



Corporate Identification No. (CIN) - L28920MH1945PLC004520
Registered Office: Bombay House, 24 Homi Mody Street, Mumbai - 400 001
Tel: +91 22 6665 8282 E-mail: inv_rel@tatamotors.com Website: www.tatamotors.com

IN THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH AT MUMBAI
COMPANY SCHEME APPLICATION NO. CA (CAA) 1142/MB/2020

In the matter of the Companies Act, 2013;
And
In the matter of Application under Sections 230 - 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;
And
In the matter of Scheme of Arrangement between Tata Motors Limited ('Applicant Company 1' or 'Transferor Company') and TML Business Analytics Services Limited ('Applicant Company 2' or 'Transferee Company') and their respective shareholders

Tata Motors Limited [CIN: L28920MH1945PLC004520],)
a company incorporated under the Indian Companies)
Act, 1913 and having its registered office at Bombay)
House, 24 Homi Mody Street, Mumbai 400001)... Applicant Company 1/ Transferor Company

NOTICE TO THE UNSECURED CREDITORS INCLUDING UNSECURED DEBENTURE HOLDERS ('UNSECURED CREDITORS') OF TATA MOTORS LIMITED

To

The Unsecured Creditors of Tata Motors Limited

TAKE NOTICE THAT an application under Sections 230 to 232 of the Companies Act, 2013 ('Act') read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 for sanctioning the arrangement embodied in the Scheme of Arrangement between Tata Motors Limited ('Transferor Company'/'Company') and TML Business Analytics Services Limited ('Transferee Company') and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 ('Scheme') was presented by the Company before the Hon'ble National Company Law Tribunal, Mumbai Bench ('Hon'ble Tribunal' / 'NCLT'). The Hon'ble Tribunal has, by the order dated January 4, 2021 and corrigendum dated January 13, 2021 to the said order passed in the above mentioned Company Scheme Application ('Order') *inter alia*, directed the Company to issue individual notice under Section 230(3) of the Act to all those Unsecured Creditors having value of ₹10,00,000 (Rupees Ten Lakh Only) and more as on September 30, 2020 (constituting 99.74% of the outstanding Unsecured Creditors of the Company) stating therein that they may submit their representations in relation to the Scheme, if any, to the Hon'ble Tribunal within 30 days from the date of receipt of the said notice and copy of such representations shall simultaneously be served upon the Company.

You are hereby informed that representations, if any, in connection with the proposed Scheme may be made to the Hon'ble Tribunal within 30 days from the date of receipt of this notice. The address of the Hon'ble Tribunal is 4th Floor, MTNL Exchange Building, Near G D Somani School, C D Somani Marg, Cuffe Parade, Mumbai - 400005. A copy of such representation shall simultaneously be served upon the Company at its registered office at Bombay House, 24 Homi Mody Street, Mumbai - 400001.

Please note that the following documents are enclosed along with this notice:

1. Copy of the Order passed by the Hon'ble Tribunal;
2. Copy of the notice of meeting of the Equity Shareholders of the Company, the Explanatory Statement under Sections 230(3), 232(1) and 232(2) and Section 102 of the Companies Act, 2013 and other annexures as stated in the Index, including the Scheme; and
3. Copy of the notice of meeting of the Secured Creditors of the Company, the Explanatory Statement under Sections 230(3), 232(1) and 232(2) and Section 102 of the Companies Act, 2013 and other annexures as stated in the Index, including the Scheme.

For Tata Motors Limited

Hoshang K Sethna
Company Secretary
FCS No.: 3507

Dated this 3rd day of February, 2021

Enclosures: As Above

IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH-IV

CA (CAA)/1142/MB-IV/2020

In the matter of
the Companies Act, 2013;

And

Sections 230 - 232 of the Companies
Act, 2013 read with Companies
(Compromises, Arrangements and
Amalgamations) Rules, 2016;

And

In the matter
Of
Tata Motors Limited
("Applicant Company No.1/Transferor Company")

And

TML Business Analytics Services Limited
("Applicant Company No.2 /Transferee Company")

And

In the matter of Scheme of Arrangement
between Tata Motors Limited and TML
Business Analytics Services Limited
and their respective shareholders
("Scheme").

Tata Motors Limited
CIN:L28920MH1945PLC004520

...Applicant Company No.1/
Transferor Company

TML Business Analytics Services Limited
CIN:U72900MH2020PLC339230

...Applicant Company No.2/
Transferee Company



Order Pronounced on: 04.01.2021

Coram:

Mr. Rajesh Sharma
Hon'ble Member (Technical)

Mrs. Suchitra Kanuparthi
Hon'ble Member (Judicial)

Appearances (via videoconferencing):

For the Petitioner(s) : Sr. Adv. Mr. Zal Andhyarujinaa/w
Mr. Karan Bhidei/b AZB &
Partners, Advocates

ORDER

Per: Rajesh Sharma, Member(Technical)

1. The court is convened through video conference today.
2. The counsel for the Applicant Companies submits that the proposed Scheme inter-alia provides for the transfer and vesting of the Passenger Vehicles Undertaking (*as defined in the Scheme*) of the Applicant Company 1 to the Applicant Company 2 as a going concern on a slump sale basis, and reduction of Securities Premium Account (*as defined in the Scheme*) of the Applicant Company 1 and various other matters consequential to or otherwise integrally connected with the above pursuant to Sections 230 to 232 of the Companies Act, 2013 in the manner provided in the Scheme. For commercial reasons, the Applicant Companies have chosen to affect the transfer of the Passenger Vehicles Undertaking by the mechanism of a slump sale {as defined u/s 2(42C) of the Income Tax Act 1961}, through the captioned Scheme of Arrangement.



3. The rationale and purpose of the Scheme is as under:

- (a) The Applicant Company 1 is *inter-alia*: (i) engaged in design, development, manufacturing and sale of commercial vehicles and parts thereof in India and abroad; and (ii) engaged in design, development, manufacturing and sale of passenger vehicles (including electric vehicles) and parts thereof in India and abroad. The securities of the Applicant Company 1 are listed on the BSE Limited and the National Stock Exchange of India Limited. The Applicant Company 2 is a wholly owned subsidiary of TML Business Services Limited. The Applicant Company 1 directly and indirectly, holds 100% equity interest in TML Business Services Limited as also the Applicant Company 2.
- (b) As part of an overall business reorganization plan and in order to provide for the optimum running, growth and development of the Passenger Vehicles Undertaking (*as defined in the Scheme*) and interests of the Transferor Company, it is necessary to realign the PV Business (*as defined in the Scheme*). In the circumstances it is considered desirable and expedient to reconstruct the Applicant Company 1 by transferring the Passenger Vehicles Undertaking as a going concern to the Applicant Company 2 in the manner and on the terms and conditions stated in the Scheme. This shall help in: (i) providing differentiated focus for the said passenger vehicle business and commercial vehicle business and help each of them realise their potential; and (ii) unlocking business value and enhanced management focus and operational flexibility in each of the businesses. The passenger vehicle business (which also includes the passenger electric vehicle business) landscape is seeing rapid



transformation in the form of tightening emission norms and safety norms, push towards electrification, enhanced disruptions from autonomous and connected technologies. Additionally, India continues to remain an attractive market for global OEMs while the aspiration levels of the Indian consumer continues to rise requiring stepped up investments in contemporary products in a competitive market. Over the last few years, the PV Business has implemented a strong turnaround and has earned its right to grow by launching a slew of successful products. A fully refreshed BS VI ready product portfolio based on the Impact 2.0 design philosophy, consistently improving Net Promoter Scores (NPS), improved retail market shares and an exciting entry into the electric vehicle space makes the business ready to realise its potential. Further, this restructuring would facilitate mutually beneficial strategic alliances for the PV Business in the future, as stated by the Applicant Companies in the scheme.

- (c) The Applicant Company 1 has Accumulated Losses (*as defined in the Scheme*) amounting to Rs.11,173.59 Crore and also has balance in the Securities Premium Account (*as defined in the Scheme*) amounting to Rs.22,194.89 Crore, as on June 30, 2020. Accordingly, for a better presentation of the financial position of the Applicant Company 1, the Board of the Applicant Company 1 considered it prudent to consider a reduction of its share capital without extinguishing or reducing its liability on any of its shares by writing down a portion of its Securities Premium Account, which is lost or is unrepresented by available assets, with a corresponding adjustment to the Accumulated Losses of the Applicant Company 1.



4. The Counsel for the Applicant Companies submits that the Board of Directors of the Applicant Company 1 and Applicant Company 2 at their respective board meetings both held on July 31, 2020 have approved the Scheme.

Shareholders meetings

5. This Tribunal hereby directs that a meeting of the equity shareholders consisting of Ordinary Shares and 'A' Ordinary Shares, collectively referred to as the 'Equity Shareholders' of the Applicant Company 1, be convened and held on Monday, February 15, 2021 at 3:30 p.m. for the purpose of considering, and if thought fit, approving the proposed Scheme, through video conferencing and/or other audio visual means, without holding a general meeting requiring the physical presence of shareholders at a common venue, as the same in the current Covid-19 environment mandating social distancing norms shall not be feasible.
6. In view of provisions of Section 230(4) read with Section 108, 110 of the Companies Act, 2013 read with Rule 20, 22 and other applicable provisions of the Companies (Management and Administration) Rules, 2014 and in accordance with Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company 1 proposes to provide the facility of remote e-voting and postal ballot to its Equity Shareholders in respect of the resolution to be passed at the aforesaid meeting. The equity shareholders of the Applicant Company 1 are also allowed to avail the facility of e-voting during the aforesaid meeting to be held through video conferencing or other audio-visual means on Monday, February 15, 2021 at 3:30 p.m. The e-voting facility for the Equity Shareholders of the Applicant Company 1 shall be provided in



compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.

7. At least 30 (thirty) clear days before the aforesaid meeting of the Equity Shareholders of the Applicant Company 1 be held as aforesaid, a notice convening the said meeting at the day, date and time aforesaid, together with copies of the Scheme and the Explanatory Statement required to be sent under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, shall be sent by e-mail to the Equity Shareholders of the Applicant Company 1 whose email addresses are duly registered with the Applicant Company 1, addressed to each of the shareholders, at their last known e-mail addresses as per the records of the Applicant Company 1. Shareholders whose e-mail address are not available, shall be provided an opportunity by way of notice in the advertisement of notice mentioned in point 8 below to register their e-mail address to receive the notice of the said meeting.
8. At least 30 (thirty) days before the aforesaid meeting of the Equity Shareholders of the Applicant Company 1 to be held as aforesaid, an advertisement of notice convening the said meeting, indicating the day, date and time aforesaid be published once each in '*Free Press Journal*' in English and '*Navshakti*' in Marathi, both circulated at Mumbai, and stating that copies of the Scheme and the statement required to be furnished pursuant to Section 230 (3) of the Companies Act, 2013 can be obtained free of charge by emailing the Applicant Company 1 at inv_rel@tatamotors.com.



9. The Applicant Company 1 undertakes to:
- (i) issue notice convening meeting of the Equity Shareholders as per Form No. CAA.2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;
 - (ii) issue statement containing all the particulars as per Section 230 of the Companies Act, 2013; and
 - (iii) advertise the notice convening meeting as per Form No. CAA.2 (Rule 7) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

The undertaking is accepted.

10. Mr. N. Chandrasekaran, Non-Executive Chairman of Applicant Company 1 and failing him Ms. Vedika Bhandarkar, Independent Director and Chairperson of the Audit Committee of Applicant Company 1, is appointed as the Chairperson for the aforesaid meeting of the Equity Shareholders of the Applicant Company 1.
11. The scrutinizer for the aforesaid meeting of the Applicant Company 1 shall be Mr P N Parikh (Membership No. FCS 327), failing him Ms JigyasaVed (Membership No. FCS 6488) and failing her Mr Mitesh Dhabliwala (Membership No. FCS 8331) of M/s Parikh & Associates, Practicing Company Secretaries.
12. The quorum for the aforesaid meeting of the Equity Shareholders of Applicant Company 1 shall be as prescribed under Section 103 of the Companies Act, 2013 and would include shareholders present through audio visual means. In case the required quorum as stated above is not present at the commencement of the meeting, the meeting shall be adjourned by 30 (thirty) minutes and thereafter the persons present shall be deemed to constitute the quorum.



13. The facility for appointment of proxies by the Equity Shareholders and voting by proxy shall not be permitted as the meeting would be held through video conferencing and/ or other audio-visual means. However, attendance and voting in case of body corporate be permitted, provided the authorisation is filed with the Scrutinizer at tml.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in as required under Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
14. The Chairperson appointed for the aforesaid meeting of the Equity Shareholders of the Applicant Company 1 shall have all powers as per the Articles of Association of the Applicant Company 1 and also under the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to the extent necessary and applicable, in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise at the meeting or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the aforesaid meeting by any person(s).
15. The value and number of the shares of each Equity Shareholder shall be in accordance with the books/ register of members of the Applicant Company 1 or depository records and where the entries in the books/ register of members/ depository records are disputed, the Chairperson of the Meeting shall determine the value for the purposes of the meeting of Equity Shareholders and his/her decision in that behalf would be final.
16. The Chairperson shall report to this Tribunal, the result of the aforesaid meetings within 30 (thirty) days of the conclusion of the aforesaid meeting, and the said report shall be verified by his



Affidavit as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

17. The Counsel for the Applicant Companies further submits that the Applicant Company 2 is a wholly owned subsidiary of TML Business Services Limited. The Applicant Company 1 directly and indirectly, holds 100% equity interest in TML Business Services Limited as also the Applicant Company 2. Moreover, the Ld. Counsel submits that the Applicant Company 2 has obtained consent affidavits from all its equity shareholders approving the proposed Scheme. The said consent affidavits are filed with this Tribunal along with the Company Scheme Application at Exhibit U. In view of the fact that the Applicant Company 2 has filed consent affidavits, there is no requirement of convening a meeting of the shareholders of the Applicant Company 2, the meeting is therefore dispensed with.

