

TMF Holdings Limited

June 4, 2024

To
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051

Dear Sir/Madam,

Sub: Disclosure in terms of Regulation 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Re: Proposed Merger of Tata Motors Finance Limited, a wholly owned subsidiary of TMF Holdings Limited ('TMFHL' or 'the Company') with Tata Capital Limited

Pursuant to Regulation 51 read with Schedule III of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**'), we wish to inform you that the Board of Directors of Tata Motors Finance Limited ('**TMFL**'), a wholly owned subsidiary of the Company and the Board of Directors of Tata Capital Limited ('**TCL**') have, at their respective Board Meetings held today, *i.e.*, June 4, 2024, approved the Scheme of Arrangement ("**the Scheme**") amongst TMFL and TCL and their respective shareholders under Sections 230 to 232 read with Section 52 and Section 66 and other applicable provisions of the Companies Act, 2013.

The Scheme is, *inter alia*, subject to the sanction of the Hon'ble National Company Law Tribunal ("**NCLT**"), requisite approvals of respective shareholders and creditors of TMFL and TCL, as applicable and as may be directed by the NCLT and requisite regulatory/statutory approvals (including that of the Reserve Bank of India and Stock Exchanges).

A copy of the Press Release issued by the Company in this regard is enclosed herewith (as **Annexure 1**) the content of which is self-explanatory.

We are providing herewith relevant details relating to cessation of TMFL as a subsidiary pursuant to the aforesaid Scheme (as **Annexure 2**) and the Implementation Agreement proposed to be executed amongst TCL, TMFL, TMF Holdings Limited and TML (as **Annexure 3**).

This is for information of the Stock Exchanges and the Members.

Yours faithfully,
TMF Holdings Limited

Vinay Lavannis
Company Secretary

Encl: as above

Merger of Tata Motors Finance Limited with Tata Capital Limited

Mumbai, June 4, 2024:

The Board of Directors of Tata Motors Limited (TML), Tata Capital Limited (TCL) and Tata Motors Finance Limited (TMFL) have today approved the proposal of merger of TMFL with TCL through an NCLT scheme of arrangement. As consideration for the merger, TCL will issue its equity shares to the shareholders of TMFL resulting in TML effectively holding a 4.7% stake¹ in the merged entity.

TCL (rated AAA by all leading rating agencies) is one of the largest diversified NBFCs in India with an AUM of ~INR 1.6L crore servicing customers with 25+ product offerings across Retail, SME and Corporate Segments. TMFL, with an AUM of ~INR 32.5K crore predominantly provides financing solutions for new and old commercial vehicles (CV), passenger vehicles (PV), dealers and vendors.

In FY 24, TCL and TMFL reported a profit after tax of INR 3,150 crore and INR 52 crore, respectively.

The transaction is also in-line with TML's stated objective of exiting non-core businesses and focus its capital spends on emerging technologies and products.

TCL has limited presence in CV/ PV financing. With this merger TCL will gain new customers in the fast-growing CV/PV financing segments, which it aims to serve with innovative products and digital offerings, whilst providing differentiated growth opportunities to employees.

The scheme of arrangement will be subject to approval of SEBI, RBI, NCLT amongst others and all shareholders and creditors of TCL and TMFL and will take ~9-12 months to complete. The merger will not have any adverse impact on customers or creditors of TMFL. E&Y, ICICI Securities, Wadia Ghandy & Co are the transaction advisors to TCL, while PwC, Axis Capital and AZB & Partners are the transaction advisors to TMFL.

¹ To be held indirectly through its 100% subsidiary TMF Holdings Limited an RBI registered NBFC-CIC.

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About Tata Motors Finance Limited

Tata Motors Finance Limited (TMFL) is one of India's leading automotive financiers, holistically catering to the financial needs of the commercial and passenger vehicle ecosystem. TMFL has nationwide presence spanning across 350+ branches.

TMFL is a Non-Banking Financial Company (NBFC) operating under the aegis of TMF Holdings Limited (TMFHL), which is a Core Investment Company (CIC) fully owned by Tata Motors Limited (TML).

