analysis of valuation multiples of comparable companies/ comparable transactions using information available in public domain (to the extent available) and/ or proprietary databases subscribed by us or our network firms;
- such other analyses, reviews and inquiries, as we considered necessary.
- arriving at relative values of Lending Business of TMFL and equity shares of TMFSL in order to determine the Share Entitlement Ratio.





SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or PwC network firms.

This Report, its contents and the results herein are specific to (i) the purpose of relative valuation agreed as per the terms of our engagement; (ii) the date of this Report and (iii) and are based on the balance sheets of TMFL and TMFSL as at 30 June 2022 and other information provided by the Management. The Management has represented that the business activities of TMFL and TMFSL have been carried out in the normal and ordinary course between 30 June 2022 and the date hereof and that no material adverse change has occurred in their respective operations and financial position between 30 June 2022 and the Report date. Our analysis was completed on a date subsequent to the Valuation Date and accordingly, we have taken into account such valuation parameters and other information over such period, as we considered appropriate and relevant, up to a date close to the Report date.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic, industry and other conditions in general and the information made available to us as of, date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

In terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by/ on behalf of the Client (or its representatives). In accordance with our engagement letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence or otherwise investigated the historical financial information provided to us. We have not independently investigated or otherwise verified the data provided by/ on behalf of the Client (or its representatives). Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financials/ financial statements and projections. The assignment did not require us to conduct any financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of TMFL (Lending Business and other business) and TMFSL. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy, or completeness, we have obtained information as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information.

Also, with respect to explanations and information sought from/ on behalf of the Client (or its representatives), we have been given to understand by the Client that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/ on behalf of the Client (or its representatives). The Management of the Client has indicated to us that they have understood that any material omissions, inaccuracies, or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by/ on behalf of the Client (or its representatives) and their impact on the Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report. We do not imply, and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose. Also, we assume no responsibility for technical information (if any) furnished by/ on behalf of the Client (or its representatives).

The Report assumes that the TMFL (Lending Business and other business) and TMFSL comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that these companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/ unaudited balance sheet of TMFL and TMFSL. Our conclusion of value assumes that the assets and liabilities of TMFL and TMFSL, reflected in their respective latest balance sheets remain intact as of the Report date.





No investigation of the claims of TMFL and TMFSL has been made for the purpose of this Report and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

We have not conducted or provided an analysis or prepared a model for any individual assets/ liabilities and have wholly relied on the information provided by/ on behalf of the Client (or its representatives) in this regard.

This Report does not look into the business/ commercial reasons behind the Proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. We have not examined or advised on accounting, legal or tax matters involved in the Proposed Transaction.

We owe responsibility to only the Boards of Directors of the Client that has appointed us under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions of or advice given by any other party to the Client. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the Client, its directors, employees, or agents. In no circumstances shall the liability of a Valuer, its partners, its directors, or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, without our prior written consent other than in connection with the Proposed Transaction. In addition, this Report does not in any manner address the prices at which TML's equity shares will trade following consummation of the Proposed Transaction and we express no opinion or recommendation as to how the shareholders/ creditors of either TMFL or TMFSL should vote at any shareholders'/ creditors' meeting(s) to be held in connection with the Proposed Transaction. Our Report and the opinion/ valuation analysis contained herein is not and nor should it be construed as advice relating to investing in, purchasing, selling, or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion.

Any person/ party intending to provide finance/ invest in the shares/ businesses of the companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us.

We are independent of the Client and have no current or expected interest in the Client or its assets. The fee for the engagement is not contingent upon the results reported.

This Valuation Report is subject to the laws of India.

Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding-off.

SHARE CAPITAL DETAILS OF TMFL and TMFSL

Tata Motors Finance Limited

The issued and subscribed equity share capital of TMFL as at 31 August 2022 is INR 909.7 crore consisting of 90,972,962 equity shares of face value of INR 10/- each. The shareholding pattern of TMFL is as follows:



Shareholding pattern as on 31 August 2022		
Shareholders	No. of Shares	% Share Holding
TMF Holdings Limited	89,150,946	98.0%
Tata Motors Finance Solutions Limited	1,822,016	2.0%
Total	90,972,962	100.0%

Source: Management Information

We understand from the Management that TMFL has effected a rights issue in in August 2022. We understand from the Management that TMFL has not obtained any valuation report for the aforesaid rights issue and that the shares were offered to all the existing shareholders. Therefore, the rights issue price has not been considered in our analysis.

The Management has represented that there has not been any change in the share capital/ shareholding pattern between 31 August 2022 and the Report date.

Tata Motors Finance Solutions Limited

The issued and subscribed equity share capital of TMFSL as at 31 August 2022 is INR 1,700.5 crore consisting of 170,049,735 equity shares of face value of INR 10 /- each. The shareholding pattern of TMFSL is as follows:

Shareholding pattern as on 31 August 2022		
Shareholders	No. of Shares	% Share Holding
TMF Holdings Limited	170,049,735	100.0%
Total	170,049,735	100.0%

Source: Management Information

The Management has represented that there has not been any change in the share capital and the shareholding pattern between 31 August 2022 and the Report date.

Our Report and recommendation of the Share Entitlement Ratio considers the above shareholding pattern of TMFL and TMFSL.

APPROACH & METHODOLOGY - BASIS OF PROPOSED TRANSACTION

The Scheme under the provisions of Section 230 to 232 of the Companies Act, 2013 to be approved by NCLT, contemplates a demerger of Lending Business of TMFL into TMFSL.

Arriving at the Share Entitlement Ratio for the Proposed Transaction, would require determining the relative valuation of Lending Business of TMFL and value of equity shares of TMFSL, based on valuation approaches explained hereinbelow and various qualitative factors relevant to Lending Business of TMFL and TMFSL.

There are several commonly used and accepted valuation approaches for determining the value of shares of a company/ business, which have been considered in the present case, to the extent relevant and applicable:

1. Asset Approach - Net Asset Value (NAV) Method
2. Income Approach
 - Discounted Cash Flow (DCF) Method
3. Market Approach
 - Market Price Method
 - Comparable Companies' Multiples (CCM) Method
 - Comparable Companies' Transaction Multiples ('CTM') Method





Asset Approach - Net Asset Value method

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in cases where the firm is to be liquidated i.e., it does not meet the 'going concern' criteria or in case where the assets base dominates earnings capability. A demerger of business would normally be proceeded with, on the assumption that the business would continue as going concern and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power is of importance to the basis of Proposed Transaction, with the values arrived at on the net asset basis being of limited relevance.

Income Approach - Discounted Cash Flows (DCF) Method

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company/ business that are available to all providers of the companies'/ business' capital – both creditors and shareholders.

Appropriate discount rate to be applied to cash flows i.e., the cost of capital:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company/ business. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

Market Approach: Under this approach, value of a company is assessed basis its market price (i.e. if its shares are quoted on a stock exchange) or basis multiples derived using comparable (i.e., similar) listed companies or transactions in similar companies. Following are the methods under Market Approach:

- **Market Price (MP) Method**

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper indicator of the fair value of the share especially where the market values are fluctuating in a volatile capital market or when the shares are thinly traded. Further, in the case of demerger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

- **Comparable Companies' Multiple (CCM) method**

Under this method, value of a business/ company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. The market price, as a ratio of the comparable company's attribute such as book value, sales, capital employed, earnings, etc. is used to derive an appropriate multiple. This multiple is then applied to the attribute of the asset being valued to indicate the value of the subject asset. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.





- **Comparable Companies' Transaction Multiples (CTM) Method**

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable transactions. This valuation is based on the principle that transactions taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies (i.e. TMFL and TMFSL). In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of TMFL and TMFSL, and other factors which generally influence the valuation of the above companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bonafide manner based on our previous experience of assignments of a similar nature.

Out of the above methods, we have used approaches/ methods, as considered appropriate. The valuation approaches/ methods used, and the values arrived at using such approaches/ methods by us have been tabled in the next section of this Report.

BASIS OF SHARE ENTITLEMENT RATIO

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. The determination of share entitlement ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single share entitlement ratio. The Share Entitlement Ratio rendered in this Report only represent our recommendation(s) based upon information till the date of this Report, furnished by the Management (or its representatives) and other sources, others may place a different value. The final responsibility for the determination of the Share Entitlement Ratio at which the Proposed Transaction shall take place will be with the Board of Directors of TMFL and TMFSL who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

The Share Entitlement Ratio has been arrived at on the basis of a relative valuation, on per share basis, of Lending Business of TMFL and equity of TMFSL based on the various methodologies explained herein earlier and other factors considered relevant, having regard to information base, key underlying assumptions, and limitations. Though different values have been arrived at under each of the above methodologies, it is finally necessary to arrive at a single value for the Proposed Transaction. It is important to note that we are not attempting to arrive at the absolute value of Lending Business of TMFL and equity of TMFSL but at their relative values to facilitate the determination of the Share Entitlement Ratio for the Proposed Transaction. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

Lending Business of TMFL

In the current analysis, valuation of Lending Business of TMFL has been carried out on going concern basis. In such a going concern scenario, an actual realization of the operating assets is not contemplated and the relative earning power, as reflected under the Income and Market approaches, is usually of greater importance to the basis of demerger, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated the value of Lending Business of TMFL under the Asset





Approach, we have considered it appropriate not to give any weightage to the same in arriving at the Share Entitlement Ratio.