Creditors meetings/ dispensation

18. The Counsel for the Applicant Companies submits that the Applicant Company 1 as on September 30, 2020 has 10 secured creditors and the total amount due and payable by the Applicant Company 1 to the aforementioned secured creditors is Rs.6,746.52 Crore (Rupees Six Thousand Seven Hundred Forty-Six Crore and point Fifty two Lakh only). This Tribunal hereby directs that a meeting of the Secured Creditors of Applicant Company 1 as on September 30, 2020, be convened and held on Monday, February 15, 2021 at 2:30 p.m., for the purpose of considering, and if thought fit, approving the proposed Scheme, through video conferencing and/or other audio visual means, without holding a meeting requiring the physical presence of secured creditors at a common venue, as the same in the current Covid-19 environment mandating social distancing norms



shall not be feasible. The Applicant Company 1 shall carry out voting for the meeting of Secured Creditors by e-voting at the time of meeting.

19. The Counsel for the Applicant Companies submits that as an integral part of the Scheme, the loan availed by the Applicant Company 1 from Government of Gujarat is the only secured loan that is being transferred as part of the liabilities of the Passenger Vehicles Undertaking from Applicant Company 1 to Applicant Company 2 subject to receipt of requisite approvals. The Counsel submits that in the documents executed by the Applicant Company 1 in relation to the Government of Gujarat Loan, there is no specific requirement for obtaining prior consent of the Government of Gujarat for transfer of the said loan and encumbrance attached thereto. However, the Applicant Company 1 shall engage in necessary discussions with Government of Gujarat for the transfer of the Government of Gujarat Loan, said encumbrance and Sanand Property. The Counsel further submits that other than the encumbrance created in respect of the Government of Gujarat Loan (which relates to the PV Business), none of the Secured Creditors of Applicant Company 1 hold any security / encumbrance over the assets forming part of the Passenger Vehicles Undertaking.

20. The Learned Counsel submits that the '*PV Business Liabilities*', '*Government of Gujarat Loan*' and '*PV Working Capital Liabilities*' has been defined in the Scheme as follows:

"PV Business Liabilities" means ordinary course liabilities pertaining to the PV Business and continuing as on the Appointed Date such as contingent liabilities, PV Working Capital Liabilities, liabilities arising out of PV Contracts, and, upon



receipt of necessary approvals and such other directions as may be applicable, the Government of Gujarat Loan;”

“Government of Gujarat Loan” means loan of amount INR 587.08 Crore, outstanding to the Government of Gujarat pursuant to loan agreement dated March 30, 2013 and all documents and / or government resolutions related thereto;”

The Counsel further submits that while Applicant Company 1 has availed of working capital loan facilities from its lenders, however no working capital loan facilities are being transferred as part of the Scheme from Applicant Company 1 to Applicant Company 2. In this regard the definition of ‘PV Working Capital Liabilities’ (reproduced below) only includes trade payables, employee payments, retention money etc. relating to/ concerning the PV Business, which liabilities will stand transferred to the Applicant Company 2.

“PV Working Capital Liabilities” as of any specified date, means any deferred revenue, trade and other payables, trade acceptances, duties, provisions, deposits and retention money, provisions for employee payments, or such other customary current and non-current liabilities relating, or assigned to the Transferor Company, each of which on the Appointed Date, belongs to or can be directly relatable to the PV Business;”

21. At least 30 (thirty) clear days before the aforesaid meeting of the Secured Creditors of the Applicant Company 1 be held as aforesaid, a notice convening the said meeting at the day, date and time aforesaid, together with copies of the Scheme and the Explanatory Statement required to be sent under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, shall



be delivered by hand delivery to the Secured Creditors of the Applicant Company 1 at their last known address as per the records of the Applicant Company 1. The acknowledgements be obtained by clearly mentioning the Name, Designation, Phone Number, email Id and Stamp of the concerned dealing officer of secured creditor and be filed with the Tribunal.

22. At least 30 (thirty) days before the aforesaid meeting of the Secured Creditors of the Applicant Company 1 to be held as aforesaid, an advertisement of notice convening the said meeting, indicating the day, date and time aforesaid be published once each in 'Free Press Journal' in English and 'Navshakti' in Marathi, both circulated at Mumbai, and stating that copies of the Scheme and the statement required to be furnished pursuant to Section 230 (3) of the Companies Act, 2013 can be obtained free of charge by emailing the Applicant Company 1 at inv_rel@tatamotors.com.

23. The Applicant Company 1 undertakes to:

- (i) issue notice convening meeting of the Secured Creditors as per Form No. CAA.2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;
- (ii) issue statement containing all the particulars as per Section 230 of the Companies Act, 2013; and
- (iii) advertise the notice convening meeting as per Form No. CAA.2 (Rule 7) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

The undertaking is accepted.

24. Mr. N. Chandrasekaran, Non-Executive Chairman of Applicant Company 1 and failing him Ms. Vedika Bhandarkar, Independent



Director and Chairperson of the Audit Committee of Applicant Company 1, is appointed as the Chairperson for the aforesaid meeting of the Secured Creditors of the Applicant Company 1.

25. The scrutinizer for the aforesaid meeting of Secured Creditors of the Applicant Company 1 shall be Mr P N Parikh (Membership No. FCS 327), failing him Ms JigyasaVed (Membership No. FCS 6488) and failing her Mr Mitesh Dhabliwala (Membership No. FCS 8331) of M/s Parikh & Associates, Practicing Company Secretaries.
26. The quorum for the aforesaid meeting of the Secured Creditors of Applicant Company 1 shall be 3 (three) persons present in person or through authorised representative through video conferencing and/ or other audio-visual means. In case the required quorum as stated above is not present at the commencement of the meeting, the meeting shall be adjourned by 30 (thirty) minutes and thereafter the persons present shall be deemed to constitute the quorum. In so far as agreements executed by the Applicant Company 1 with its secured creditors, in all such cases where the agreements require the Applicant Company 1 to obtain specific no objection from such secured creditor prior to undertaking any schemes of arrangement/ amalgamation/ acquisition as the case may be, the Applicant Company 1 will obtain such specific no objection from the concerned secured creditor and submit the same to the Tribunal.
27. The facility for appointment of proxies by the Secured Creditors and voting by proxy shall not be permitted as the meeting would be held through video conferencing and/ or other audio-visual means. However, attendance and voting in case of body corporate be permitted, provided the authorisation is filed with the Scrutinizer at tml.scrutinizer@gmail.com with a copy marked to



evoting@nsdl.co.in as required under Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

28. The Chairperson appointed for the aforesaid meeting of the Secured Creditors of the Applicant Company 1 shall have all powers as per the Articles of Association of the Applicant Company 1 and also under the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to the extent necessary and applicable, in relation to the conduct of the meeting, including for deciding procedural questions that may arise at the meeting or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the aforesaid meeting by any person(s).
29. The Chairperson shall report to this Tribunal, the result of the aforesaid meeting of Secured Creditors of Applicant Company 1 within 30 (thirty) days of the conclusion of the aforesaid meeting, and the said report shall be verified by his Affidavit as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
30. The Applicant Company 2 does not have any Secured or Unsecured Creditors. Accordingly, the question of convening a meeting/ issuing notices to the Creditors of the Applicant Company 2 does not arise.
31. The Counsel for the Applicant Companies submits that since the Scheme is an arrangement between the Applicant Companies and their respective shareholders as contemplated under Section 230(l)(b) and not in accordance with the provisions of Section 230(l)(a) of the Companies Act, 2013 as there is no compromise and/or arrangement with the creditors and as no sacrifice is called for by the creditors, a meeting of the Equity Shareholders of the



Applicant Company 1 is proposed to be held in accordance with the provisions of Section 230(l)(b) of the Companies Act, 2013. Further, the Applicant Company 1's net worth post giving effect to the Scheme remains in the positive. Moreover, the adjustment to the Securities Premium Account as contemplated in the Scheme does not involve any financial outlay but is merely an accounting treatment and therefore, would not affect the ability or liquidity of the Applicant Company 1 to meet its obligations/ commitments or have any adverse impact on the creditors. Therefore, the meeting of the Unsecured Creditors of the Applicant Company 1 is not required to be convened. The Applicant Company 1 has 5,777 Unsecured Creditors having in the aggregate an amount of Rs. 27,605.90Crore as on September 30, 2020. Out of this, the number of Unsecured Creditors relating to Passenger Vehicles Undertaking is 1864 and the amount involved is Rs. 2,757 Crore only. In view of the aforesaid, the meeting of the unsecured creditors of the Applicant Company 1 is dispensed with. Accordingly, the applicant Company 1 shall ensure that consent affidavits from at least 90% value of the total unsecured creditors of the company are obtained and filed with the Tribunal. The Bench hereby directs the Applicant Company 1 to issue individual notice to all those Unsecured Creditors having value of Rs. 10,00,000 (Rupees TenLakh only) and more, as on September 30, 2020 (constituting 99.74% of the outstanding unsecured creditors of Applicant Company 1), by registered post or speed post and through e-mail (to those unsecured creditors whose e-mail addresses are duly registered with the Applicant Company 1), at their last known address as per the records of the Applicant Company 1, as required under Section 230(3) of the Companies Act, 2013, with a direction that they may submit their representations, if any, to the Tribunal within thirty days from the date of receipt of



the said notice and copy of such representations shall simultaneously be served upon Applicant Company 1.

Notices to authorities

32. The Applicant Company 1, pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is directed to serve the notice of the meeting of its Equity Shareholders upon: (i) Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai, Maharashtra, (ii) the Registrar of Companies, Mumbai, (iii) Income Tax Authority within whose jurisdiction the assessments of the Applicant Company 1 is made (mentioning the PAN of Applicant Company 1 - PAN: AA ACT2727Q) at the following address: The Assistant Commissioner of Income tax - 3(4), 29th floor, Centre No. 1, World Trade Centre, Cuffe Parade, Mumbai - 400005, (iv) Securities and Exchange Board of India, (v) BSE Limited, and (vi) the National Stock Exchange of India Limited and (vii) Goods and Service Tax Authority (mentioning GST RC No. 27AA ACT2727Q1ZW) at the following address (a) Vikrikar Bhavan, Airport Rd, Shastri Nagar, Yerawada, Pune, Maharashtra 411006, (b) 41-A, Sasoon Rd, Central Excise Colony, Sangamvadi, Pune, Maharashtra 411001, with a direction that they may submit their representation, if any, within a period of 30 (thirty) days from the date of receipt of such notice, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company 1, failing which, it will be presumed that the aforesaid authorities have no representations to make on the Scheme.

33. The Applicant Company 2, pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies



(Compromises, Arrangements and Amalgamations) Rules, 2016, is directed to serve notice along with a copy of the Scheme upon: (i) Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai, Maharashtra, (ii) the Registrar of Companies, Mumbai, (iii) Income Tax Authority within whose jurisdiction the assessments of the Applicant Company 2 are made (mentioning the PAN of Applicant Company 2 - PAN: AAHCT8301P) at the following address: The Deputy / Assistant Commissioner of Income Tax - Circle 1(3)(1), 5th Floor, Aayakar Bhavan, Maharishi Karve Road, Mumbai 400020, and (iv) Goods and Service Tax Authority (mentioning GST RC No. 27AAHCT8301P1ZT) at the following address: (a) GST Bhavan (Vikrikar Bhavan), Sales Tax Officer, FORT_701, Dockyard Rd, Dockyard, Ekta Nagar, Mazgaon, Mumbai, Maharashtra 400010, (b) GST Bhavan, New Marine Lines, Churchgate, Mumbai, Maharashtra 400020, with a direction that they may submit their representation, if any, within a period of 30 (thirty) days from the date of receipt of such notice, to the Tribunal and copy of such representations shall simultaneously be served upon Applicant Company 2, failing which, it will be presumed that the aforesaid authorities have no representations to make on the Scheme.

34. The Applicant Companies shall obtain consent from State Government of Maharashtra and State Government of Gujarat for transfer of Incentives and Concessions availed by Applicant Company No.1 till now will also be available to Applicant Company No.2 post implementation of this Scheme.

35. In view of the averments made in paragraph 31 of the Company Scheme Application, serving of notice along with a copy of the Scheme on the Competition Commission of India, in terms of Section 230(5) of the Companies Act, 2013, is not required.



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV

CA (CAA)/1142/MB-IV/2020

36.The Applicant Companies shall file proof of compliance electronically to report to this Tribunal that all the directions including issue of notices and publication of advertisement have been duly complied with.

37.Ordered accordingly.

Sd/-

Rajesh Sharma
Member (Technical)

04.01.2021

Sd/-

Suchitra Kanuparthi
Member (Judicial)



Certified True Copy
Copy Issued "free of cost"
On 5.1.2021


Joint Registrar
National Company Law Tribunal Mumbai Bench

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH

COURT - IV

CA(CAA)-1142(MB)/2020

1.