Media Contact:

Tata Motors Finance Corporate Communications: corporatecommunication@tmf.co.in

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Annexure 2

Sale of subsidiary of the Company

Sr. No.	Particulars	Details of Scheme		
1	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking or subsidiary or associate company of the listed entity during the last financial year.	Name of the company: Tata Motors Finance Limited. As on March 31, 2024:		
		Particulars	Amount in INR (₹ crores)	Percentage to Tata Motors Limited's Consolidated
		Revenue from Operations	3996	0.91%
		Net worth	4797	5.65%
2	Date on which the agreement for sale has been entered into	Not Applicable. The Board of Directors of Tata Motors Finance Limited (' TMFL '), a wholly owned subsidiary of TMF Holdings Limited (' the Company '), and the Board of Directors of Tata Capital Limited (' TCL ') have, at their respective Board Meetings, have approved the Scheme of Arrangement involving amalgamation of TMFL with TCL under Sections 230 to 232 read with Section 52 and Section 66 and other applicable provisions of the Companies Act, 2013 ("the Scheme "), and subject to obtaining of all regulatory approvals/permissions, as may be necessary, including the sanction of the Hon'ble National Company Law Tribunal (' NCLT ').		
3	The expected date of completion of sale/disposal	Not applicable. The aforesaid Scheme is, <i>inter alia</i> , subject to the sanction of the NCLT, requisite approvals of the shareholders and/or creditors of the TMFL and TCL, as directed by the NCLT, receipt of regulatory/statutory approvals (including that of the Reserve Bank of India, Stock Exchanges and the Securities and Exchange Board of India), as required and subject to compliance with the applicable laws.		
4	Consideration received from such sale/disposal	In terms of the proposed Scheme, the shareholders of TMFL i.e., the Company shall receive 37 equity shares of Rs.10/- each in TCL for every 100 equity shares of Rs. 100 each held by it in TMFL.		
5	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof.	Not applicable.		
6	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	Not applicable		

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7	Whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of LODR Regulations.	Not applicable
8	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/ merger, shall be disclosed by the listed entity with respect to such slump sale whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of LODR Regulations.	Not applicable

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Annexure 3

Agreements (viz. loan agreement(s) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof

Sr. No.	Particulars	Details of Implementation Agreement
a)	Name(s) of parties with whom the agreement is entered	Implementation Agreement amongst Tata Motors Limited ('TML'), Tata Motors Finance Limited ('TMFL'), TMF Holdings Limited ("TMFHL") and Tata Capital Limited ('TCL')
b)	Purpose of entering into the agreement	The Implementation Agreement, <i>inter alia</i> , sets out the manner of implementing the amalgamation contemplated under the Scheme of Arrangement involving amalgamation of TMFL with TCL, and their respective shareholders under Sections 230 to 232 read with Section 52 and Section 66 and other applicable provisions of the Companies Act, 2013 ("the Scheme "), and the rights and obligations of the respective parties in relation to the amalgamation.
c)	Size of the agreement	The Implementation Agreement <i>inter alia</i> sets out the manner of implementing the Amalgamation contemplated under the Scheme and the rights and obligations of the respective parties in relation to the Amalgamation.
d)	Shareholding, if any, in the entity with whom the agreement is executed	TMFHL is a wholly owned subsidiary of TML and TMFL is a step down wholly owned subsidiary of TML. TML presently holds 0.12% equity shareholding in TCL. TCL does not hold any shares in TMFL, TMFHL and TML.
e)	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	The Implementation Agreement, <i>inter alia</i> , sets out the manner of implementing the Amalgamation contemplated under the Scheme and the rights and obligations of the respective parties in relation to the Amalgamation.
f)	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	Yes. TMFHL is a wholly owned subsidiary of TML and TMFL is a step down wholly owned subsidiary of TML. TCL is a subsidiary of Tata Sons Private Limited, promoter of TML and, hence, is a related party.
g)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	Not Applicable

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Sr. No.	Particulars	Details of Implementation Agreement
h)	In case of issuance of shares to the parties, details of issue price, class of shares issued	Upon the Scheme becoming effective, TCL will issue equity shares (as per the share exchange ratio mentioned in Annexure 2) to the Company as on the record date.
i)	In case of loan agreements, details of lender/borrower, nature of the loan, total amount of loan granted/taken, total amount outstanding, date of execution of the loan agreement/sanction letter, details of the security provided to the lenders / by the borrowers for such loan or in case outstanding loans lent to a party or borrowed from a party become material on a cumulative basis	Not Applicable
j)	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc	Not Applicable
k)	In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): (a) name of parties to the agreement; (b) nature of the agreement; (c) date of execution of the agreement; and (d) details of amendment and impact thereof or reasons of termination and impact thereof	Not Applicable