We have not been provided with the financial projections of TMFL/ Lending Business of TMFL, therefore, we have not used Income Approach/ DCF method to determine the value of Lending Business.

For our analysis under Market Approach, we have considered the CCM Method to arrive at the value of Lending Business of TMFL. Lending Business of TMFL comprises lending to TML's customers to whom new vehicles are sold. Accordingly, we have considered multiples of listed companies operating in the NBFC industry and primarily providing vehicle finance in India. Further, as instructed by the Management, the book value of equipment leasing business has been subtracted from the TMFL book value to arrive at book value of Lending Business. While there have been some reported transactions in similar companies in the recent past, we have not considered the CTM method for the purpose of our analysis, considering lack of financial information of target companies, details regarding pricing, terms of transaction etc. Further, comparable transactions may include acquirer specific considerations, synergy benefits, control premium etc.

TMFSL

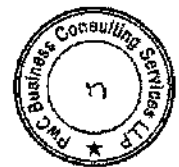
In the current analysis, valuation of TMFSL has been carried out on going concern basis. In such a going concern scenario, an actual realization of the operating assets is not contemplated and the relative earning power, as reflected under the Income and Market approaches, is usually of greater importance to the basis of demerger, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated the value of TMFSL under the Asset Approach, we have considered it appropriate not to give any weightage to the same in arriving at the Share Entitlement Ratio.

We have not been provided with the financial projections of TMFSL, therefore, we have not used Income Approach/ DCF method to determine the value of TMFSL.

For our analysis under Market Approach, we have considered the CCM Method to arrive at the value of equity of TMFSL. TMFSL lends to dealers and owners of used vehicles of TML and other companies. Accordingly, we have considered multiples of listed companies operating in the NBFC industry and providing primarily vehicle finance in India. While there have been some reported transactions in similar companies in the recent past, we have not considered the CTM method for the purpose of our analysis, considering lack of financial information of target companies, details regarding pricing, terms of transaction etc. Further, comparable transactions may include acquirer specific considerations, synergy benefits, control premium etc.

For our final analysis and recommendation we have considered the values arrived under Market Approach, to arrive at the relative value of Lending Business of TMFL and value of equity shares of TMSFL for the purpose of the Proposed Transaction.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following Share Entitlement Ratio for the Proposed Transaction whose computation is as under.





The below table summarises workings for the value of the Lending Business of TMFL and equity value of TMFSL, and the Share Entitlement Ratio, as derived by us.

Valuation Approach	Lending Business of TMFL (Lending Business)		TMFSL	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Asset Approach	418.2	0.0%	108.4	0.0%
Income Approach - DCF Method	N/A	0.0%	N/A	0.0%
Market Approach – CCM Method	571.7	100.0%	168.2	100.0%
Relative value per share	571.7		168.2	
Recommended Share Entitlement Ratio (rounded off)	34:10			

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the Share Entitlement Ratio for the proposed demerger of Lending Business of TMFL into TMFSL as under:

- 34 (Thirty Four) equity shares of TMFSL (of INR 10/- each fully paid up) for every 10 equity shares held in TMFL (of INR 10/- each fully paid up).

Respectfully submitted,

PwC Business Consulting Services LLP IBBI Registered Valuer No.: IBBI/RV-E/02/2022/158 Neeraj Neeraj Garg Partner IBBI Membership No.: IBBI/RV/02/2021/14036 Date: 03 October 2022 Place: Mumbai RVN - IOVRVF/PWC/2022-2023/1134
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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TATA MOTORS FINANCE LIMITED AT ITS MEETING HELD ON OCTOBER 03, 2022, EXPLAINING THE EFFECT OF THE SCHEME OF DEMERGER BETWEEN TATA MOTORS FINANCE LIMITED AND TATA MOTORS FINANCE SOLUTIONS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS, ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

A. Background:

1. The Board of Tata Motors Finance Limited ("**Company**") (TMFL) at its meeting held on October 03, 2022, approved the Scheme of Demerger amongst the Company and Tata Motors Finance Solutions Limited ("**Resultant Company**") (TMFSL) and their respective shareholders ("**Scheme**"), to be implemented under Sections 230 to 232 of the Companies Act, 2013 and the rules made thereunder ("**Act**") and other applicable provisions, if any, of the Act for demerger of the Company's undertaking comprising in the nonbanking finance related business of the Company to Resultant Company.
2. In terms of Section 232(2)(c) of the Act, a report from the Board of the Company explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company, setting out, among other things, the share exchange ratio, specifying any special valuation difficulties, is required to be adopted by the Board. Such report is then required to be appended with the notice of the meeting of shareholders and creditors if ordered by the jurisdictional National Company Law Tribunal.
3. Accordingly, this report of the Board is prepared to comply with the requirements of Section 232(2)(c) of the Act.
4. While deliberating on the Scheme, the Board, inter-alia, considered and took on record the following documents:
 - (a) A draft of the proposed Scheme;
 - (b) Draft Auditor's certificate to be issued by M/s Sharp & Tannan Associates, Chartered Accountants and M/s G. M. Kapadia & Co., Chartered Accountants, joint statutory auditors of the Company ("**Accounting Treatment Certificate**"), to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government in Section 133 of the Act;
 - (c) Draft Auditor's Certificate to be issued by M/s Sharp & Tannan Associates, Chartered Accountants and M/s G. M. Kapadia & Co., Chartered Accountants, joint statutory auditors of the Company certifying amount of secured and unsecured creditors as on June 30, 2022 for the purpose of submission to NCLT as part of the Scheme;
 - (d) Independent Auditor's Report on Principal Business Criteria in terms of Reserve Bank of India's Press Release bearing no. 1998-99 / 1269 dated April 8, 1999, post proposed demerger of the Demerged undertaking of Tata Motors Finance Limited; and
 - (e) Audit Committee's approval dated October 03, 2022 recommending the Scheme from related party perspective.

5. The Scheme, amongst others, contemplates the following arrangements:

- (a) A demerger of Demerged Undertaking (as defined in the Scheme) of the Company into the Resultant Company in the manner set out in Part II of the Scheme.
- (b) With effect from the Appointed Date, the Demerged Undertaking of the Company shall stand transferred to and vested in or deemed to be transferred or vested in the Resultant Company as a going concern, in the manner provided in the Scheme.
- (c) Change in the name of the Company as available with the Registrar of Companies and which the Board of Directors of the Company may deem fit in the manner set out in Clause 17 of Part II of the Scheme.
- (d) Reorganization and reduction of the share capital of the Company after the demerger of the Demerged Undertaking in the manner set out in Part III of the Scheme.

B. Effect of the Scheme on equity shareholders (promoter shareholders and non-promoter shareholders), and Key Managerial Personnel of Tata Motors Finance Limited:

1. Effect on each class of shareholders (promoter shareholders and non-promoter shareholders):

Pursuant to the Scheme, the entire Demerged Undertaking (as defined in the Scheme) of the Company shall be transferred to and vested in the Resultant Company.

Upon the Scheme becoming effective and upon demerger of the Demerged Undertaking of the Company into the Resultant Company in terms of this Scheme, the Resultant Company shall issue and allot its equity shares to the members of the Company whose names appear in the register of members of the Company (except for shares already held by the Resultant Company) as on record date in the following proportion viz.:

"34 equity shares of face value of Rs. 100/- each of TMFSL shall be issued and allotted as fully paid up for every 10 equity shares of the face value of Rs. 100/- each fully paid up held in TMFL"

The said share exchange ratio is arrived at after taking into consideration the valuation reports issued by Ms. Rashmi Shah and by M/s PWC Business Consulting Service LLP which has been duly considered by the Board of Directors of the Company and the Board has come to the conclusion that said share exchange ratio is fair and reasonable.

The equity shares so issued and allotted as provided above shall be subject to the provisions of the Memorandum and Articles of Association of the Resultant Company and shall rank *pari-passu* in all respects with the equity shares of the Resultant Company as set out in the Scheme.