CORAM:

SHRI RAJESH SHARMA
MEMBER (Technical)

SMT. SUCHITRA KANUPARTHI
MEMBER (Judicial)

ORDER SHEET OF THE HEARING HELD ON 13.01.2021

NAME OF THE PARTIES: Tata Motors Ltd. & Anr.

SECTION: 230-232 OF THE COMPANIES ACT, 2013.

CORRIGENDUM

The Court is convened through Video Conference.

1. Ld. Sr. Counsel Mr. Zal Andhyarujina appeared on behalf of the Company in CA(CAA)-1142(MB)/2020.
2. There are few concerns which are submitted by the Ld. Sr. Counsel with respect to mode of service of notices to Unsecured Creditors, consent from State Government of Gujarat and obtaining consent affidavits from Unsecured Creditors.
3. The Bench considered submissions made by the Ld. Sr. Counsel and is pleased to delete the condition of obtaining consent affidavits from Unsecured Creditors in view of prevailing Covid-19 pandemic.
4. On the request of the Ld. Sr. Counsel, the meeting of Equity Shareholders and Secured Creditors will now be held on 05.03.2021 in place of 15.02.2021 ordered earlier.

Sd/-
RAJESH SHARMA
Member (Technical)
13.01.2021/pvs

Sd/-
SUCHITRA KANUPARTHI
Member (Judicial)

Certified True Copy
Copy Issued "free of cost"
On 18-1-2021

Joint Registrar
National Company Law Tribunal Mumbai Bench





Corporate Identification No. (CIN) - L28920MH1945PLC004520
Registered Office: Bombay House, 24 Homi Mody Street, Mumbai - 400 001
Tel: +91 22 6665 8282 **E-mail:** inv_rel@tatamotors.com **Website:** www.tatamotors.com

MEETING OF THE EQUITY SHAREHOLDERS OF TATA MOTORS LIMITED CONVENED PURSUANT TO THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

NOTICE TO EQUITY SHAREHOLDERS

Day	Friday
Date	March 5, 2021
Time	3:30 p.m. IST
Venue	Through video conferencing/other audio visual means

POSTAL BALLOT AND REMOTE E-VOTING PRIOR TO THE MEETING

Commencing on	Wednesday, February 3, 2021 at 9:00 a.m. IST
Ending on	Thursday, March 4, 2021 at 5:00 p.m. IST

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5.	Fairness Opinion dated July 31, 2020 by Kotak Mahindra Capital Company Limited stating that the consideration value to be settled by way of issuance of equity shares of Transferee Company, as determined by the Valuers for the purpose of transfer of the Passenger Vehicles Undertaking as proposed under the Scheme, is fair from a financial point of view to the Transferor Company as Annexure C .	48-50
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**IN THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH AT MUMBAI
COMPANY SCHEME APPLICATION CA (CAA) 1142/MB/2020**

In the matter of the Companies Act, 2013;

And

In the matter of Application under Sections 230 - 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of Scheme of Arrangement between Tata Motors Limited ('**Transferor Company**') or '**Applicant Company 1**' or '**Company**') and TML Business Analytics Services Limited ('**Transferee Company**') or '**Applicant Company 2**') and their respective shareholders.

Tata Motors Limited [CIN:L28920MH1945PLC004520],)
a company incorporated under the Indian Companies)
Act, 1913 and having its registered office at Bombay) ... Applicant Company 1 /
House, 24 Homi Mody Street, Mumbai 400001) Transferor Company

**NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF
TATA MOTORS LIMITED**

To

The equity shareholders of Tata Motors Limited

TAKE NOTICE that by the order dated January 4, 2021 and corrigendum dated January 13, 2021 to the said order in the above mentioned Company Scheme Application ('**Order**'), the Hon'ble National Company Law Tribunal, Mumbai Bench ('**Hon'ble Tribunal**' or '**NCLT**') has directed *inter alia* that a meeting of the equity shareholders of the Company be convened and held to consider and, if thought fit, to approve the proposed Scheme of Arrangement between Tata Motors Limited and TML Business Analytics Services Limited and their respective shareholders ('**Scheme**') under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('**Act**') along with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time. The Scheme, if approved by the equity shareholders, will be subject to the subsequent approval of the Hon'ble Tribunal and such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.

TAKE FURTHER NOTICE that in pursuance of the Order and as directed therein, a meeting of the equity shareholders of the Company will be held on Friday, March 5, 2021 at 3:30 p.m. IST ('**Meeting**') through video conferencing ('**VC**') / other audio visual means ('**OAVM**') in compliance with the applicable provisions of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**') and by following the operating procedures (with requisite modifications as may be required) referred to in General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 issued by the Ministry of Corporate Affairs ('**MCA**') in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 read with rules made thereunder on account of COVID-19 - Extension of time - reg' (collectively referred to as '**MCA Circulars**'), at which day, date and time, you are requested to attend.

TAKE FURTHER NOTICE that a copy of the Scheme, Notice and the Explanatory Statement under Sections 230(3), 232(1), 232(2) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Postal Ballot Form and other annexures as stated in the Index including the Valuation Reports are enclosed herewith. A copy of this Notice and the accompanying documents will be placed on the website of the Company at <https://www.tatamotors.com/investors/scheme-of-arrangement-between-tml-and-tbasl/> and will also be available on the website of BSE Limited ('**BSE**') and National Stock Exchange of India Limited ('**NSE**') at www.bseindia.com and www.nseindia.com respectively and also on the website of National Securities Depository Limited ('**NSDL**') at www.evoting.nsdl.com. The Company will furnish a copy of the Scheme together with a copy of the Explanatory Statement, free of

charge, within one day of any requisition in this regard being made by any equity shareholder, to the Company by email at inv_rel@tatamotors.com. The Scheme and the said Explanatory Statement can also be obtained on any day (except Saturday, Sunday and public holidays) from the Registered Office of the Company at Bombay House, 24 Homi Mody Street, Mumbai 400001 between 11:00 a.m. to 1:00 p.m. A recorded transcript of the Meeting shall also be made available on the website of the Company as soon as possible.

The Hon'ble Tribunal has appointed Mr N. Chandrasekaran (DIN: 00121863), Non-Executive Chairman of the Company or failing him, Ms Vedika Bhandarkar (DIN: 00033808), Independent Director of the Company to be the Chairperson of the Meeting.

The voting rights of the shareholders shall be in proportion to their shareholding in the Company as on the close of business hours of Friday, January 22, 2021 ('**cut-off date**'). In accordance with the applicable regulatory provisions, in addition to casting of vote at the Meeting through remote e-voting, the Company has provided equity shareholders with the facility of casting their vote either by way of postal ballot or by way of remote e-voting prior to the Meeting. The shareholders may refer to the 'Notes' to this Notice for further details on postal ballot and remote e-voting prior to and during the Meeting.

The facility of appointment of proxies by shareholders will not be available for the Meeting. However, a body corporate which is an equity shareholder is entitled to appoint a representative for the purposes of participating and/or voting during the Meeting.

Members are requested to consider, and if thought fit, to pass with requisite majority, the following resolution:

"RESOLVED that pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time, the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Mumbai Bench (hereinafter referred to as '**the Tribunal**') and subject to such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the '**Board**', which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the proposed Scheme of Arrangement between Tata Motors Limited ('**Transferor Company**') and TML Business Analytics Services Limited ('**Transferee Company**') and their respective shareholders ('**Scheme**') enclosed with the Notice of the Meeting, be and is hereby approved.

RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

N. Chandrasekaran
DIN: 00121863

Chairman appointed for the Meeting

Dated this 22nd day of January 2021

Registered Office:
Bombay House, 24 Homi Mody Street,
Mumbai 400 001
Tel: +91 22 6665 8282
Email: inv_rel@tatamotors.com; Website: www.tatamotors.com
CIN: L28920MH1945PLC004520

Notes:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 read with rules made thereunder on account of COVID-19 - Extension of time-reg' (collectively referred to as 'MCA Circulars') permitted the holding of the General Meetings through video conferencing ('VC')/other audio visual means ('OAVM'), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India and the MCA Circulars and in pursuance of the order dated January 4, 2021 and corrigendum dated January 13, 2021 to the said order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ('Hon'ble Tribunal' or 'NCLT') in the Company Scheme Application CA (CAA) 1142/MB/2020 ('Order'), the meeting of the equity shareholders of the Company is being held on Friday, March 5, 2021 at 3:30 p.m. IST ('Meeting') through VC/OAVM.
2. The Explanatory Statement pursuant to Sections 102, 230(3), 232(1), 232(2) of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, in respect of the business set out above is annexed hereto.
3. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS MEETING IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS MEETING AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE MEETING ARE NOT ANNEXED TO THIS NOTICE.**
4. The Authorised Representative of a body corporate, which is a registered equity shareholder of the Company, may attend the Meeting provided that a certified true copy of the resolution or the authority letter or power of attorney of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the Meeting is emailed to the Scrutinizer at tml.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
5. Only registered members (including the holders of 'A' Ordinary Shares) of the Company as on Friday, January 22, 2021 ('cut-off date') are entitled to attend the Meeting (either in person or by Authorised Representative under Sections 112 and 113 of the Act) through VC/OAVM and vote through electronic means or postal ballot. The holders of the American Depository Receipts ('ADR') of the Company shall not be entitled to attend the said Meeting. However, the ADR holders are entitled to give instructions for exercise of voting rights at the said Meeting through the Depository, to give or withhold such consent, to receive such notice or to otherwise take action to exercise their rights with respect to such underlying shares represented by each such ADR. A brief statement, as to the manner in which such voting instructions may be given, is being sent to the ADR holders by the Depository.
6. In case of joint holders, only such joint holder whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. As per the Order, the quorum for the Meeting shall be as prescribed under Section 103 of the Act and would include shareholders present through VC/OAVM. In case the required quorum as stated above is not present at the commencement of the Meeting, the Meeting shall be adjourned by 30 minutes and thereafter the persons present shall be deemed to constitute the quorum.
8. The members can join the Meeting through VC/OAVM 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Members will be able to view the proceedings on e-voting website of National Securities Depository Limited ('NSDL') at www.evoting.nsdl.com. The facility of participation at the Meeting through VC/OAVM will be made available to at least 1,000 members on a first come first served basis as per the MCA Circulars.
9. In line with the MCA Circulars and as directed in the Order, Notice of the Meeting along with the Explanatory Statement and other documents mentioned in the Index (collectively referred to as 'Notice') is being sent through electronic mode to those members whose email addresses are registered with the Company/Depositories. The Notice will be available on the Company's website at <https://www.tatamotors.com/investors/scheme-of-arrangement-between-tml-and-tbasl/> and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Notice will also be available on the website of NSDL at www.evoting.nsdl.com.
10. Electronic copies of all the documents referred to in the Notice shall be made available for inspection. Members desiring inspection of such documents may send their request in writing to the Company at inv_rel@tatamotors.com.
11. In terms of the MCA Circulars, the Company has made special arrangement with the Registrar and Transfer Agent ('RTA') and NSDL for registration of email addresses for members who wish to receive the Notice and the postal ballot form electronically and to cast their votes. Eligible members whose email addresses are not registered with the Company/Depository Participants ('DP') are required to provide the same to RTA on or before 5:00 p.m. IST on Tuesday, March 2, 2021 pursuant to which, any member may receive on the email address provided by the member, the Notice of the Meeting and the procedure for remote e-voting along with the login ID and password for remote e-voting.
 - (i) Process for registration of email addresses with RTA is as under:
 - i. **For members who hold shares in demat mode:**
 - a) Visit the link <https://green.tsrdarashaw.com/green/events/login/el>
 - b) Enter the DP ID & Client ID, PAN details and captcha code.
 - c) System will verify the Client ID and PAN details.
 - d) On successful verification, system will allow you to enter your email address and mobile number.
 - e) Enter your email address and mobile number.
 - f) The system will then confirm the email address for the limited purpose of servicing the Notice of this Meeting.
 - ii. **For members who hold shares in physical mode:**
 - a) Visit the link <https://green.tsrdarashaw.com/green/events/login/el>
 - b) Enter the physical Folio Number, PAN details and captcha code.
 - c) In the event the PAN details are not available on record, member to enter one of the share certificate's number.
 - d) System will verify the Folio Number and PAN details or the share certificate number.
 - e) On successful verification, system will allow you to enter your email address and mobile number.
 - f) Enter your email address and mobile number.
 - g) If PAN details are not available, the system will prompt the member to upload a self-attested copy of the PAN card.
 - h) The system will then confirm the email address for the purpose of servicing the Notice of this Meeting.

NSDL will email the Notice of the Meeting as also the remote e-voting user ID and password, within 48 hours of successful registration of the email address by the member. In case of any queries, members may write to csg-unit@tsrdarashaw.com or evoting@nsdl.co.in.

(ii) **Registration of email address permanently with RTA/DP:** Members are requested to register the email address with their concerned DPs, in respect of shares held in demat mode and with RTA, in respect of shares held in physical mode, by writing to them. Further, those members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs/RTA to enable servicing of notices/documents and other communications electronically to their email address in future.

(iii) Alternatively, those members who have not registered their email addresses are required to send an email request to evoting@nsdl.co.in along with the following documents for procuring user ID and password for e-voting for the resolutions set out in this Notice:

- In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.
- In case shares are held in demat mode, please provide DPID-Client ID (8 digit DPID + 8 digit Client ID or 16 digit beneficiary ID), Name, client master or copy of consolidated account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.