Further, pursuant to the scheme, the securities premium of the Company will be reduced on account of the transfer of the Demerged Undertaking from the Company to the Resultant Company. Further the securities premium and other reserves available with the Company after giving effect to the demerger to be reduced against negative balance in demerger reserve and/ or retained earnings arising on demerger.

The Scheme also contemplates reduction of equity share capital of the Company by reducing the face value of paid-up equity shares of the Company. The issued, subscribed and paid-up share

capital of the TMFL shall stand reduced from the existing Rs. 9,09,72,96,200/- (Rupees Nine hundred nine crore seventy-two lakhs ninety-six thousand two hundred Only) divided into 9,09,72,962 (Nine crore nine lakh seventy-two thousand nine hundred sixty two only) equity shares with face value of Rs. 100/- (Rupees Hundred Only) per equity share to minimum of Rs. 9,09,72,962 (Nine crore nine lakh seventy-two thousand nine hundred sixty-two only) divided into 9,09,72,962 (Nine crore nine lakhs seventy-two thousand nine hundred sixty two only) equity shares with face value of minimum of Re. 1/- (Rupee One Only).

Thus, upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of TMFL could stand reduced upto Rs. 9,00,63,23,238/- (Rupees Nine hundred crore sixty-three lakhs twenty-three thousand two hundred thirty-eight Only).

As a consequence of the capital reduction indicated in clause 19.2 of the Scheme, the authorised share capital of TMFL will be modified and appropriate amendment will be carried out to Clause V of the Memorandum of Association

2. Effect on the Key Managerial Personnel: There is no effect on the key managerial personnel of the Company.
3. Effect on the creditors: Under the Scheme, there is no arrangement with the creditors (secured or unsecured) of the Company. No compromise is offered under the Scheme to any of the creditors of the Company. The liability of the creditors of the Company, under the Scheme, is neither being reduced nor being extinguished.
4. Effect on staff or employees: Under the Scheme, no rights of the staff and employees of the Company are being affected. The services of the staff and employees of the Company shall continue on the same terms and conditions prior the proposed Scheme in case of transfer of employees as part of the Scheme.

C. **Conclusion**

While deliberating the Scheme, the Board has considered its impact on each of the shareholders, promoters, non-promoter shareholders, key managerial personnel, creditors and employees. The Scheme is in the best interest of the shareholders, promoters and non-promoter shareholders, key managerial personnel, creditors and employees of the Company and there shall be no prejudice caused to them in any manner by the Scheme.

By order of the Board

For **TATA MOTORS FINANCE LIMITED**

S/d
SAMRAT GUPTA
Managing Director & CEO
DIN: 07071479

Date: October 03, 2022

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TATA MOTORS FINANCE SOLUTIONS LIMITED AT ITS MEETING HELD ON OCTOBER 03, 2022 EXPLAINING THE EFFECT OF THE SCHEME OF DEMERGER BETWEEN TATA MOTORS FINANCE LIMITED AND TATA MOTORS FINANCE SOLUTIONS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS, ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

A. Background:

1. The Board of Tata Motors Finance Solutions Limited ("**Company**") (TMFSL) at its meeting held on October 03, 2022 approved the Scheme of Demerger amongst the Company, Tata Motors Finance Limited ("**Demerged Company**") (TMFL) and their respective shareholders ("**Scheme**"), to be implemented under Sections 230 to 232 of the Companies Act, 2013 and the rules made thereunder ("**Act**") and other applicable provisions, if any, of the Act for demerger of the Demerged Company's undertaking comprising in the non banking finance related business of the Demerged Company to the Company.
 2. In terms of Section 232(2)(c) of the Act, a report from the Board of the Company explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company, setting out, among other things, the share exchange ratio, specifying any special valuation difficulties, is required to be adopted by the Board. Such report is then required to be appended with the notice of the meeting of shareholders and creditors if ordered by the jurisdictional National Company Law Tribunal.
 3. Accordingly, this report of the Board is prepared to comply with the requirements of Section 232(2)(c) of the Act.
 4. While deliberating on the Scheme, the Board, inter-alia, considered and took on record the following documents:
 - (a) A draft of the proposed Scheme;
 - (b) Draft Auditor's certificate to be issued by M/s Kalyaniwalla & Mistry LLP, statutory auditors of the Company ("**Accounting Treatment Certificate**"), to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government in Section 133 of the Act;
 - (c) Draft Auditor's Certificate to be issued by M/s Kalyaniwalla & Mistry LLP, statutory auditors of the Company certifying amount of secured and unsecured creditors as on June 30, 2022 for the purpose of submission to NCLT as part of the Scheme;
 - (d) Draft Auditor's Special Purpose Review Report to be issued by M/s Kalyaniwalla & Mistry LLP, statutory auditors for the unaudited quarterly and year to date financial statements to understand the impact on the financial statements of the proposed amalgamation of the NBFC segment of TMFL as at April 1, 2022 "Assumed Appointed Date" with TMFSL; and
- (a) Audit Committee's approval dated October 03, 2022 recommending the Scheme from related party perspective.

5. The Scheme, amongst others, contemplates the following arrangements:
- (a) A demerger of Demerged Undertaking (as defined in the Scheme) of the Demerged Company into the Company in the manner set out in Part II of the Scheme.
 - (b) With effect from the Appointed Date, the Demerged Undertaking of the Demerged Company shall stand transferred to and vested in or deemed to be transferred or vested in the Company as a going concern, in the manner provided in the Scheme.
 - (c) Change in the name of the Company as available with the Registrar of Companies and which the Board of Directors of the Company may deem fit in the manner set out in Clause 17 of Part II of the Scheme.

B. **Effect of the Scheme on equity shareholders (promoter shareholders and non-promoter shareholders), and Key Managerial Personnel of Tata Motors Finance Solutions Limited:**

1. **Effect on each class of shareholders (promoter shareholders and non-promoter shareholders):**

Pursuant to the Scheme, the entire Demerged Undertaking (as defined in the Scheme) of the Demerged Company shall be transferred to and vested in the Company.

Upon the Scheme becoming effective and upon demerger of the Demerged Undertaking of the Demerged Company into the Company in terms of this Scheme, the Company shall issue and allot its equity shares to the members of the Demerged Company whose names appear in the register of members of the Demerged Company (except for shares already held by the Company) as on record date in the following proportion viz.:

“34 equity shares of face value of Rs. 100/- each of TMFSL shall be issued and allotted as fully paid up for every 10 equity shares of the face value of Rs. 100/- each fully paid up held in TMFL”

The said share exchange ratio is arrived at after taking into consideration the valuation reports issued by Ms. Rashmi Shah and by M/s PWC Business Consulting Service LLP which has been duly considered by the Board of Directors of the Company and the Board has come to the conclusion that said share exchange ratio is fair and reasonable.

The equity shares so issued and allotted as provided above shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank *pari-passu* in all respects with the equity shares of the Company as set out in the Scheme.

Further, pursuant to the scheme, the securities premium of the Demerged Company will be reduced on account of the transfer of the Demerged Undertaking from the Demerged Company to the Company. Further the securities premium available with the Demerged Company after giving effect to the demerger to be reduced against negative balance in demerger reserve and/ or retained earnings arising on demerger.

The Scheme also contemplates reduction of equity share capital of the Demerged Company by reducing the face value of paid-up equity shares of the Demerged Company. The issued, subscribed and paid-up share capital of the TMFL shall stand reduced from the existing Rs. 9,09,72,96,200/- (Rupees Nine hundred nine crore seventy-two lakhs ninety-six thousand two hundred Only) divided into 9,09,72,962 (Nine crore nine lakh seventy-two thousand nine hundred sixty two only) equity

shares with face value of Rs. 100/- (Rupees Hundred Only) per equity share to minimum of Rs. 9,09,72,962 (Nine crore nine lakh seventy-two thousand nine hundred sixty-two only) divided into 9,09,72,962 (Nine crore nine lakhs seventy-two thousand nine hundred sixty two only) equity shares with face value of minimum of Re. 1/- (Rupee One Only).

Thus, upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of TMFL could stand reduced upto Rs. 9,00,63,23,238/- (Rupees Nine hundred crore sixty-three lakhs twenty-three thousand two hundred thirty-eight Only).

As a consequence of the capital reduction indicated in clause 19.2 of the Scheme, the authorised share capital of TMFL will be modified and appropriate amendment will be carried out to Clause V of the Memorandum of Association

2. Effect on the Key Managerial Personnel: There is no effect on the key managerial personnel of the Company.
3. Effect on the creditors: Under the Scheme, there is no arrangement with the creditors (secured or unsecured) of the Company. No compromise is offered under the Scheme to any of the creditors of the Company. The liability of the creditors of the Company, under the Scheme, is neither being reduced nor being extinguished.
4. Effect on staff or employees: Under the Scheme, no rights of the staff and employees of the Company are being affected. The services of the staff and employees of the Company shall continue on the same terms and conditions prior the proposed Scheme.

C. Conclusion

While deliberating the Scheme, the Board has considered its impact on each of the shareholders, promoters, non promoter shareholders, key managerial personnel, creditors and employees. The Scheme is in the best interest of the shareholders, promoters and non-promoter shareholders, key managerial personnel, creditors and employees of the Company and there shall be no prejudice caused to them in any manner by the Scheme.

By order of the Board

For **TATA MOTORS FINANCE SOLUTIONS LIMITED**

S/d

ALOK CHADHA
Whole Time Director
DIN: 09537539

Date: October 03, 2022

Particulars	Notes	As at September 30, 2022	As at March 31, 2022
I ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	5	3990,11.77	2498,96.81
(b) Bank Balance other than cash and cash equivalents	6	291,92.99	434,22.56
(c) Derivative financial instruments	14	87,33.71	87,64.13
(d) Receivables			
i. Trade receivables	7	25,60.75	30,07.18
ii. Other receivables	8	35,36.51	5,26.82
(e) Loans	9	27432,03.69	28203,78.66
(f) Investments	10	1108,74.12	1247,30.51
(g) Other financial assets	11	944,61.53	717,19.98
		33916,75.07	33224,46.65
2 Non-financial assets			
(a) Current tax assets (net)		181,48.41	157,20.72
(b) Deferred tax assets (net)		156,94.23	191,94.87
(c) Property, plant and equipment	12A	203,87.88	209,52.10
(d) Other intangible assets	12B	2,72.61	3,21.62
(e) Other non-financial assets	13	129,17.94	123,58.80
		676,21.07	685,48.11
3 Assets held for sale		294,46.75	426,50.37
Total assets		34886,42.89	34336,45.13
II LIABILITIES AND EQUITY			
1 Financial liabilities			
(a) Derivative financial instruments	14	14,01.80	19,79.61
(b) Payables	15		
(i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		5,06.71	8,87.68
- total outstanding dues of creditors other than micro enterprises and small enterprises		153,10.00	201,82.42
(ii) Other payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		91,52.73	124,32.42
(c) Debt securities	16	8014,94.88	8049,37.43
(d) Borrowings (other than debt securities)	17	19276,17.48	18695,89.37
(e) Subordinated liabilities	18	1338,87.42	1500,55.82
(f) Other financial liabilities	19	657,34.68	778,10.54
		29550,85.68	29378,75.19
2 Non-financial liabilities			
(a) Current tax liabilities (net)		53.31	53.31
(b) Provisions	20	112,38.46	88,87.87
(c) Other non-financial liabilities	21	43,06.81	68,97.06
		155,98.58	158,38.24
3 Equity			
(a) Equity share capital	22A	909,72.96	608,27.69
(b) Instruments entirely equity in nature	22B	1348,00.00	1348,00.00
(c) Other equity		2921,85.67	2843,04.01
		5179,58.63	4799,31.70
Total liabilities and equity		34886,42.89	34336,45.13

See accompanying notes forming part of condensed interim unaudited financial statements (1 to 37)

As per our report of even date attached
For SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm Registration Number: 109983W

For G. M. Kapadia & Co
Chartered Accountants
Firm Registration Number: 104767W

For and on behalf of the Board of Directors

TIRTHARAJ
ANNASAHEB
KHOT

Digitally signed by TIRTHARAJ
ANNASAHEB KHOT
Date: 2022.10.28 22:07:52
+05'30'

Tirtharaj Khot
Partner
Membership No. 037457

Place: Mumbai
Date: October 28, 2022

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Date: October 28, 2022

Palamadai
Sundararajan
Jayakumar

Digitally signed by
Palamadai Sundararajan
Jayakumar
Date: 2022.10.28
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P. S. Jayakumar
Director
(DIN - 01173236)

PATHAMADAI
BALACHANDRAN
AN BALAJI

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PATHAMADAI
BALACHANDRAN
AN BALAJI
Date: 2022.10.28
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P.B. Balaji
Director
(DIN - 02762983)

SAMRAT
GUPTA

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SAMRAT GUPTA
Date: 2022.10.28
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Samrat Gupta
Managing Director and
Chief Executive Officer
(DIN - 07071479)

RIDHI ZAVERI
GANGAR

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RIDHI ZAVERI GANGAR
Date: 2022.10.28
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Ridhi Gangar
Chief Financial Officer

Place: Mumbai
Date: October 28, 2022

VINAY BABURAO
LAVANNIS

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VINAY BABURAO
LAVANNIS
Date: 2022.10.28 20:58:28
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Vinay Lavannis
Company Secretary
Membership No.-A7911

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC090444)
Condensed Interim unaudited Statement of Profit and Loss for the Period ended September 30, 2022

(₹ in lakhs)

Particulars	Notes	For the quarter ended September 30, 2022	For the period ended September 30, 2022	For the quarter ended September 30, 2021	For the period ended Sept 30, 2021
Revenue from operations					
(a) Interest income	23	815,08.96	1625,27.94	646,46.00	1658,75.74
(b) Dividend income		54.83	3,66.37	25.75	1,78.59
(c) Rental income		14,11.48	26,76.49	15,00.85	32,22.61
(d) Net gain on fair value changes	24	27,00.04	49,82.08	39,98.29	57,71.96
(e) Net gain on derecognition of financial instruments		56,72.42	60,97.93	97,02.56	102,77.07
(f) Other fees and service charges		61,61.99	100,29.08	44,56.04	82,32.05
I Total Revenue from operations		875,09.32	1863,79.89	1043,25.55	1935,58.06
II Other income	25	36,23.28	73,58.84	40,03.05	51,49.33
III Total Income (I + II)		1011,32.60	1937,38.73	1083,28.60	1987,07.39
IV Expenses					
(a) Finance cost	28	530,03.34	1032,30.61	519,36.73	1073,46.57
(b) Impairment of financial instruments and other assets	27	364,65.84	337,43.28	(75,52.80)	515,88.26
(c) Employee benefits expenses	23	69,78.50	144,31.74	65,80.36	132,80.03
(d) Depreciation and amortization	12A & 12B	14,08.12	27,82.97	13,98.16	28,96.24
(e) Other expenses	29	187,08.49	312,24.31	112,56.80	203,45.52
Total expenses		1166,24.29	2054,21.91	636,21.26	1854,36.62
V Profit/(Loss) before exceptional items and tax (III - IV)		(134,91.69)	(116,85.18)	447,11.35	32,69.77
VII Profit/(Loss) before tax (V - VI)		(134,91.69)	(116,85.18)	447,11.35	32,69.77
VIII Tax expense / (income)					
Current tax		-	-	-	-
Deferred tax		-	-	48,80.04	(103,11.14)
Total tax expense		-	-	48,80.04	(103,11.14)
IX Profit/(Loss) for the period from continuing operations (VII - VIII)		(134,91.69)	(116,85.18)	400,31.31	135,79.91
X Profit/(Loss) for the period		(134,91.69)	(116,85.18)	400,31.31	135,79.91
XI Other comprehensive income					
A i. Items that will not be reclassified to profit or loss					
a. Remeasurements of the defined benefit plans		-	-	-	-
b. Equity Instruments through Other Comprehensive Income		17,28.29	(9,82.40)	(1,97.55)	20,03.89
ii. Income tax relating to items that will not be reclassified to profit or loss		(4,34.98)	2,47.26	5,04.42	(13,02.23)
Subtotal (A)		1293.31	(7,35.15)	3,06.87	7,01.66
B i. Items that will be reclassified to profit or loss					
a. Net Gains/(losses) on cash flow hedges		45,40.91	22,08.25	(6,81.21)	(28.82)
b. Debt Instruments through Other Comprehensive Income		113,38.04	140,55.94	(33,59.59)	(188,49.44)
ii. Income tax relating to items that will be reclassified to profit or loss		(28,53.56)	(35,47.89)	8,45.54	46,93.69
Subtotal (B)		130,25.39	127,57.29	(31,95.27)	(139,84.57)
Other Comprehensive Income (A + B)		143,18.70	120,22.06	(28,88.40)	(132,82.91)
XII Total comprehensive income for the period		3,27.01	3,35.87	371,42.91	2,97.00
XIII Earnings per share of ₹ 100 each (not annualized)					
Basic (in ₹)		(17.81)	(19.82)	44.20	12.82
Diluted (in ₹)		(17.81)	(19.82)	44.20	12.82

See accompanying notes forming part of condensed interim unaudited financial statements (1 to 37)

As per our report of even date attached

For SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm Registration Number: 109983W

TIRTHARAJ
ANNASAHAB KHOT
Digitally signed by TIRTHARAJ
ANNASAHAB KHOT
Date: 2022.10.26 22:05:30
+05'30'