12. VOTING BY MEMBERS

- A. In compliance with the provisions of: (a) Sections 108, 110 and 230(4) of the Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014; (b) Regulation 44 and other applicable provisions of the SEBI Listing Regulations; (c) Secretarial Standard-2 on General Meetings; (d) SEBI Circulars; and (e) MCA Circulars, the Company is providing its members the facility to exercise their right to vote on the resolution proposed to be considered at the Meeting by electronic means (by using the electronic voting system provided by NSDL) by (i) remote e-voting prior to the Meeting (as explained at para 'H' below); (ii) remote e-voting during the Meeting (as explained at para 'I' below) or (iii) postal ballot (as explained at para 'J' below). Instructions for members for attending the Meeting through VC/OAVM are explained at para 'K' below.
- B. The voting rights of the Ordinary Shareholders shall be in the same proportion to the paid-up ordinary share capital and in case of voting rights on the 'A' Ordinary Shares, the holder shall be entitled to one vote for every ten 'A' Ordinary Shares held.
- C. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories on the cut-off date mentioned in the Notice, shall be entitled to vote in respect of the shares held.
- D. Member(s) can opt for only one mode of voting out of the aforementioned modes viz. postal ballot or remote e-voting either prior to the Meeting or during the Meeting. If a member has opted for remote e-voting, then he/she should not vote by postal ballot and vice-versa. However, in case members cast their vote both through postal ballot and remote e-voting, then voting through remote e-voting shall prevail and voting done by postal ballot shall be treated as invalid. It is clarified that, the members who have cast their vote by remote e-voting or postal ballot, prior to the Meeting are eligible to attend the Meeting but shall not be entitled to cast their vote again at the Meeting.
- E. As directed by the Hon'ble Tribunal, Mr P N Parikh (FCS 327) or failing him, Ms Jigyasa Ved (FCS 6488) or failing her, Mr Mitesh Dhaliwala (FCS 8331) of M/s Parikh & Associates, Practising Company Secretaries, shall act as Scrutinizer to scrutinize the postal ballot and the remote e-voting process (prior to and during the Meeting), in a fair and transparent manner.

F. The voting period for postal ballot and remote e-voting prior to the Meeting shall commence on and from Wednesday, February 3, 2021 at (9:00 a.m. IST) and shall end on Thursday, March 4, 2021 at (5:00 p.m. IST). At the end of the remote e-voting period, the facility shall forthwith be blocked. Both modes of voting shall not be allowed beyond the said date and time.

G. The Notice convening the Meeting will be published through an advertisement in the 'Free Press Journal' in english language and 'Navshakti' in the marathi language, both having circulation in Mumbai.

H. INSTRUCTIONS FOR REMOTE E-VOTING PRIOR TO THE MEETING:

The remote e-voting period starts on Wednesday, February 3, 2021 (9:00 a.m. IST) and ends on Thursday, March 4, 2021 (5:00 p.m. IST). Remote e-voting shall be disabled by NSDL at 5:00 p.m. on March 4, 2021 and members shall not be allowed to vote through remote e-voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below:

Step 1: Log-in to NSDL e-voting system

- (i) Visit the e-voting website of NSDL. Open web browser by typing the URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- (ii) Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section.
- (iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

- (iv) Your User ID details will be as per details given below:
 - a) **For members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - b) **For members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - c) **For members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the Company (For example, for members holding Ordinary Shares, if folio number is 001*** and EVEN is 115577 then user ID is 115577001***. For members holding 'A' Ordinary Shares, if folio number is 001*** and EVEN is 115578 then user ID is 115578001***).
- (v) Your password details are given below:
 - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password

to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (vi) If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
 - a) Click on 'Forgot User Details/Password?' option available on www.evoting.nsdl.com (If you are holding shares in your demat account with NSDL or CDSL).
 - b) Click on 'Physical User Reset Password?' option available on www.evoting.nsdl.com (If you are holding shares in physical mode).
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- (vii) After entering your password, tick on 'I hereby agree to all Terms and Conditions'.
- (viii) Click on 'Login' button.
- (ix) After you click on the 'Login' button, Home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system

- (i) After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting.
- (ii) Click on Active Voting Cycles. You will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
- (iii) Select 'EVEN' of the Company for casting your vote:
 - EVEN for Ordinary Shares is 115577.
 - EVEN for 'A' Ordinary Shares is 115578.
- (iv) Now you are ready for e-voting as the Voting page opens.
- (v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
- (vi) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

I. INSTRUCTIONS FOR REMOTE E-VOTING DURING THE MEETING

- (i) The procedure for remote e-voting during the Meeting is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM.
- (ii) The Chairman shall, at the Meeting, allow voting, by use of remote e-voting system for all those members who will be present in the Meeting through VC/OAVM facility but have not cast their vote on the resolution by availing the remote e-voting facility or postal ballot and are otherwise not barred from doing so. The remote e-voting module during the Meeting shall be disabled by NSDL for voting after 15 minutes of the conclusion of the Meeting.

General Guidelines for shareholders

- (i) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to

tml.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

- (ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon 5 unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
- (iii) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the 'Downloads' section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

J. INSTRUCTIONS FOR POSTAL BALLOT:

- (i) The postal ballot form in loose leaf and the pre-paid printed business reply envelope is not being sent separately in hard copy in view of the ongoing COVID-19 pandemic as per the MCA Circulars.
- (ii) Members desirous of exercising their vote by availing the postal ballot facility are requested to carefully read the instructions printed on the enclosed postal ballot form and in the Notice and return the scan copy of the duly completed form with assent (FOR) or dissent (AGAINST), from their registered email IDs, to the Scrutinizer at tml.scrutinizer@gmail.com with a copy to RTA at tmlballot2021@tsrdarashaw.com on or before Thursday, March 4, 2021 at 5:00 p.m. IST.
- (iii) Alternatively, members may send by registered post (if feasible/permissible under the present circumstances on account of COVID-19 pandemic), the duly completed postal ballot form, signed and authenticated by the person entitled to vote, alongwith the documents referred herein, to the registered office of the Company at Bombay House, 24 Homi Mody Street, Mumbai 400 001 on or before Thursday, March 4, 2021 at 5:00 p.m. IST. However, the Company encourages its members to send copy of the duly completed postal ballot form and other documents via email or avail the e-voting facility made available prior to or during the Meeting instead of sending physical copies under the present circumstances.
- (iv) No other mode for sending the postal ballot form is permitted.
- (v) In case of equity shares held by companies, trusts, societies, etc. the duly completed postal ballot form should be accompanied by certified true copy of the Board Resolution/Authority Letter.

K. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE MEETING THROUGH VC/OAVM

- (i) Members will be provided with a facility to attend the Meeting through VC/OAVM through the NSDL e-voting system and they may access the same at <https://www.evoting.nsdl.com> under the shareholders/members login by using the remote e-voting credentials, where the EVEN of the Company will be displayed. On clicking this link, the members will be able to attend and participate in the proceedings of the Meeting. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush. Further, members may also use the OTP based login for logging into the e-voting system of NSDL.
- (ii) Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets

or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

- (iii) Members are encouraged to submit their questions in advance from their registered email address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address inv_rel@tatamotors.com on or before 5:00 p.m. IST on Monday, March 1, 2021. Queries that remain unanswered at the Meeting will be appropriately responded by the Company at the earliest, post the conclusion of the Meeting.
- (iv) Members who would like to express their views/ask questions at the Meeting are required to pre-register themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at inv_rel@tatamotors.com between Friday, February 26, 2021 9:00 a.m. IST and Monday, March 1, 2021 5:00 p.m. IST. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Meeting.

- (v) Members who need assistance before or during the meeting may contact NSDL on evoting@nsdl.co.in or 1800-222-990 or contact Mr Amit Vishal, Senior Manager - NSDL at amitv@nsdl.co.in or call on +91 22 2499 4360.

13. DECLARATION OF RESULTS ON THE RESOLUTION

- (i) The Scrutinizer shall, immediately after and not later than 48 hours from conclusion of the Meeting, make a consolidated Scrutinizer's report of the total votes cast in favour and against the resolution and invalid votes, if any, to the Chairman of the Meeting or a person authorized by him in writing who shall countersign the same.
- (ii) The result of the voting shall be announced by the Chairman of the Meeting or a person authorized by him in writing within 48 hours from the conclusion of the Meeting, upon receipt of the Scrutinizer's Report. The results declared, alongwith the Scrutinizer's Report, shall be placed on the Company's website viz. www.tatamotors.com and on the website of NSDL viz. www.evoting.nsdl.com immediately after the result is declared. The Company shall also immediately forward the results along with the Scrutinizer's Report to BSE Limited and National Stock Exchange of India Limited, the stock exchanges where the Company's equity shares are listed.
- (iii) Subject to the receipt of requisite majority (being majority of persons representing three-fourths in value of the equity shareholders), the resolution shall be deemed to be passed on the date of the Meeting i.e. on March 5, 2021.

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH AT MUMBAI**

COMPANY SCHEME APPLICATION CA (CAA) 1142/MB/2020

In the matter of the Companies Act, 2013;

And

In the matter of Application under Sections 230 - 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of Scheme of Arrangement between Tata Motors Limited ('**Transferor Company**') or '**Applicant Company 1**' or '**Company**') and TML Business Analytics Services Limited ('**Transferee Company**' or '**Applicant Company 2**') and their respective shareholders.

Tata Motors Limited [CIN:L28920MH1945PLC004520],)
a company incorporated under the Indian Companies)
Act, 1913 and having its registered office at Bombay) ... Applicant Company 1 /
House, 24 Homi Mody Street, Mumbai 400001) Transferor Company

**EXPLANATORY STATEMENT TO THE NOTICE CONVENING MEETING OF THE
EQUITY SHAREHOLDERS OF TATA MOTORS LIMITED**

1. This is a statement accompanying the Notice convening the meeting of the equity shareholders of the Company, pursuant to the order dated January 4, 2021 and corrigendum dated January 13, 2021 to the said order ('**Order**') passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ('**Hon'ble Tribunal**/'**NCLT**') in the Company Scheme Application referred to hereinabove. A meeting is being called, convened and conducted through video conferencing ('**VC**')/other audio visual means ('**OAVM**') on Friday, March 5, 2021 at 3:30 p.m. IST for the purpose of considering, and if thought fit, approving the arrangement embodied in the Scheme of Arrangement between the Company and TML Business Analytics Services Limited and their respective shareholders ('**Scheme**').
2. A copy of the Scheme is enclosed herewith as **Annexure A**. The proposed Scheme is envisaged to be effective from the Appointed Date. The Appointed Date is the same as the Effective Date which is as defined in the Scheme. Capitalized terms which are used in this Explanatory Statement but which are not defined herein shall have the meaning assigned to them in the Scheme, unless otherwise stated.
3. The Scheme provides for the transfer and vesting of the Passenger Vehicles Undertaking of the Transferor Company to the Transferee Company with effect from the Appointed Date, as a going concern on a slump sale basis (as defined under section 2(42C) of the Income-tax Act, 1961) pursuant to the provisions of Sections 230 to 232, Sections 13, 14, 42, 61, 62, 186 and 188 and other relevant provisions of the Companies Act 2013 ('**Act**'), reduction of the Securities Premium Account of the Transferor Company and also increase in authorised share capital of the Transferee Company, modification to Tata Motors Limited Employee Stock Option Scheme 2018 pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014 and various other matters incidental to, consequential to and/or otherwise connected with the above in the manner provided for in the Scheme.
4. **Details of Tata Motors Limited ('Transferor Company')**
 - 4.1. Tata Motors Limited, the Transferor Company, was incorporated on September 1, 1945 under the provisions of the Indian Companies Act, 1913 originally as 'Tata Locomotive and Engineering Company Limited'. The name of the Company was changed to 'Tata Engineering and Locomotive Company Limited' on September 24, 1960 and thereafter to 'Tata Motors Limited' on July 29, 2003. Corporate Identification Number ('**CIN**') is L28920MH1945PLC004520, Permanent Account Number ('**PAN**') is AACT2727Q, registered office address is Bombay House, 24 Homi Mody Street, Mumbai - 400 001 and the email address is inv_rel@tatamotors.com.
 - 4.2. The Transferor Company is a public limited company, primarily engaged in the business of design, development, manufacturing and sale of a wide range of commercial, passenger and electric vehicles

and parts thereof within India and abroad. The relevant objects of the Transferor Company as set out in clause III of its Memorandum of Association are as under:

"1. To carry on the business of manufacturing, assembling, buying, selling, re-selling, exchanging, altering, importing, exporting, hiring, letting on hire, or distributing or dealing in locomotives, boilers, engines steam gas electrical or otherwise, turbines, tanks, motor vehicles, trucks, lorries, omnibuses, buses, motorcycles, cycle cars, scooters, bicycles, tricycles, cycles, tractors, bulldozers and steam rollers of every description and kind and all component parts, spare parts, accessories, equipment and apparatus for use in connection therewith."