Tirtharaj Khot
Partner
Membership No. 037457

Place: Mumbai
Date: October 26, 2022

For G. M. Kapadia & Co
Chartered Accountants
Firm Registration Number: 104767W

Atul Hiralal
Shah
Digitally signed by Atul Hiralal
Shah
Date: 2022.10.26 14:07:37
+05'30'

Atul Shah
Partner
Membership No. 039589

Place: Mumbai
Date: October 26, 2022

For and on behalf of the Board of Directors

Palamadai
Sundararajan
Jayakumar
Digitally signed by
Palamadai Sundararajan
Jayakumar
Date: 2022.10.26 21:01:31
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P. S. Jayakumar
Director
(DIN - 01173236)

PATHAMADAI
BALACHANDRAN
AN BALAJI
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PATHAMADAI
BALACHANDRAN
AN BALAJI
Date: 2022.10.26
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P. B. Balaji
Director
(DIN - 02762983)

Digitally signed by SAMRAT GUPTA
Date: 2022.10.26 20:58:49 +05'30'

Samrat Gupta
Managing Director
and Chief Executive Officer
(DIN - 07071479)

RIDHI ZAVERI
GANGAR
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RIDHI ZAVERI
GANGAR
Date: 2022.10.26
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Ridhi Gangar
Chief Financial Officer

VINAY BABURAO
LAVANNIS
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VINAY BABURAO
LAVANNIS
Date: 2022.10.26 20:58:49 +05'30'

Vinay Lavannis
Company Secretary
Membership No.-A7911

Place: Mumbai
Date: October 26, 2022

Particulars	For the period ended September 30, 2022	For the period ended September 30, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss)/profit before tax	(116,85.18)	32,88.77
Adjustments for:		
Interest income on loans, deposits & investments	(1625.27.94)	(1658,75.74)
Finance costs (other than interest expense on lease liability)	1029,31.39	1071,19.20
Interest expense on lease liability	3,08.22	2,27.37
Dividend income	(3,66.37)	(1,78.59)
Gain on sale of investments	(47,16.93)	(31,40.36)
MTM on investments measured at fair value through profit or loss	(2,25.35)	(28,07.94)
Allowance for loan losses and write-off loans	549,10.09	419,67.97
Allowance for doubtful loans and advances (others) (net of write-off)	(11,86.81)	19,05.64
Depreciation and amortization	27,82.97	28,98.24
(profit)/Loss on sale of property, plant and equipments	(16.41)	1,80.60
Balances written back	4,13.78	-
Fair value changes on derivative instruments	5,06.23	1,19.82
Discount income on investment in Treasury bills	(11,55.13)	-
Loss on asset held for sale	56,56.67	-
Operating cash flow before working capital changes	(143,60.79)	(143,15.01)
Movements in working capital		
Trade payables	(56,67.15)	(45,05.68)
Other payables	(32,79.69)	(13,90.35)
Other financial liabilities	(129,78.10)	27,45.85
Other non financial liabilities	(25,90.25)	(9,93.41)
Trade receivables	19,02.12	(3,42.95)
Other receivables	(30,09.69)	(1,95.39)
Other financial assets	(226,60.05)	118,16.18
Provisions	23,50.59	(2,12.51)
Loans	329,77.56	1480,10.92
Other non financial assets	(5,86.22)	9,87.18
Assets held for sale	75,46.95	-
	(203,42.72)	1418,44.83
Finance costs paid	(891,18.03)	(1191,97.78)
Interest income received on loans, investments & deposits	1655,68.80	1675,32.37
Income taxes paid (net)	(24,27.69)	(20,04.54)
Net cash generated from operating activities	536,80.31	1879,74.88
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments and intangible assets	(14,67.76)	(6,19.47)
Proceeds from sale of property, plant and equipments	8,16.72	19,86.87
Purchase of mutual fund units	(52040,39.80)	(35266,23.67)
Redemption of mutual fund units	52087,56.73	35297,64.02
Investment in Government Securities	(9,44.00)	-
Distribution from trust securities	18.54	-
Investment in Treasury bills	(573,18.07)	-
Redemption of Treasury bills	725,00.00	-
Dividend income	3,66.37	1,54.41
Deposits/restricted deposits with banks	(231,93.36)	(284,64.18)
Realisation of deposits/restricted deposits with banks	374,22.92	123,08.99
Net cash generated/(used in) from investing activities	329,16.29	(115,93.23)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in cash credit (net)	23,44.75	-
Proceeds from debt securities	3999,18.50	2940,70.92
Repayment of debt securities	(4175,00.00)	(3910,54.27)
Repayment of subordinated liabilities	(182,40.00)	(75,30.00)
Proceeds from borrowings (other than debt securities)	8884,20.58	5315,01.60
Repayment of borrowings (other than debt securities)	(6184,12.35)	(7778,46.98)
Interest payment on lease liability	(3,08.22)	(2,27.56)
Principal payment of lease liability	(6,02.10)	(4,64.17)
Proceeds from issue of Instruments entirely equity in nature (net of issue expenses)	-	255,05.45
Distributions made to holders of Instruments entirely equity in nature	(51,39.25)	(27,73.25)
Premium on issue of equity shares	233,61.68	-
Equity share issue	86,74.77	-
Dividend paid (including Dividend distribution tax)	-	(55,30.08)
Net cash generate/(used in) from financing activities	625,18.36	(3343,47.33)
Net increase in/(decrease in) cash and cash equivalents (A + B + C) (refer note below)	1491,14.96	(1580,66.69)

Particulars	For the period ended September 30, 2022	For the period ended September 30, 2021
Cash and cash equivalents at the beginning of the period	2498,96.81	426,610.87
Cash and cash equivalents at the end of the period (Refer Note 5)	3990,11.77	268,545.18
See accompanying notes forming part of condensed interim unaudited financial statements (1 to 36)		

Note:

1. Finance costs has been considered as arising from operating activities in view of the nature of the Company's business.
2. The Statement of Cash Flows has been presented using indirect method as per the requirements of Ind AS 7 Statement of Cash Flows.

As per our report of even date attached
Chartered Accountants

Firm Registration Number: 109983W

Digitally signed by
TIRTHARAJ
ANNASAHEB KHOT
Date: 2022.10.28
22:09:36 +05'30'

Tirtharaj Khot
Partner
Membership No. 037457

Place: Mumbai
Date: October 28, 2022

Chartered Accountants

Firm Registration Number: 104767W

Digitally signed by
Palamadai Sundararajan
Jayakumar
Date: 2022.10.28 21:01:50
+05'30'

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Date: October 28, 2022

For and on behalf of the Board of Directors

Palamadai
Sundararajan
Jayakumar

Digitally signed by
Palamadai Sundararajan
Jayakumar
Date: 2022.10.28 21:01:50
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P. S. Jayakumar
Director
(DIN - 01173236)

Digitally signed by
PATHAMADAI
BALACHANDRAN
RAN BALAJI
Date: 2022.10.28
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P.B. Balaji
Director
(DIN - 02762983)

Digitally signed by
SAMRAT GUPTA
Date: 2022.10.28
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Samrat Gupta
Managing Director and
Chief Executive Officer
(DIN - 07071479)

RIDHI ZAVERI
GANGAR

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RIDHI ZAVERI GANGAR
Date: 2022.10.28
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Ridhi Gangar
Chief Financial Officer

VINAY
BABURAO
LAVANNIS

Digitally signed by VINAY
BABURAO LAVANNIS
Date: 2022.10.28
20:59:09 +05'30'

Vinay Lavannis
Company Secretary
Membership No.-A7811

Place: Mumbai
Date: October 28, 2022

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1998PLC050444)

Condensed Interim unaudited Statement of changes in equity for the period ended September 30, 2022

Particulars	As at September 30, 2022		As at March 31, 2022	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the period/year	60,827,689	608,27.89	60,827,689	608,27.80
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the period/year	60,827,689	60,927.89	60,827,689	60,927.89
Equity Shares issued on conversion of CCPS during the period/year	23,470,566	234,70.50	-	-
Equity Shares issued during the period/year	5,674,767	68,74.77	-	-
Shares outstanding at the end of the period/year	90,972,922	90,372.96	60,827,689	608,27.89

B. Instruments entirely equity in nature

Particulars	As at September 30, 2022		As at March 31, 2022	
	Number	Rs.	Number	Rs.
Balance as at beginning of the period/year	13,480	1348,00.00	9,630	963,00.00
Issued during the period/year	-	-	3,850	385,00.00
Balance as at end of the period/year	13,480	1348,00.00	13,480	1348,00.00