- 4.3. There has been no change in the name, registered office and objects of the Transferor Company during the last five years.
- 4.4. Please refer point A of **Annexure I1** for the capital structure of the Transferor Company as on September 30, 2020. There is no change in the capital structure of the Transferor Company after the aforesaid date.
- 4.5. The equity shares (Ordinary and 'A' Ordinary shares) of the Transferor Company are listed on BSE Limited ('**BSE**') and the National Stock Exchange of India Limited ('**NSE**'). The Company's ADRs represented by underlying Ordinary shares of the Company are listed on New York Stock Exchange. The senior unsecured notes issued by the Company are listed on the Singapore Stock Exchange and the various series of non-convertible debentures issued by the Company are listed on NSE and/or BSE under the debt market segment.
- 4.6. Please refer point C of **Annexure I1** for the shareholding pattern of the Transferor Company as on September 30, 2020.
- 4.7. The details of the Promoters (including Promoter Group) of the Transferor Company are as under:

Name of Promoter / Promoter Group	Category	Address
Tata Sons Private Limited	Promoter	Bombay House, 24, Homi Mody Street, Mumbai - 400001.
Tata Industries Limited	Promoter Group	Bombay House, 24, Homi Mody Street, Mumbai - 400001.
Tata Investment Corporation Limited	Promoter Group	Elphinstone Building, 10, Veer Nariman Road, Mumbai - 400001.
Ewart Investments Limited	Promoter Group	Elphinstone Building, 1 st Floor, 10, Veer Nariman Road, Fort, Mumbai - 400001.
Tata Chemicals Limited	Promoter Group	Bombay House, 24, Homi Mody Street, Mumbai - 400001.
Af-Taab Investment Company Limited	Promoter Group	Corporate Centre B Block, 34 Sant Tukaram Road, Carnac Bunder, Mumbai - 400009.
Tata Steel Limited	Promoter Group	Bombay House, 24, Homi Mody Street, Fort, Mumbai - 400001.
Simto Investment Company Limited	Promoter Group	Elphinstone Building, 10, Veer Nariman Road, Mumbai - 400001.
Sir Ratan Tata Trust*	Promoter Group	Bombay House, 24, Homi Modi Street, Mumbai - 400001.
Sir Dorabji Tata Trust*	Promoter Group	Bombay House, 24, Homi Mody Street, Mumbai - 400001.
J R D Tata Trust*	Promoter Group	Bombay House, 24, Homi Mody Street, Mumbai - 400001.
Lady Tata Memorial Trust*	Promoter Group	Bombay House, 24, Homi Mody Street, Mumbai - 400001.

*Not holding any shares in the Transferor Company.

- 4.8. The details of the directors of the Transferor Company as on the date of this Notice are mentioned herein below:

Name of Directors	Category	Address
Mr N. Chandrasekaran (DIN: 00121863)	Non-Executive Chairman	21 st Floor, 33 South Condominium, Pedder Road, Mumbai - 400026.
Mr Om Prakash Bhatt (DIN: 00548091)	Non-Executive, Independent Director	3, Seagull, Carmichael Road, Mumbai - 400026.
Ms Hanne Sorensen (DIN: 08035439)	Non-Executive, Independent Director	Kristianiagade 6, 2 TV, Copenhagen Denmark - 2100.
Ms Vedika Bhandarkar (DIN: 00033808)	Non-Executive, Independent Director	B-8, Sea Face Park, 50, Bhulabhai Desai Road, Breach Candy, Mumbai - 400026.
Mr Kosaraju Veerayya Chowdary (DIN : 08485334)	Non-Executive, Independent Director	Flat No-Teja 511, My Home Navadweepa, Madhapur, K.V.Rangareddy, Hyderabad - 500081.
Mr Mitsuhiro Yamashita (DIN: 08871753)	Non-Executive Director	4-6-5 Takamori, Isehara City Kanagawa, Japan - 2591114.
Mr Thierry Bollaré (DIN: 08935293)	Non-Executive Director	1, Square Perronet, 92200, Nevilly Sur Seine, Paris, France - 92200.
Mr Guenter Butschek (DIN: 07427375)	Chief Executive Officer and Managing Director	Flat No. 801, Wing 1, Urmi Aangan, CS No-734,1/735/745, Malbar & Camballa Hill Division 13-A Pedder Road, Mumbai - 400026.

- 4.9. As on September 30, 2020, the Transferor Company has 5,777 unsecured creditors (including 152 debenture holders). The total amount due and payable by the Transferor Company to the aforementioned unsecured creditors is ₹276,058,823,141 (including non-convertible debentures of ₹5,600 Crores).
- 4.10. As on the date of the Notice, there are no investigations or proceedings pending against the Transferor Company under the provisions of the Act.

5. Details of TML Business Analytics Services Limited ('Transferee Company')

- 5.1. The Transferee Company was incorporated on April 04, 2020 under the provisions of the Act as 'TML Business Analytics Services Limited'. CIN is U72900MH2020PLC339230, PAN is AAHCT8301P, the registered office address is Floor 3, 4, Plot-18, Nanavati Mahalaya, Mudhana Shetty Marg, BSE, Fort, Mumbai, Mumbai City, Maharashtra, India 400001 and the email address is tmpvl@tatamotors.com.
- 5.2. The Transferee Company is a public limited company, authorised by its Memorandum of Association to carry on the business of *inter alia* providing outsourcing services for all processes, sub processes, transactions and activities including technical support, managed data centre, managed technical centre, business or financial analysis, customer relationship management for work performed by businesses within India and abroad. The main objects of the Transferee Company as set out in clause III of its Memorandum of Association are as under:

"1. To carry on the business of providing outsourcing services for all processes, sub processes, transactions, activities and all other work performed by businesses in various industries within India and across the world. This includes those process or sub processes that are enabled by information technology. Such services also includes technical support, managed data centre, managed technical centre, training centre, business or financial analysis, scientific analysis, research work and analysis, storage, disaster recovery, customer relationship management, enterprises resources planning and to develop software, provide consultancy, software solution and services that are normally offered by the outsourcing business and information technology services providers, knowledge service providers, software development houses and application services providers."

- 5.3. There has been no change in the name, registered office and the objects of the Transferee Company since incorporation.
- 5.4. Please refer point A of **Annexure 12** for the capital structure of the Transferee Company as on September 30, 2020. There is no change in the capital structure of the Transferee Company after the aforesaid date.
- 5.5. The equity shares of the Transferee Company are not listed on any Stock Exchange.
- 5.6. Please refer point C of **Annexure 12** for the shareholding pattern of the Transferee Company as on September 30, 2020.
- 5.7. The details of the Promoter of the Transferee Company is as under:

Name of Promoter	Address
TML Business Services Limited (formerly known as Concorde Motors (India) Limited)	3 rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai 400 001.

- 5.8. The details of the directors of the Transferee Company as on date of Notice are as under:

Name of Directors	Category	Address
Mr Shyam Mani (DIN: 00273598)	Non-Executive Director	Flat No 131, Ravi Kirtan Co-Operative Housing Society, Sunflower 99, Cuffe Parade, Mumbai - 400005.
Mr Vijay Somaiya (DIN: 03185227)	Non-Executive Director	D-205, Palm Court Complex, Link Road, Malad - W, Mumbai - 400064.
Ms Smriti Goyal (DIN: 08488684)	Non-Executive Director	2309/10, Canary, Hiranandani Estate, Patlipada, Ghodbunder Road, Thane - 400067.

- 5.9. As on September 30, 2020, the Transferee Company has no unsecured creditors.
- 5.10. As on the date of the Notice, there are no investigations or proceedings pending against the Transferee Company under the provisions of the Act.

6. Relationship subsisting between the Transferor Company and the Transferee Company

- 6.1. The Transferee Company is a wholly owned subsidiary of TML Business Services Limited. The Transferor Company, directly and indirectly, holds 100% equity interest in TML Business Services Limited and the Transferee Company. There are no common directors on the Board of the Transferor Company and the Transferee Company.
- 6.2. Apart from the above, there is no other relationship between the Transferor Company and the Transferee Company.

7. Rationale of the Scheme

- 7.1. The Transferor Company is *inter alia*: (a) engaged in design, development, manufacturing and sale of commercial vehicles and parts thereof in India and abroad; and (b) engaged in design, development, manufacturing and sale of passenger vehicles (including electric vehicles) and parts thereof in India and abroad.
- 7.2. As part of an overall business reorganisation plan and in order to provide for the optimum running, growth and development of the Passenger Vehicles Undertaking and interests of the Transferor Company, it is necessary to realign the PV Business. In the circumstances it is considered desirable and expedient to reconstruct the Transferor Company by transferring the Passenger Vehicles Undertaking as a going concern to the Transferee Company in the manner and on the terms and conditions stated in the Scheme. This shall help in: (a) providing differentiated focus for the said passenger vehicle business and commercial vehicle business and help each of them realise their potential; and (b) unlocking business value and enhanced management focus and operational flexibility in each of the businesses.

7.3 The passenger vehicle business (which also includes the passenger electric vehicle business) landscape is seeing rapid transformation in the form of tightening emission norms and safety norms, push towards electrification, enhanced disruptions from autonomous and connected technologies. Additionally, India continues to remain an attractive market for global OEMs while the aspiration levels of the Indian consumer continues to rise requiring stepped up investments in contemporary products in a competitive market. Over the last few years, the PV Business has implemented a strong turnaround and has earned its right to grow by launching a slew of successful products. A fully refreshed BS VI ready product portfolio based on the Impact 2.0 design philosophy, consistently improving Net Promoter Scores, improved retail market shares and an exciting entry into the electric vehicle space makes the business ready to realise its potential. Further, this restructuring would facilitate mutually beneficial strategic alliances for the PV Business in the future.

7.4 The Transferor Company has Accumulated Losses amounting to ₹11,173.59 Crores and also has balance in the Securities Premium Account amounting to ₹22,194.89 Crores as on June 30, 2020. Accordingly, for a better presentation of the financial position of the Transferor Company, the Board of the Transferor Company considered it prudent to consider a reduction of its share capital without extinguishing or reducing its liability on any of its shares by writing down a portion of its Securities Premium Account, which is lost or is unrepresented by available assets, with a corresponding adjustment to the Accumulated Losses of the Transferor Company. Further, the adjustment to the Securities Premium Account does not involve any financial outlay and therefore, would not affect the ability or liquidity of the Transferor Company to meet its obligations/commitments or have any adverse impact on the creditors.

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

7.6 The Scheme will be in the best interest of the concerned stakeholders of both the companies.

8. Salient features of the Scheme

The salient features of the Scheme are as under:

- (a) **Appointed Date:** Appointed Date under the Scheme means the Effective Date.
- (b) **Effective Date:** Effective Date under the Scheme means the last of the dates on which all the conditions and matters referred to in Clause 24 of the Scheme have been fulfilled or waived in accordance of the Scheme.
- (c) **Passenger Vehicles Undertaking:** Passenger Vehicles Undertaking (more particularly defined in the Scheme) means all the undertakings, activities, operations and business of the Transferor Company, as a going concern, as on the Appointed Date, in relation to and pertaining to the PV Business. PV Business under the Scheme means all activities relating to development, design, manufacture, procurement, assembly, sale, services, annual maintenance contracts and distribution of passenger vehicles and electric vehicles (including new and/or refurbished vehicles) and sale of related parts and accessories, directly or indirectly by the Transferor Company, in each case under the brand name 'TATA' in India and/or abroad; and contract manufacturing of passenger vehicles and parts carried out by the Transferor Company under any subsisting arrangement.
- (d) **Transfer and vesting of the Passenger Vehicles Undertaking of the Transferor Company into the Transferee Company:** Upon the coming into effect of the Scheme and with effect from the Appointed Date, pursuant to the sanction of the Scheme by the NCLT and pursuant to the provisions of Sections 230 - 232 and other applicable provisions, if any, of the Act, the Passenger Vehicles Undertaking shall be and shall stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company, as a going concern on a slump sale basis (as defined under Section 2(42C) of the Income-tax Act, 1961), for a lump sum consideration as set out hereinafter, without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme.

(e) **Consideration:** Upon the coming into effect of the Scheme and upon transfer and vesting of the Passenger Vehicles Undertaking in the Transferee Company, the total lump sum consideration payable by the Transferee Company to the Transferor Company for purchase of the Passenger Vehicles Undertaking shall be the Purchase Consideration i.e. ₹9417 Crores, subject to withholding taxes under Applicable Law, settled by way of issuance and allotment of 941,70,00,000 equity shares of the Transferee Company at ₹10 each, being the fair value of equity share of the Transferee Company.

(f) **Reduction of the Securities Premium Account of the Transferor Company:** Upon the Scheme becoming effective, the Securities Premium Account of the Transferor Company shall be written down in part with a corresponding adjustment to the Accumulated Losses appearing in Retained Earnings amounting to ₹11,173.59 Crores in the following manner:

(₹ in Crores)

Particulars	Amount as on June 30, 2020	Proposed Reduction	Pro-forma Amount on Effective Date*
Securities Premium	22,194.89	11,173.59	11,021.30
Accumulated Losses	11,173.59	11,173.59	Nil

*The amounts in respect of the Securities Premium Account and Accumulated Losses on the Effective Date are presented on a pro-forma basis assuming the said reduction in the Securities Premium Account had been affected as at June 30, 2020.

The reduction in the Securities Premium Account of the Transferor Company shall be effected as an integral part of the Scheme (without having to follow the process under Section 66 of the Act separately) and the same does not involve either a diminution of liability, or payment to any shareholder of any paid up share capital. The order of the NCLT sanctioning the Scheme shall be deemed to be an order under Sections 52, 66 and other applicable provisions of the Act confirming the reduction of the Securities Premium Account. The adjustment of the Securities Premium Account would not have any impact on the shareholding pattern of the Transferor Company nor would it have any adverse impact on the creditors of the Transferor Company. There will be no change in the General Reserves of the Transferor Company pursuant to Clause 19 (providing for the aforementioned reduction) of the Scheme.

(g) **Modification to Tata Motors Limited Employee Stock Option Scheme 2018 ('ESOP Scheme 2018') pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014:**

(i) Upon the effectiveness of the Scheme, notwithstanding anything contained in Clause 15 or any other clause of the ESOP Scheme 2018, all the stock options granted by Transferor Company under the ESOP Scheme 2018, if existing as of the Effective Date, to the PV Employees, shall continue to be in full force and shall vest, without pro rating the service at the Transferor Company, in accordance with the timelines set out in the ESOP Scheme 2018 and the PV Employees shall continue to get the benefits under the provisions of the ESOP Scheme 2018, as if they were the employees of the Transferor Company and shall have the right to exercise such stock options in the manner contemplated under the ESOP Scheme 2018. Upon exercise of the aforesaid options by the said employees from time to time in accordance with the ESOP Scheme 2018, the Transferor Company shall continue to honour its obligations under the ESOP Scheme 2018 with respect to such employees in accordance with the provisions of the ESOP Scheme 2018.

(ii) The modifications, if any, to the ESOP Scheme 2018 required to effect the treatment set out at Clause 9(e)(i) of the Scheme shall be effected as an integral part of the Scheme and the approval granted to the Scheme by the shareholders of the Transferor Company shall also be deemed to be their approval to such amendments pertaining to the ESOP Scheme 2018 required under Applicable Law, including under Section 62 of the Act, Companies (Share Capital and Debentures) Rules, 2014, the

Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and any guidelines/regulations issued by SEBI and no further approval of the shareholders of the Transferor Company or any other Person would be required to be separately obtained in this connection. The ESOP Scheme 2018 shall be deemed to be amended to give effect to all matters pertaining to the ESOP Scheme 2018 as described in the Scheme. It is hereby clarified that the modification to ESOP Scheme 2018 under Clause 9(e)(ii) of the Scheme shall be applicable to all eligible employees classified or to be classified under the ESOP Scheme 2018.

- (iii) Clause 3.14 of the ESOP Scheme 2018 containing definition of the term 'Employee' shall be modified by replacing the sub clause (a) of the definition with the following:

"Employee means

(a) a permanent employee of the Company or Tata Motors Passenger Vehicles Limited (or such name as may be approved by Registrar of Companies, Ministry of Corporate Affairs, pursuant to the Scheme) who has been working in India or outside India.

- (iv) Without prejudice to the generality of the above, upon the Scheme coming into effect, the Board of the Transferor Company may take such actions and execute such documents as may be necessary or desirable for the purpose of giving effect to the provisions of Clause 9(e) of the Scheme, including carrying out necessary amendments to the ESOP Scheme 2018 without any further approval of the shareholders of the Transferor Company and/ or any other Person."

- (h) Change of name of the Transferee Company: Upon the Scheme becoming effective, with effect from the Appointed Date, the name of the Transferee Company shall be changed to 'Tata Motors Passenger Vehicles Limited' or such other name as may be approved by the Registrar of Companies, Ministry of Corporate Affairs, subject to the Transferee Company filing all necessary forms and applications with the Ministry of Corporate Affairs in this regard.

- (i) Change in object clause of Transferee Company: Upon the Scheme becoming effective, with effect from the Appointed Date, the main object clause of the Memorandum of Association of the Transferee Company shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of Passenger Vehicles Undertaking, pursuant to the provisions of Section 13 and other applicable provisions of the Act. Accordingly, the Memorandum of Association of the Transferee Company shall be altered and amended and necessary revisions shall be carried out. The following clause shall be substituted in place of clause 3(a) of the Memorandum of Association of the Transferee Company and shall read as under:

"To carry on the business of designing, developing, manufacturing, producing, assembling, altering, improving, repairing, installing, importing, exporting, buying, selling, re-selling, marketing, financing, leasing, letting on hire, distributing, consulting, servicing, provision of engineering and all kinds of services related thereto or otherwise dealing in any manner with passenger vehicles of all kinds (including motor vehicles, motor cars, motor jeeps, motor wagons, motor vans, utility vehicles and conveyance of all types and description for propulsion on land, whether propelled, moved, drawn or assisted by means of motor, petrol, diesel oil, power oil, spirit, steam, gas, vapour, electricity, battery, solar energy, atomic energy, or any other mechanical or power devices whatsoever); engines (including internal combustion engines), motors, parts, components, accessories and related equipment thereof, as well as activities required for establishing and undertaking the assembly, manufacture, sales, aftersales and/or servicing facilities; and all machinery equipment, utensils, appliances, apparatus, lubricants, enamels and all things capable of being used therewith or in the manufacture, maintenance and working thereof."

The existing clauses 3(b)1 to 3(b)3 of the Memorandum of Association of the Transferee Company shall be deleted in its entirety and the remaining clauses from 4 to 39 shall be accordingly be renumbered as 1 to 36.

- (j) Increase in authorised share capital of Transferee Company: Upon the Scheme coming into effect, with effect from the Appointed Date, the authorized share capital of the Transferee Company shall stand automatically increased from ₹15,00,000 (Rupees Fifteen Lakhs) to ₹200,00,00,00,000 (Rupees Twenty Thousand Crores) without any further act or deed.

The capital clause of the Memorandum of Association of the Transferee Company shall, as a part of and, upon the coming into effect of the Scheme and without any further act, deed, instrument, resolution or writing, be replaced by the following clause:

"V. The Authorised Share Capital of the Company is ₹200,00,00,00,000 (Rupees Twenty Thousand Crores) divided into 20,00,00,00,000 (Two Thousand Crores) equity shares of ₹10 (Rupees Ten) each."

- (k) Conditions Precedent:

The effectiveness of the Scheme is conditional upon and subject to:

- (i) receipt of the observation letter or the no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulations 11, 37 and 94 of the SEBI Listing Regulations read with the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time ('SEBI Circular') and the terms of such observation letter being acceptable to the Boards;
- (ii) the Scheme being approved by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Transferor Company and the Transferee Company, as required under the Act and SEBI Circular, subject to any dispensation that may be granted by the NCLT;
- (iii) the Transferee Company having received such approvals and sanctions, including consent of any Government Authority as may be required by Applicable Law in respect of the Scheme and on terms and conditions acceptable to the Boards of the Companies;
- (iv) the Transferor Company having obtained necessary approvals for the transfer of the rights, benefits, interest and title of PV Real Estate, including Sanand Property and the Pune Properties, and the conditions, if any, prescribed as part of such approvals, are not adverse to the Transferor Company or the Transferee Company nor cast material financial cost on the Transferor Company or the Transferee Company, determined in the sole discretion of the respective Boards of the Companies;
- (v) the Transferor Company having received necessary confirmations from the Governmental Authorities, including from Government of Maharashtra under the Package Scheme of Incentives, 2007 to the effect that the Transferee Company shall continue to be entitled to the benefits/ incentives under the incentive scheme and/or grants issued by Governmental Authorities and relating to the PV Business, and such confirmations shall be in a form satisfactory to and on the conditions acceptable to the respective Boards of the Companies;
- (vi) receipt of the NCLT order approving the Scheme; and
- (vii) the certified copies of the NCLT order approving the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company.
- (l) Any of the conditions precedent set out in clause 24(a) (iii), (iv) and (v) of the Scheme may be waived wholly or partly by the Board of Directors of the Transferor Company and the Transferee Company, at their sole discretion and without any further approvals from any Person or without any amendment to the Scheme. Upon such waiver, the Scheme shall become effective on the Appointed Date.

- (m) It is hereby clarified that submission of the Scheme to NCLT and to the Governmental Authorities for their respective approval is without prejudice to all rights, interests, titles or defenses that the Transferor Company and/or the Transferee Company may have under or pursuant to all Applicable Laws.
- (n) On the approval of the Scheme by the shareholders of the Transferor Company and the Transferee Company, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or SEBI Listing Regulations or otherwise to the same extent applicable in relation to the slump sale set out in the Scheme, related matters including those set out therein and the Scheme itself.

Note: The above are only the salient features of the Scheme. Members are requested to read the entire text of the Scheme annexed hereto as Annexure A to fully acquaint themselves with the provisions thereof.

9. The shareholding of the present directors and key managerial personnel ('KMPs') of the Transferor Company, either individually, jointly or as a nominee, in the Transferor Company and the Transferee company as on the date of this Notice is as under:

Name of the Directors and KMPs of the Transferor Company	No. of Shares held in the Transferor Company of face value ₹2/- each (Ordinary Shares unless explicitly stated as AOS for 'A' Ordinary Shares)	No. of Shares held in the Transferee Company of face value of ₹10/- each
Mr N. Chandrasekaran <i>Non-Executive Chairman</i>	2,00,000	Nil
Mr Om Prakash Bhatt <i>Non-Executive, Independent Director</i>	Nil	Nil
Ms Hanne Sorensen <i>Non-Executive, Independent Director</i>	Nil	Nil
Ms Vedika Bhandarkar <i>Non-Executive, Independent Director</i>	Nil	Nil
Mr Kosaraju Veerayya Chowdary <i>Non-Executive, Independent Director</i>	Nil	Nil
Mr Mitsuhiro Yamashita <i>Non-Executive Director</i>	Nil	Nil
Mr Thierry Bolloré <i>Non-Executive Director</i>	Nil	Nil
Mr Guenter Butschek, <i>Chief Executive Officer & Managing Director</i>	Nil	Nil
Mr Pathamada Balachandran Balaji <i>Group Chief Financial Officer</i>	20,000	Nil
Mr Hoshang K Sethna <i>Company Secretary</i>	2,953 (AOS) 813	Nil

10. The shareholding of the present Directors of the Transferee Company, either individually, jointly or as a nominee, in the Transferee Company and Transferor Company as on the date of this Notice is as under:

Name of the Directors and Key Managerial Personnel of the Transferee Company	No. of Shares held in the Transferor Company of face value ₹2/- each (Ordinary Shares unless explicitly stated as AOS for 'A' Ordinary Shares)	No. of Shares held in the Transferee Company of face value of ₹10/- each
Mr Shyam Mani <i>Non-Executive Director</i>	18,067	Nil
Mr Vijay B. Somaiya <i>Non-Executive Director</i>	2,215 (AOS) 532	Nil
Ms Smriti Goyal <i>Non-Executive Director</i>	Nil	Nil

There are no KMPs in the Transferee Company as on the date of this Notice.

11. **Required approvals, documents and disclosures:**

- 11.1. Valuation Reports both dated July 31, 2020 issued by Mr Vikrant Jain, Independent Chartered Accountant, Registered Valuer and M/s. S R B C & Co. LLP, Independent Chartered Accountants (collectively hereinafter referred to as 'Valuers'), setting out

valuation of the Passenger Vehicles Undertaking of the Transferor Company being transferred to the Transferee Company are enclosed herewith as **Annexures B1 and B2**.

The total lump sum consideration payable by the Transferee Company to the Transferor Company for purchase of the Passenger Vehicles Undertaking of ₹9417 Crores has been valued based on the valuation approaches and other major factors as outlined in the valuation reports.

The Transferee Company being a newly incorporated entity with no business operations at present, none of the valuation approaches mentioned in the valuation reports have been considered relevant by the Valuers and the fair value per share would be the par value, i.e. ₹10/- per share. Further, since this is not a case of merger/demerger, consideration is being paid to the Transferor Company and not to the shareholders of the Transferor Company. Hence there is no share entitlement ratio being computed.

In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined in the valuation reports, the Valuers have determined the fair value of the Passenger Vehicles Undertaking of the Transferor Company to ₹9,417 Crores, to be settled by issuance of 941,70,00,000 equity shares of the Transferee Company of ₹10/- each fully paid up to the Transferor Company. Electronic copies of **Annexures B1 and B2** are also available for inspection. Members desiring inspection may send their request in writing to the Company at inv_rel@tataamotors.com.

- 11.2. Fairness Opinion of Kotak Mahindra Capital Company Limited, a Category-I Merchant Banker, dated July 31, 2020 issued to the Transferor Company opining that the consideration value to be settled by way of issuance of equity shares of Transferee Company of ₹10 each fully paid up, as determined by the Valuers for the purpose of transfer of the Passenger Vehicles Undertaking as proposed under the Scheme, is fair from a financial point of view to the Transferor Company in terms of the SEBI Circular is enclosed herewith as **Annexure C**.
- 11.3. The Audit Committee of the Transferor Company, at its meeting held on July 31, 2020 approved the proposed transfer of its Passenger Vehicles Undertaking to the Transferee Company and recommended the Scheme for consideration by its Board of Directors.
- 11.4. The Board of Directors of the Transferor Company, at its meeting held on July 31, 2020, has by a resolution unanimously approved the Scheme. All the Directors attended the meeting. The voting details of Directors in relation to the Scheme are as under:

Name of Directors as on July 31, 2020	Voting details
Mr N. Chandrasekaran	Voted in favour
Mr Om Prakash Bhatt	Voted in favour
Ms Hanne Sorensen	Voted in favour
Ms Vedika Bhandarkar	Voted in favour
Mr Guenter Butschek	Voted in favour
Dr Ralf Speth*	Voted in favour

* Dr Ralf Speth ceased to be a director w.e.f. October 27, 2020.

- 11.5. The Board of Directors of the Transferee Company at its meeting held on July 31, 2020, has by resolution unanimously approved the Scheme. All the Directors attended the meeting. The voting details of Directors in relation to the Scheme are as under:

Name of Directors as on July 31, 2020	Voting details
Mr Shyam Mani	Voted in favour
Mr Vijay B. Somaiya	Voted in favour
Ms Smriti Goyal	Voted in favour

- 11.6. A certificate has been issued by the Statutory Auditors of the Transferor Company and of the Transferee Company respectively, stating that the accounting treatment proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act.