C. Other equity

Particulars	Equity component of compound financial instrument (Refer Note 22C)	Reserve and Surplus				Other components of equity				Total other equity				
		Special reserve*	Capital redemption reserve	Securities Premium Account	Capital Reserve	General reserve	Retained earnings	Equity Instruments through OCI	Debt Instruments through OCI		Cost of Hedging Reserve	Hedging Reserve		
Balance as at April 1, 2022	471,11.44	-	-	3136,40.39	190,82.18	17,95.59	Undistributable (Ind AS 101)	175,81.62	-	-	-	-	-	2843,04.01
a) Profit for the period	-	0.02	-	-	-	-	(176,1,69.60)	175,81.62	-	-	-	-	-	(118,86.18)
b) Other comprehensive income (loss) for the period	-	-	-	-	-	-	(116,85.98)	(116,85.98)	-	-	-	-	-	120,22.05
c) Total comprehensive income for the period	-	-	-	-	-	-	-	(7,35.15)	105,49.95	-	-	-	-	3,36.87
d) Dividend	-	-	-	-	-	-	-	(7,35.15)	166,48.86	-	-	-	-	-
e) Distributions made to holders of Instruments entirely equity in nature	-	-	-	-	-	-	-	(51,30.25)	-	-	-	-	-	(51,30.25)
f) Premium on issue of equity shares	-	-	-	233,51.66	-	-	-	-	-	-	-	-	-	233,51.66
g) Conversion of CCPS to equity	-	-	-	364,33.80	-	-	-	-	-	-	-	-	-	(108,77.64)
Balance as at September 30, 2022	471,11.44	0.02	238,56.74	3734,36.86	190,82.18	17,96.69	(176,1,69.60)	8,57.19	428,72.05	18,65.69	19,95.33	-	-	2921,85.87

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)
 Condensed Interim unaudited Statement of changes in equity for the period ended September 30, 2022

Particulars	Equity component of compound financial instrument (Refer Note 22C)	Reserve and Surplus					Other components of equity				Total other equity		
		Special reserve*	Capital redemption reserve	Securities Premium Account	Capital Reserve	General reserve	Retained earnings		Equity instruments through OCI	Debt instruments through OCI		Cost of Hedging Reserve	Hedging Reserve
							Undistributable (Ind AS 101)	Distributable					
Balance as at April 1, 2021	471,11.44	-	-	3136,40.35	190,82.18	17,66.59	(1761,68.00)	362,65.57	49,76.90	256,77.84	76.01	(51,06.38)	29,10,04,89
a) Profit for the year	-	239,56.74	0.02	-	-	-	(26,74.00)	(26,74.00)	-	-	-	-	(26,74.00)
b) Other comprehensive income/(loss) for the year	-	-	-	-	-	-	1,94.24	1,94.24	15,64.26	66,45.26	(633.00)	41,84.78	120,76.50
c) Total comprehensive income / (loss) for the year	-	-	-	-	-	-	(24,79.76)	(24,79.76)	15,64.26	66,45.26	(633.00)	41,84.78	94,01,61
d) Dividend	-	-	-	-	-	-	(55,30.08)	(55,30.08)	-	-	-	-	(55,30.08)
e) Distributions made to holders of Instruments entirely equity in nature	-	-	-	-	-	-	(98,38.50)	(98,38.50)	-	-	-	-	(98,38.50)
f) Issue expenses on Instruments entirely equity in nature	-	-	-	-	-	-	-	-	-	-	-	-	-
g) Transfer to Special Reserve	-	-	-	-	-	-	(7,33.61)	(7,33.61)	-	-	-	-	-
Balance as at March 31, 2022	471,11.44	239,56.74	0.02	3136,40.35	190,82.18	17,66.59	(1761,68.00)	176,81.62	65,81.15	323,23.10	(4,87.03)	(9,27.58)	2843,04,01

*As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund and transfer therein a sum not less than 20% of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared. No appropriation of any sum from the reserve fund can be made by the Company except for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank of India within twenty-one days from the date of such withdrawal. The Company transfers said amount at the end of the financial year.

See accompanying notes forming part of condensed interim unaudited financial statements (1 to 37)

As per our report of even date attached
 For SHARP & TABANAN ASSOCIATES
 Chartered Accountants
 Firm Registration Number: 109583W
TIRTHARAJ Digitally signed by
TRIDHARAJ
ANNASAFEB KHOT
 Date: 2022.10.28
 22:16:58 +05:30'
KHCT
 Tirdharaj Khot,
 Partner
 Membership No. 037457

For G. M. Kapadia & Co
 Chartered Accountants
 Firm Registration Number: 104767W
Atul Hirala Digitally signed by
Shah
 Atul Shah
 Partner
 Membership No. 038560

For and on behalf of the Board of Directors
Palamadal Digitally signed by
Sundararajan Jayakumar
 P. S. Jayakumar
 Director
 (DIN - 01173236)

SAMRAT GUPTA Digitally signed by
SAMRAT GUPTA
 Date: 2022.10.28
 20:56:58 +05:30'
 Samrat Gupta
 Managing Director and
 Chief Executive Officer
 (CIN - 07071479)

Place : Mumbai
 Date: October 28, 2022

RIDHI ZAVERI GANGAR Digitally signed by
RIDHI ZAVERI GANGAR
 Date: 2022.10.28
 20:47:58 +05:30'
 Ridhi Gangar
 Chief Financial Officer

VINAY BABURAO LAVANINIS Digitally signed by
VINAY BABURAO LAVANINIS
 Date: 2022.10.28 20:55:31 +05:30'
 Vinay Lavanish
 Company Secretary
 Membership No.-A7811

Place : Mumbai
 Date: October 28, 2022

Place: Mumbai
 Date: October 28, 2022

TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65918MH1992PLC187184)
Condensed Interim unaudited Balance Sheet as at September 30, 2022

(₹ in lakhs)

Particulars	Notes	As at September 30, 2022	As at March 31, 2022
I ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	5	1927,28.67	1900,52.91
(b) Bank balance other than cash and cash equivalents		-	-
(c) Derivative financial instruments	12	13,30.53	-
(d) Receivables			
i. Trade receivables	6	18.12	17.02
ii. Other receivables	6A	47,06.29	78,04.39
(e) Loans	7	9582,62.71	8085,07.80
(f) Investments	8	519,35.87	453,52.23
(g) Other financial assets	9	154,16.40	67,41.09
		12243,98.59	10584,75.44
2 Non-financial assets			
(a) Current tax assets (net)		44,46.65	17,49.92
(b) Deferred tax assets (net)		-	11,30.79
(c) Property, plant and equipment	10	1,31.41	1,49.18
(d) Goodwill	10A	180,25.25	180,25.25
(e) Other intangible assets	10B	5.42	18.91
(f) Other non-financial assets	11	25,55.63	27,57.07
		251,64.36	238,31.12
3 Assets Held for Sale		20,91.38	23,39.77
Total assets		12516,54.33	10846,46.33
II LIABILITIES AND EQUITY			
1 Financial liabilities			
(a) Derivative financial instruments		-	-
(b) Payables	13		
(i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		81.08	1,13.51
- total outstanding dues of creditors other than micro enterprises and small enterprises		26,87.92	35,78.20
(ii) Other payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		7,19.22	11,62.70
(c) Debt securities	14	1782,04.24	1886,07.15
(d) Borrowings (other than debt securities)	15	7857,06.10	6638,23.52
(e) Other financial liabilities	16	456,98.82	345,94.50
		10130,97.38	8918,79.58
2 Non-financial liabilities			
(a) Current tax liabilities (net)		1,10.08	115.89
(b) Provisions	17	15,68.11	12,37.68
(c) Deferred tax liabilities (Net)		6,37.84	-
(d) Other non-financial liabilities	18	7,09.20	12,94.50
		30,25.23	26,48.07
3 Equity			
(a) Equity share capital	19	1700,49.74	1700,49.74
(b) Instruments entirely equity in nature	18	460,00.00	100,00.00
(c) Other equity		194,81.98	100,68.94
		2355,31.72	1901,18.68
Total liabilities and equity		12516,54.33	10846,46.33

See accompanying notes forming part of the condensed interim unaudited financial statements (1 to 34)

As per our report of even date attached

For and on behalf of the Board of Directors

For KALYANIWALLA & MISTRY LLP
Chartered Accountants

Firm Registration Number: 104607W / W100166

Damarla

Sai

Venkata

Ramana

Sai Venkata Ramana Damarla

Partner

Membership No. 107017

Place : Mumbai

Date: October 28, 2022

VARSHA VASANT PURANDARE
Digitally signed by VARSHA VASANT PURANDARE
Date: 2022.10.28 21:26:22 +05'30'

Varsha Purandare

Director

(DIN - 05288076)