11.7. Pursuant to the SEBI Circular read with Regulation 37 of the SEBI Listing Regulations, the Transferor Company had applied to BSE and NSE for obtaining their 'no adverse observation' to file the Scheme with NCLT for sanction. BSE and NSE vide their letters dated November 3, 2020 and November 4, 2020 had respectively given their 'no adverse observation' letters to file the Scheme with NCLT. Copies of the said letters are enclosed herewith as **Annexures D1** and **D2** respectively.

Whilst there are no investigations or proceedings pending against the Transferor Company under the provisions of the Act, both BSE and NSE in their respective 'no adverse observation' letters have referred to Securities Exchange Board of India ('SEBI') comments issued to them vide its letter dated November 3, 2020 and advised the Transferor Company to disclose details of the ongoing proceedings under Section 11(1), 11(4) and 11B of SEBI Act, 1992 against erstwhile Tata Finance Limited which merged with the Transferor Company in June 2006, in respect of backdated transaction in the shares of Global Telesystems Limited and Global E-Commerce Services Limited, to the members while seeking requisite approval of the Scheme. Details of the said ongoing proceedings are as under:

SEBI had issued a Show Cause Notice bearing reference no. EFD/DRA3/OW/DSR/BD/35523/2019 dated January 04, 2019 ('SCN') *inter alia* to the Transferor Company, in its capacity as the successor to the erstwhile Tata Finance Limited ('TFL') (merged with the Transferor Company in 2006), and the then directors of TFL. The said SCN was issued in relation to certain alleged backdated transactions carried out by TFL during the period between 2000-01 in the shares of Global Telesystems Limited and Global E-commerce Services Limited and disclosures made in offer documents issued by TFL in relation to the rights issue of 9% Cumulative Convertible Preference Shares in 2000-2001 ('Rights Issue').

The proceedings under the SCN are currently pending. On September 18, 2020, Finsec Law Advisors, the legal representative of the Transferor Company and certain other notices to the SCN had filed a letter seeking an opportunity from SEBI to cross-examine a list of key witnesses whose statements were relied upon by SEBI to issue the SCN. Subsequently, through an email dated November 03, 2020, SEBI has granted the Transferor Company and certain other notices to the SCN an opportunity to cross-examine the key witnesses on November 24, 2020.

It is pertinent to note that at the relevant time, TFL had addressed a letter to each of the shareholders who had subscribed to the Rights Issue *inter alia* stating as under:

- (a) TFL was the victim of the unauthorized transactions carried out by Mr Dilip Pendse, the then Managing Director ('MD') of TFL;
- (b) Misstatements were made in the offer documents by the then MD of TFL in the Rights Issue; and
- (c) every shareholder who had subscribed to the Rights Issue was provided with an opportunity to call back the amount they had contributed.

In view of the above opportunity provided to the concerned shareholders, to the best of our knowledge, none of the shareholders who had subscribed to the Rights Issue had raised any grievances with SEBI.

Considering the current business operations of the Transferor Company, it has been clarified that the outcome of the proceedings under the above SCN would not have any impact whatsoever on the nature of the transactions proposed under the Scheme.

11.8. The Scheme alongwith related documents was hosted on the websites of the Transferor Company, BSE and NSE and was open for complaints/comments. The Transferor Company did not receive any complaint/comment and accordingly a 'Nil' Report on Complaints was filed with BSE on September 30, 2020 and with NSE on October 7, 2020. Copies of the report filed with BSE is enclosed herewith as **Annexure E1** and that filed with NSE is enclosed

herewith as **Annexure E2** respectively. Further, as on the date of filing the Company Scheme Application, the Transferor Company has not received any complaints.

11.9. Reports adopted by the Board of Directors of the Transferor Company and the Transferee Company, at their respective meetings both dated July 31, 2020, pursuant to the provisions of Section 232(2)(c) of the Act explaining the effect of Scheme on each class of shareholders, KMPs, promoters and non-promoter shareholders and specifying any special valuation difficulties is enclosed herewith as **Annexures F1** and **F2** respectively. The Scheme contemplates payment of lump sum consideration by the Transferee Company to the Transferor Company. The mode of discharge of such consideration would be through issuance to the Transferor Company of 9,41,70,00,000 equity shares of the Transferee Company at ₹10 each being the fair value of the equity share of the Transferee Company. Further, the adjustment to the Securities Premium Account does not involve any financial outlay and therefore, would not affect the ability or liquidity of the Transferor Company to meet its obligations/ commitments or have any adverse impact on the creditors.

11.10. The information pertaining to the Transferee Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed herewith as **Annexure G**.

11.11. A copy of the Scheme has been filed by the Transferor Company and the Transferee Company respectively with the Registrar of Companies, Maharashtra.

11.12. The Scheme does not involve any debt restructuring and therefore the requirement to disclose details of debt restructuring is not applicable. Other than the capital restructuring involving reduction of Securities Premium mentioned in para 8(f) above, the Scheme does not involve any capital restructuring.

11.13. The Scheme is conditional and subject to necessary sanctions and approvals as set out in Clause 24 of the Scheme. Approval to the Scheme by requisite majority of equity shareholders and secured creditors respectively of the Transferor Company and equity shareholders of the Transferee Company under Sections 230 to 232 of the Act shall be deemed to be an approval for the various activities to be undertaken as part of the Scheme, including transfer and vesting of the Passenger Vehicles Undertaking as a going concern on a slump sale basis from the Transferor Company to the Transferee Company for a Purchase Consideration, reduction of the Securities Premium Account of the Transferor Company with a corresponding adjustment to the Accumulated Losses of the Transferor Company, modification of the ESOP Scheme 2018 pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, change in the name of the Transferee Company to 'Tata Motors Passenger Vehicles Limited', change in the objects clause of Transferee Company; and increase in the authorized share capital of Transferee Company. It is hereby stated that the conditions prescribed in Paragraph I(A)(9)(a) and Paragraph I(A)(9)(b) of Annexure I to the SEBI Circular is not applicable to the Scheme. In this regard an undertaking in relation to non-applicability of Para 9(a) of Annexure 1 of SEBI Circular has been certified by the statutory auditors of the Company pursuant to Paragraph 9(c) of Annexure 1 of the SEBI Circular dated July 31, 2020 ('Undertaking'). Further a certificate dated July 31, 2020 has been issued by the statutory auditors of the Company in respect of the Undertaking. Electronic copies of the Undertaking and the certificate in respect thereof are available for inspection. Members desiring inspection may send their request in writing to the Company at inv_rel@tatamotors.com.

11.14. Pursuant to the Order, a meeting of the Secured Creditors of the Transferor Company is being convened on March 5, 2021 to approve the Scheme. The Unsecured Creditors are also being given an opportunity to raise any objections to the Scheme as detailed in the Order.

11.15. The Supplementary Accounting statements of the Transferor Company and Transferee Company for the half year ended September 30, 2020 are enclosed as **Annexures H1** and **H2** respectively.

12. **Pre and post scheme (expected) capital structure and shareholding pattern of the Transferor Company and the Transferee Company disclosed pursuant to SEBI Circular:**

The Scheme contemplates the transfer of the Passenger Vehicles Undertaking of the Transferor Company to the Transferee Company on a slump sale basis. The mode of discharge of such consideration would be through issuance to the Transferor Company of 941,70,00,000 equity shares of the Transferee Company at ₹10 each being the fair value of the equity share of the Transferee Company. Whilst the authorised, issued, subscribed and paid-up capital of the Transferee Company shall stand increased on account of issuance of the above stated equity shares to the Transferor Company, there would be no change in the said capital structure and the shareholding pattern of the Transferor Company solely pursuant to the Scheme coming into effect. The detailed capital structure and the shareholding pattern (pre and post the Scheme) of the Transferor Company and the Transferee Company is enclosed herewith as **Annexures I1** and **I2** respectively.

13. **Disclosure about the effect of the Scheme on:**

	Transferor Company	Transferee Company
Equity shareholders (promoter and non-promoter shareholders)	There will be no dilution in the shareholding of the equity shareholders (promoter shareholders as well as non-promoter shareholders) of the Company and therefore the equity shareholders of the Company will not be affected upon the Scheme becoming effective.	Upon the issue of 9,41,70,00,000 equity shares of the Transferee Company to the Transferor Company, the equity shareholding of: <ul style="list-style-type: none"> TML Business Services Limited, currently promoter of the Transferee Company will be diluted from 100% to 0.002%; and Transferor Company will also become the promoter of the Transferee Company holding 99.998%.
Creditors	The Scheme would not affect the ability or liquidity of the Transferor Company to meet its obligations/ commitments or have any adverse impact on the creditors. As on September 30, 2020 there are no creditors in the Transferee Company. Please refer clause 7(a) of Part II of the Scheme pertaining to transfer of PV Business Liabilities. As an integral part of the Scheme, post the Scheme becoming effective: <ul style="list-style-type: none"> out of the aggregate value of Secured Creditors of ₹6,746.52 Crores outstanding as on Sept 30, 2020, Government of Gujarat Loan (with outstanding value of ₹587.08 Crores) is the only secured loan envisaged to be transferred as part of the liabilities of the Passenger Vehicles Undertaking from the Transferor Company to the Transferee Company, subject to receipt of requisite approvals. out of the aggregate value of unsecured creditors having in aggregate value of ₹27,605.90 Crores outstanding as on September 30, 2020, unsecured creditors having in aggregate value of ₹2,757 Crores relating to Passenger Vehicles Undertaking are envisaged to be transferred as part of the liabilities of the Passenger Vehicles Undertaking from Transferor Company to the Transferee Company. The post Scheme networth of the Transferee Company at ~ ₹8,589 Crores is more than adequate to meet the liabilities pertaining to these creditors for the Passenger Vehicles Undertaking of the Transferor Company. Accordingly, the Directors believe that the interest of these Creditors would not be affected.	

Directors and Key Managerial Personnel	The Scheme is not expected to have any effect on the directors and KMP of the Company. Further, no change in the Board of Directors of the Company is envisaged on account of the Scheme.	Whilst the Scheme does not contemplate any change in the Board of Directors of the Transferee Company, appropriate changes in Directors and KMPs will be made pursuant to business and statutory requirements.
Debtentureholders / Debenture Trustees	The Scheme is not expected to have any adverse effect on the debtenture holders / debenture trustees.	Not Applicable
Depositors/ Deposit Trustees	Not applicable	Not Applicable
Employees	Upon the coming into effect of the Scheme, all PV Employees of the Transferor Company shall become the employees of the Transferee Company, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the transfer of the PV Business from the Transferor Company pursuant to the Scheme.	

14. **Additional details with respect to variation of the terms of 'Tata Motors Limited Employees Stock Option Scheme 2018' of the Transferor Company** (as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, and Regulation 7 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014)

With a view to ring fence and incentivize key talent to drive long term objectives of the Company, to ensure that employee payoff matches the long gestation period of certain key initiatives, to drive ownership behavior and collaboration amongst employees, the Transferor Company, pursuant to the approval of the Board of Directors on May 23, 2018 and of the shareholders on August 3, 2018, had implemented Tata Motors Limited Employees Stock Option Scheme 2018 ('**ESOP Scheme 2018**') in FY 2018-19. Options were granted to the Eligible Employees of the Transferor Company under the said Scheme. No Option had vested as on the date of this Notice. Given that the grantees include employees who would be transferred to the Transferee Company as part of the Slump Sale as PV Employees, ESOP Scheme 2018 is being modified pursuant to and as an integral part of the Scheme in the manner set out in the Clause 9 (e) of the Scheme, to provide for a fair and equitable opportunity to the said employees to exercise stock options granted to them by the Transferor Company prior to their transfer.

All other terms and conditions of the ESOP Scheme 2018 and the options granted thereunder shall remain unchanged except for the variation as stated above. For the detailed terms of ESOP Scheme 2018, a copy of the Notice of the Annual General Meeting held on August 3, 2018, can be accessed by the members on the following link: https://www.tatamotors.com/investors/annual-reports/?annual_report_search=annual_report_search&areport_year=2018 and also available for inspection.

As per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, a company may by special resolution vary the terms of employee stock option plan or scheme offered pursuant to an earlier shareholders resolution but not yet exercised by the employee provided such variation is not prejudicial to the interests of the employees.

In light of the foregoing, it is clarified that as set out in the Scheme, the consent to the Scheme by the shareholders of the Transferor Company shall be deemed to be consent for modification of the ESOP Scheme 2018 as per the requirements of the Act, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or any other applicable law. No further approval of the shareholders of the Transferor Company would be required in this connection under any applicable law. The proposed amendment in ESOP Scheme 2018 is not prejudicial to the interest of the Eligible Employees and existing option holders covered under the ESOP Scheme 2018.

The beneficiaries of this amendment will be the Eligible Employees of the Transferor Company and the Transferee Company.