PATHAMADAI BALACHANDRAN BALAJI AN BALAJI
Digitally signed by PATHAMADAI BALACHANDRAN BALAJI AN BALAJI
Date: 2022.10.28 21:26:22 +05'30'

P. B. Balaji

Director

Digitally signed by ALOK CHADHA

Date: 2022.10.28 21:18:31 +05'30'

Alok Chadha

Executive Director

(DIN - 09537539)

UDAY UCHIL
Digitally signed by UDAY UCHIL
Date: 2022.10.28 21:14:37 +05'30'

Uday Uchil

Chief Financial Officer

Place : Mumbai

Date: October 28, 2022

NEERAJ KUMAR DWIVEDI
Digitally signed by NEERAJ KUMAR DWIVEDI
Date: 2022.10.28 21:28:19 +05'30'

NEERAJ KUMAR DWIVEDI

Company Secretary

(Membership No. A20874)

TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Condensed Interim unaudited Statement of Profit and Loss for the period ended September 30, 2022

Particulars	Notes	For the quarter ended September 30, 2022	For the period ended September 30, 2022	For the quarter ended September 30, 2021	For the period ended September 30, 2021
Revenue from operations					
(a) Interest income	20	289,70.64	543,64.90	220,57.60	435,72.76
(b) Dividend income		-	-	1,10.23	1,10.23
(c) Net gain on fair value changes	21	14,05.19	22,96.91	6,10.78	10,66.72
(d) Net gain on derecognition of financial instruments		36,79.98	38,15.40	32,82.78	3365.00
(e) Other fees and service charges		10,52.82	16,06.95	5,20.61	11,57.06
I Total Revenue from operations		351,06.63	620,84.16	265,82.00	492,51.77
II Other income	22	1,28.10	9,77.93	94.77	1,45.89
III Total Income (I + II)		352,36.73	630,62.09	266,76.77	493,97.60
IV Expenses:					
(a) Finance costs	23	172,57.06	325,20.55	125,16.96	241,55.13
(b) Impairment on financial instruments and other assets	24	139,69.29	165,89.17	55,28.38	170,83.23
(c) Employee benefits expenses	25	17,74.35	34,71.66	12,65.13	25,11.11
(d) Depreciation, amortization and impairment	10, 10B	23.81	46.98	35.58	71.03
(e) Other expenses	26	28,12.97	56,42.37	27,27.29	44,13.27
Total expenses		358,37.48	582,70.73	215,83.34	482,43.77
V Profit/(loss) before exceptional items and tax (III - IV)		(6,00.75)	47,91.36	50,93.43	11,53.83
V Profit/(Loss) before tax (III - IV)		(6,00.75)	47,91.36	50,93.43	11,53.83
VI Tax expense					
Current tax		13,63.66	16,78.39	19,54.04	39,01.31
Deferred tax		(15,27.64)	(3,27.00)	(6,72.13)	(96,10.92)
Total tax expense		(1,58.98)	13,51.39	12,81.91	2,90.39
VII Profit/(Loss) for the period (V - VI)		(4,41.77)	34,39.97	38,11.52	8,63.44
VIII Other comprehensive income					
A i. Items that will not be reclassified to profit or loss		-	-	-	-
a. Remeasurements of the defined benefit plans		-	-	-	-
Subtotal (A)		-	-	-	-
B i. Items that will be reclassified to profit or loss		-	-	-	-
a. Net Gains/(Losses) on cash flow hedges		2,00.28	2,00.28	22.20	(13.14)
ii. Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
a. Debt Instruments through Other Comprehensive Income		73,91.21	83,26.63	-	-
b. Income tax relating to items that will be reclassified to profit or loss		(1,860.14)	(20,95.65)	-	-
Subtotal (B)		57,31.35	64,31.26	22.20	(13.14)
Other Comprehensive Income		57,31.35	64,31.26	22.20	(13.14)
IX Total comprehensive income for the period (VII + VIII)		52,89.58	98,71.23	38,33.72	8,50.30
X Earnings per equity share of ₹ 100 each					
Basic (in ₹) (Not annualised)		(0.26)	2.02	2.24	0.53
Diluted (in ₹) (Not annualised)		(0.26)	2.02	2.24	0.51

See accompanying notes forming part of the condensed interim unaudited financial statements (1 to 34)

As per our report of even date attached

For and on behalf of the Board of Directors

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration Number: 104607W / W100166
Damarla Sai
Venkata Ramana
Sai Venkata Ramana Damarla
Partner
Membership No. 107617

Place : Mumbai
Date : October 28, 2022

VARSHA
VASANT
PURANDARE
Digitally signed by
VARSHA VASANT
PURANDARE
Date: 2022.10.28 21:26:53
+05'30'
Varsha Purandare
Director
(DIN - 05288076)

UDAY
UCHIL
Digitally signed by
UDAY UCHIL
Date: 2022.10.28
21:14:06 +05'30'
Uday Uchil
Chief Financial Officer
Place : Mumbai
Date : October 28, 2022

Digitally signed by
ALOK CHADHA
Date: 2022.10.28
21:18:52 +05'30'

Alok Chadha
Executive Director
(DIN - 09537539)

PATHAMADAI
BALACHANDRAN
RAN BALAJI
Digitally signed by
P. B. Balaji
Date: 2022.10.28
21:18:52 +05'30'
P. B. Balaji
Director
(DIN - 02762983)

NEERAJ KUMAR
DWIVEDI
Digitally signed by
Neeraj Dwivedi
Date: 2022.10.28 21:24:45 +05'30'
Neeraj Dwivedi
Company Secretary
(Membership No. A20874)

TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Condensed Interim unaudited Cash flow statement for the period ended September 30, 2022

(₹ in lakhs)

Particulars	For the period ended September 30, 2022	For the period ended September 30, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	47,91.36	11,53.83
Adjustments for:		
Interest income on loans, investments and deposits	(543,64.90)	(435,72.76)
Finance cost	325,20.55	241,55.13
Dividend income	-	(1,10.23)
Gain on sale of current investments	(22,96.91)	(10,68.46)
Allowance for loan losses and loans written off	165,69.72	170,90.05
Allowance for doubtful loans and advances (others)	19.45	3.18
Net Loss on fair value changes (unrealised)	-	1.74
Balances written back	(4,44.77)	-
Profit on sale of asset held for sale	(1,49.94)	-
Depreciation and amortisation expenses	46.98	71.03
Fair value gain on derivative instruments	-	(6,78.07)
Operating cash flow before working capital changes	(33,08.46)	(29,54.56)
Movements in working capital		
Trade payables	(4,77.94)	3,45.29
Other payables	(4,43.48)	(88.39)
Other financial liabilities	111,04.32	130,63.93
Other non financial liabilities	(5,85.30)	(3,26.79)
Trade receivables	(1.10)	-
Other receivables	30,98.10	13,45.03
Loans	(1566,95.52)	(284,66.83)
Asset held for sale	3,98.33	-
Other financial assets	(90,14.06)	(6,80.00)
Other non financial assets	2,01.44	1,77.13
Provisions	3,30.43	(39.41)
	(1553,93.24)	(176,24.60)
Finance cost paid	(300,86.06)	(188,17.09)
Interest income received on loans, investments and deposits	522,51.47	400,33.15
Income taxes paid (net)	(43,80.92)	(28,93.38)
Net cash (used in)/generated from operating activities	(1376,08.74)	6,98.08
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments and intangible assets	(17.87)	(39.63)
Proceeds from sale of property, plant and equipments	2.18	0.44
Proceeds from redemption of debentures	34,00.00	-
Purchase of mutual fund units	(29701,00.00)	(14393,28.03)
Redemption of mutual fund units	29723,96.92	14404,48.56
Sale of Government Securities	403,00.00	-
Purchase of Government Securities	(500,94.12)	-
Dividend income received	-	1,10.23
Deposits with banks	-	(15000.00)
Net cash used in investing activities	(41,12.89)	(138,08.43)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Debt securities	482,96.65	479,64.74
Repayment of Debt securities	(600,00.00)	(483,80.83)
Proceeds from issue of perpetual debt (net of issue expenses)	355,41.81	-
Proceeds from borrowings (other than debt securities)	2869,24.60	2234,84.51
Repayment of borrowings (other than debt securities)	(1663,65.67)	(2141,29.60)
Net cash generated from financing activities	1443,97.39	89,38.82
Net increase in/(decrease in) cash and cash equivalents (A + B + C) [Refer: Note below]	26,75.76	(41,71.53)

TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Condensed Interim unaudited Cash flow statement for the period ended September 30, 2022

(₹ in lakhs)

Particulars	For the period ended September 30, 2022	For the period ended September 30, 2021
Cash and cash equivalents at the beginning of the period	1900,52.91	810,29.46
Cash and cash equivalents at the end of the period (Refer Note 5)	1927,28.67	768,57.93
Net increase in/(decrease in) cash and cash equivalents	26,75.76	(41,71.53)

See accompanying notes forming part of the condensed interim unaudited financial statements (1 to 34)

Note:

- Finance costs has been considered as arising from operating activities in view of the nature of the Company's business.
- The Statement of Cash Flows has been presented using indirect method as per the requirements of Ind AS 7 Statement of Cash Flows.

As per our report of even date attached

For KALYANIWALLA & MISTRY LLP

Chartered Accountants

Firm Registration Number: 104607W / W100166

Damarla Sai

Venkata Ramana

Sai Venkata Ramana Damarla

Partner

Membership No. 107017

Place : Mumbai

Date: October 28, 2022

For and on behalf of the Board of Directors

VARSHA
 VASANT
 PURANDARE

Digitally signed by
 VARSHA VASANT
 PURANDARE
 Date: 2022.10.28
 21:27:17 +05'30'

Varsha Purandare
 Director
 (DIN - 05288076)

ALOK
 CHADHA

Digitally signed
 by ALOK CHADHA
 Date: 2022.10.28
 21:22:46 +05'30'

Alok Chadha

Executive Director
 (DIN - 09537539)

PATHAMADAI
 BALACHAND
 RAN BALAJI

Digitally signed by
 PATHAMADAI
 BALACHAND
 RAN BALAJI
 Date: 2022.10.28 21:28:26
 +05'30'

P. B. Balaji
 Director
 (DIN - 02762983)

UDAY
 UCHIL

Digitally signed by
 UDAY UCHIL
 Date: 2022.10.28
 21:16:50 +05'30'

Uday Uchil
 Chief Financial Officer

NEERAJ KUMAR
 DWIVEDI

Digitally signed by
 NEERAJ KUMAR DWIVEDI
 Date: 2022.10.28 21:25:53
 +05'30'

Neeraj Dwivedi
 Company Secretary
 (Membership No. A20874)

Place : Mumbai

Date: October 28, 2022

TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Condensed Interim Statement of Changes In Equity for the period ended September 30, 2022

Particulars	As at September 30, 2022				As at March 31, 2022	
	Number		₹		₹	
Shares outstanding at the beginning of the period/year	170,049,735	-	1700,49.74	-	1700,49.74	-
Changes in Equity Share Capital due to prior period/year errors	-	-	-	-	-	-
Restated balance at the beginning of the period/year	170,049,735	-	170,049.74	-	170,049.74	-
Changes in equity share capital during the current period/year	-	-	-	-	-	-
Shares issued during the period/year	170,049,735	-	1700,49.74	-	1700,49.74	-
Shares outstanding at the end of the period/year	170,049,735	-	1700,49.74	-	1700,49.74	-

The Authorized equity Share Capital has been increased from existing Rs. 1800,00,00,000/- (Rupees one thousand and eight hundred Crores only) divided into 18,00,00,000 (Eighteen Crores) Equity Shares of Rs. 100/- (Rupees Hundred only) each to Rs. 5300,00,00,000/- (Rupees five thousand and five Hundred crores only) divided into 53,00,00,000 (fifty-three Crore) Equity Shares of Rs. 100/- (Rupees hundred only) each vide Shareholders approval dated October 13, 2022.

Particulars	Reserves & Surplus				Other components of equity			Total equity
	Special reserve*	Retained earnings		Debt Instruments through OCI	Cost of Hedging Reserve	Hedging Reserve	Total equity	
		Undistributable (Ind AS 101)	Distributable					
Balance as at April 1, 2022	133,87.07	(66,16.87)	(48,84.45)	81,83.19	-	-	100,68.94	
a) Profit for the period	-	-	34,39.97	-	-	-	34,39.97	
b) Other comprehensive income for the period	-	-	-	62,30.98	-	2,00.28	64,31.26	
Total comprehensive income for the period	-	-	34,39.97	62,30.98	-	2,00.28	98,71.23	
Issue expenses on Instruments entirely equity in nature (net of taxes)	-	-	(4,58.19)	-	-	-	(4,58.19)	
Less: Transfer to Special Reserve	-	-	-	-	-	-	-	
Balance as at September 30, 2022	133,87.07	(66,16.87)	(19,02.67)	144,14.17	-	2,00.28	194,81.98	

(₹ in lakhs)

(₹ in lakhs)

Particulars	Reserves & Surplus		Other components of equity			Total equity	
	Special reserve*	Retained earnings		Debt instruments through OCI	Cost of Hedging Reserve		Hedging Reserve
		Undistributable (Ind AS 101)	Distributable				
Balance as at April 1, 2021	95,48.29	(66,16.87)	(201,01.64)	-	14.58	(1.44)	(171,57.08)
a) Profit for the year	-	-	191,93.88	-	-	-	191,93.88
b) Other comprehensive income / (loss) for the year	-	-	0.78	81,83.19	(14.58)	1.44	81,70.83
Total comprehensive income for the year	-	-	191,94.66	81,83.19	(14.58)	1.44	273,64.71
Issue expenses on Instruments entirely equity in nature (net of taxes)	-	-	(1,38.68)	-	-	-	(1,38.68)
Less: Transfer to Special Reserve	38,38.78	-	(38,38.78)	-	-	-	-
Balance as at March 31, 2022	133,87.07	(66,16.87)	(48,84.45)	81,83.19	-	-	300,68.94

*Transfer to special reserve: As per Section 45-1C of Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank of India within twenty-one days from the date of such withdrawal. The Company transfers said amount at the end of the financial year.

See accompanying notes forming part of the condensed interim unaudited financial statements [1 to 34]

As per our report of even date attached

For KALYANIWALLA & MISTRY LLP

Chartered Accountants

Firm Registration Number: 104607W / W100166

Damarla Sai

Venkata Ramana

Sai Venkata Ramana Damarla

Partner

Membership No. 107017

Place : Mumbai

Date: October 28, 2022

For and on behalf of the Board of Directors

VARSHA VASANT

PURANDARE

Varsha Purandare

Director

(DIN - 05288076)

UDAY UCHIL

Uday Uchil

Chief Financial Officer

Place : Mumbai

Date: October 28, 2022

Digitally signed by VARSHA VASANT PURANDARE

Date: 2022.10.28 21:27:54 +05'30'

Digitally signed by ALOK CHADHA

Date: 2022.10.28 21:23:03 +05'30'

ALOK CHADHA

Executive Director

(DIN - 09537539)

Digitally signed by PATHAMADAI BALACHANDRAN

Date: 2022.10.28 20:51:07 +05'30'

AN BALAJI

P. B. Balaji

Director

(DIN - 02762983)

Digitally signed by NEERAJ DWIVEDI

Date: 2022.10.28 17:25:32 +05'30'

NEERAJ KUMAR DWIVEDI

Neeraj Dwivedi

Company Secretary

(Membership No. A20874)



75
Azadi Ka
Amrit Mahotsav

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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जासदी
अमृत महोत्सव

DoS.CO.RSG No. S4879 /02.13.001/2022-23

October 28,2022

Speed Post

The Chairman
Tata Motors Finance Ltd.
I-Think Techno campus Building A
2nd floor Off Pokhran Road 2
Thane West-400601

Madam/Dear Sir,

Re: Proposed reorganization of the non-banking financial companies within the Tata Motors Finance Group (TMF Group)

Please refer to your letter dated July 21,2022 and October 17,2022 on captioned subject. In this regard, it is advised that the Bank has No Objection to the proposed scheme.

2. Further, the Certificate of Registration (CoR) issued to Tata Motors Finance Limited is non-transferable and will stand cancelled from the date of scheme getting approval of Hon'ble NCLT. In this regard, you are advised to submit the following documents to the Bank within fifteen days of receipt of NCLT Order:

- (i) Original CoR of Tata Motors Finance Ltd. for cancellation upon merger
- (ii) Copy of NCLT order approving Scheme of Arrangement
- (iii) Amalgamated audited/ provisional financials of resulting company

3. Kindly acknowledge the receipt.

Yours faithfully,


(Awadhesh Kumar Kureel)
General Manager

पर्यवेक्षणविभाग (विनियामकसेवासमूह), 3रीमंजिल, मुम्बईसेंट्रलरेल्वेस्टेशनकेसामने, भायखला, मुंबई - 400008
Department of Supervision (Regulatory Services Group), 3rd Floor, Opp. Mumbai Central Railway Station, Byculla, Mumbai 400008
फोनTel: (91-22) 23084121; फैक्सFax: (91-22) 23022011 ई-मेलe-mail : rsgdos@rbi.org.in

हिन्दीआसानहै, इसकाप्रयोगबढ़ाइए

Caution: RBI never sends mails, SMS or makes calls asking for personal information like bank account details, passwords etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.