15. Documents available for inspection:

The following documents are open for inspection:

- (i) Order dated January 4, 2021 and corrigendum dated January 13, 2021 to the said order passed by the Hon'ble Tribunal, in Company Scheme Application CA (CAA) 1142/MB/2020 ('Order'), directing *inter alia* the calling, convening and conducting of the meeting of equity shareholders of the Company;
- (ii) Memorandum and Articles of Association of the Transferor Company and the Transferee Company;
- (iii) Audited standalone and consolidated Financial Statements of the Transferor Company for the financial year ended March 31, 2020, March 31, 2019 and March 31, 2018 and supplementary accounting statements (standalone and consolidated) for the period ended September 30, 2020 and Unaudited Financial Statements of the Transferee Company for the quarter ended June 30, 2020 and September 30, 2020;
- (iv) Scheme of Arrangement between the Transferor Company and the Transferee Company and their respective shareholders;
- (v) No adverse Observation letters dated November 3, 2020 and November 4, 2020 issued by BSE and NSE respectively;
- (vi) Report on Complaints dated September 30, 2020 submitted by the Transferor Company with BSE and dated October 7, 2020 with NSE;
- (vii) Resolutions passed by the respective Board of Directors of the Transferor Company and the Transferee Company at its meetings held on July 31, 2020 approving the Scheme;
- (viii) Report of the Audit Committee of the Transferor Company dated July 31, 2020 recommending the Scheme to the Board;
- (ix) Reports adopted by the respective Board of Directors of the Transferor Company and the Transferee Company both dated July 31, 2020 pursuant to the provisions of Section 232(2)(c) of the Act;
- (x) Certificates issued by the Statutory Auditors of the Transferor Company dated July 31, 2020 and of the Transferee Company dated August 1, 2020 respectively, stating that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act;
- (xi) Valuation Reports both dated July 31, 2020 issued by the Valuers setting out the valuation of the Passenger Vehicles Undertaking of the Company being transferred to the Transferee Company;
- (xii) Fairness Opinion dated July 31, 2020 by Kotak Mahindra Capital Company Limited stating that the consideration value to be settled by way of issuance of equity shares of Transferee Company, as determined by the Valuers for the purpose of transfer of the Passenger Vehicles Undertaking as proposed under the Scheme, is fair from a financial point of view to the Transferor Company;
- (xiii) Undertaking in relation to non-applicability of Paragraph 9(a) of Annexure 1 of SEBI Circular, certified by the statutory auditors of the Company pursuant to Paragraph 9(c) of Annexure 1 of the SEBI Circular dated July 31, 2020;

- (xiv) Certificate dated July 31, 2020 issued by the statutory auditors of the Company in respect of the undertaking referred to in (xiii) above;
- (xv) Information pertaining to the Transferee Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (xvi) Certificate dated January 22, 2021, issued by Kotak Mahindra Capital Company Limited - SEBI Registered Merchant Banker certifying the accuracy and adequacy of disclosures mentioned in (xv) above.
- (xvii) Contracts or agreements material to the compromise or arrangement - N.A.
- (xviii) Certified true copy of the Show Cause Notice bearing reference no. EFD/DRA3/OW/DSR/BD/35523/2019 dated January 4, 2019 and related correspondence with SEBI; and
- (xix) Certified true copy of the Notice of the Annual General Meeting held on August 3, 2018, which includes the resolution on 'Tata Motors Limited Employees Stock Option Scheme 2018 and grant of stock options to the Eligible Employees under the Scheme' alongwith Explanatory Statement thereto, as item no. 7 of the said Notice.

Based on the above and considering the rationale and benefits, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Transferor Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Transferor Company recommends the Scheme for approval of the shareholders.

The Directors and KMPs of the Transferor Company and Directors of the Transferee Company, holding shares in the Transferor Company and the Transferee Company respectively as mentioned above, and their relatives do not have any concern or interest, financially or otherwise, in the Scheme except as shareholders in general. Further, the Debenture Trustee of the Transferor Company is not concerned or interested in the Scheme.

N. Chandrasekaran
DIN: 00121863

Chairman appointed for the meeting

Dated this 22nd day of January 2021

Registered Office:

Bombay House, 24 Homi Mody Street,
Mumbai 400 001

Tel: +91 22 6665 8282

Email: inv_rel@tatamotors.com; Website: www.tatamotors.com

CIN: L28920MH1945PLC004520

**SCHEME OF ARRANGEMENT
UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013**

BETWEEN

TATA MOTORS LIMITED ... Transferor Company

AND

TML BUSINESS ANALYTICS SERVICES LIMITED ... Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS

A. INTRODUCTION

1. **TATA MOTORS LIMITED**, a public limited company incorporated under the laws of India and having its registered office at Bombay House, 24, Homi Mody Street, Mumbai - 400001 and its equity shares are listed on the NSE (*as defined subsequently*), BSE Limited (*as defined subsequently*) and American Depository Receipts are listed on the New York Stock Exchange ("**Transferor Company**"). The Transferor Company is engaged *inter alia* in the business of design, development, manufacturing and sale of a wide range of commercial, passenger and electric vehicles and parts thereof within India and abroad.
2. **TML BUSINESS ANALYTICS SERVICES LIMITED** (proposed to be renamed as Tata Motors Passenger Vehicles Limited or such name as may be approved by Registrar of Companies, Ministry of Corporate Affairs, pursuant to this Scheme), a public limited company incorporated under the laws of India and having its registered office at 3rd Floor, Plot-18, Nanavati Mahalaya, Mudhana Shetty Marg, Fort, Mumbai - 400001 ("**Transferee Company**"). The Transferee Company is a wholly owned subsidiary of TML Business Services Limited. The Transferor Company directly and indirectly, holds 100% equity interest in TML Business Services Limited and the Transferee Company. The Transferee Company is authorised by its memorandum of association to carry on the business of *inter alia* providing outsourcing services for all processes, sub processes, transactions and activities including technical support, managed data centre, managed technical centre, business or financial analysis, customer relationship management for work performed by businesses within India and abroad. The Transferee Company has completed all statutory formalities under the Act for the commencement of business. Presently, no business is being carried out by the Transferee Company.
3. This Scheme (*as defined hereinafter*) between the Transferor Company and the Transferee Company provides for the transfer and vesting of the Passenger Vehicles Undertaking (*as defined hereinafter*) of the Transferor Company to the Transferee Company, with effect from the Appointed Date (*as defined hereinafter*), as a going concern on a slump sale basis (*as defined under Section 2(42C) of the Income-tax Act, 1961*), pursuant to Sections 230 to 232, Sections 13, 14, 42, 61, 62, 186 and 188 and other relevant provisions of the Act, reduction of the Securities Premium Account (*as defined hereinafter*) and also increase in Authorised Share Capital of the Transferee Company, modification to the ESOP Scheme 2018 (*as defined hereinafter*) pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and various other matters incidental to, consequential to and/or otherwise connected with the above in the manner provided for in this Scheme.

B. RATIONALE AND PURPOSES OF THE SCHEME

1. The Transferor Company is *inter-alia*: (a) engaged in design, development, manufacturing and sale of commercial vehicles and parts thereof in India and abroad; and (b) engaged in design, development, manufacturing and sale of Passenger Vehicles (including electric vehicles) and parts thereof in India and abroad.
2. As part of an overall business reorganisation plan and in order to provide for the optimum running, growth and development of the Passenger Vehicles Undertaking (*as defined hereinafter*) and interests of the Transferor Company, it is necessary to realign the PV Business (*as defined hereinafter*). In the circumstances it is considered desirable and expedient to reconstruct the Transferor Company by transferring the Passenger Vehicles Undertaking (*as defined hereinafter*) as a going concern to the Transferee Company in the manner and on the terms and conditions stated in this Scheme. This shall help in: (a) providing differentiated focus

for the said Passenger Vehicle business and commercial vehicle business and help each of them realise their potential; and (b) unlocking business value and enhanced management focus and operational flexibility in each of the businesses.

The Passenger Vehicle business (which also includes the passenger electric vehicle business) landscape is seeing rapid transformation in the form of tightening emission norms and safety norms, push towards electrification, enhanced disruptions from autonomous and connected technologies. Additionally, India continues to remain an attractive market for global OEMs while the aspiration levels of the Indian consumer continues to rise requiring stepped up investments in contemporary products in a competitive market. Over the last few years, the PV Business has implemented a strong turnaround and has earned its right to grow by launching a slew of successful products. A fully refreshed BS VI ready product portfolio based on the Impact 2.0 design philosophy, consistently improving Net Promoter Scores (NPS), improved retail market shares and an exciting entry into the electric vehicle space makes the business ready to realise its potential. Further, this restructuring would facilitate mutually beneficial strategic alliances for the PV Business in the future.

3. The Transferor Company has Accumulated Losses (*as defined hereinafter*) amounting to INR 11,173.59 crores and also has balance in the Securities Premium Account (*as defined hereinafter*) amounting to INR 22,194.89 crores, as on June 30, 2020. Accordingly, for a better presentation of the financial position of the Transferor Company, the Board of the Transferor Company considered it prudent to consider a reduction of its share capital without extinguishing or reducing its liability on any of its shares by writing down a portion of its Securities Premium Account, which is lost or is unrepresented by available assets, with a corresponding adjustment to the Accumulated Losses of the Transferor Company. Further, the adjustment to the Securities Premium Account does not involve any financial outlay and therefore, would not affect the ability or liquidity of the Transferor Company to meet its obligations/ commitments or have any adverse impact on the creditors.
4. The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.
5. The Scheme will be in the best interest of the concerned stakeholders of both the Companies.
6. The Passenger Vehicles Undertaking constitutes an "Undertaking" as defined under Section 2(19AA) of the Income-tax Act, 1961.

I. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- (a) **Part I**, which deals with the definitions and interpretations; and date of taking effect;
- (b) **Part II**, which deals with the transfer of the Passenger Vehicles Undertaking of the Transferor Company to the Transferee Company;
- (c) **Part III**, which deals with the reduction of the Securities Premium Account of the Transferor Company; and
- (d) **Part IV**, which deals with the general terms and conditions applicable to this Scheme.

PART I - GENERAL

1. DEFINITIONS AND INTERPRETATION

- (a) In this Scheme, unless the context or meaning otherwise requires (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme; and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

"Accounting Standards" means the Indian Accounting Standards as notified under the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India or made applicable to the relevant party to this Scheme;

“**Act**” means the Companies Act, 2013 and any rules, regulations, circulars, notifications, clarifications, orders or guidelines issued thereunder and as amended from time to time and include any statutory replacement or re-enactment thereof, if the context so requires and as may be applicable;

“**Accumulated Losses**” means the losses of the Transferor Company to the extent of INR 11,173.59 crores that have been carried forward from previous years and upto the quarter ended June 30, 2020, and as shown under Retained Earnings (distributable) in “Other Equity”, and shall exclude any general reserves in the Audited Stand alone balance sheet of the Transferor Company as at June 30, 2020;

“**Applicable Law**” or “**Law**” means with respect to any Person, any binding federal, state, national or local statute, law, ordinance, notification, rule, regulation, order, writ, injunction, directive, judgment or decree, or other requirement of any Governmental Authority applicable to such Person or any of their respective properties or assets;

“**Appointed Date**” means the Effective Date;

“**Board of Directors**” or “**Board**” in relation to the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee or any other delegate duly authorised for the purposes of the matters pertaining to this Scheme and/or to take decisions prescribed under the Scheme and/or to decide or act on any other matter relating thereto;

“**BSE**” means BSE Limited;

“**Companies**” means the Transferor Company and the Transferee Company, collectively;

“**Design and Development Division**” means the activities relating to design and development of automotive parts relating to the PV Business undertaken by the Transferor Company through its overseas branches and/or wholly owned subsidiaries, including such of its assets, employees, intellectual property and other assets and liabilities, as are relatable to the PV Business and as decided by the Boards of the Companies;

“**Effective Date**” means the last of the dates on which all the conditions and matters referred to in Clause 24 hereof have been fulfilled or waived in accordance with this Scheme;

References in this Scheme to the date of ‘coming into effect of this Scheme’ or the ‘effectiveness of this Scheme’ or the ‘Scheme coming into effect’ shall mean the Effective Date;

“**Encumbrance**” means (a) any interest or equity of any Person (including any right to acquire, option or right of pre-emption) or any mortgage, charge (whether fixed or floating), claim, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement, or any agreement to create any of the above, or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law;

“**ESOP Scheme 2018**” means Tata Motors Limited Employees Stock Option Scheme 2018 approved by the Board of the Transferor Company on May 23, 2018 and by the shareholders of the Transferor Company on August 3, 2018;

“**Funds**” shall have the meaning assigned to it in Clause 9(c) of this Scheme;

“**Governmental Authority**” means any (a) national, provincial or local government or political subdivision or department thereof of any jurisdiction, or any governmental, administrative or regulatory body, commission, board, bureau, agency or instrumentality, or any court, arbitrator, alternative dispute resolution body or tribunal, whether in India or overseas, in each case with applicable

jurisdiction over the subject matter of this Scheme; or (b) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative functions of the government or tax authority or power of any nature in respect of the Transferor Company, the Transferee Company or this Scheme;

“**Government of Gujarat Loan**” means loan of amount INR 587.08 crores, outstanding to the Government of Gujarat pursuant to loan agreement dated March 30, 2013 and all documents and/or government resolutions related thereto;

“**Implementation Period**” means the period intervening the date of approval of the Board to this Scheme and the Effective Date;

“**INR**” or “**Rs.**” means Indian Rupees, the lawful currency of Republic of India;

“**NCLT**” means the Hon’ble National Company Law Tribunal having its Bench at Mumbai or such other tribunal, court, forum or authority as may, for the time being be vested with the powers presently vested in the Hon’ble National Company Law Tribunal under Sections 230 to 232 of the Act;

“**Net Working Capital**” means the difference between PV Working Capital Assets and PV Working Capital Liabilities;

“**NSE**” means National Stock Exchange of India Limited;

“**Passenger Vehicles Undertaking**” means the all the undertakings, activities, operations and business of the Transferor Company, as a going concern, as on the Appointed Date, in relation to and pertaining to the PV Business, and shall include:

- (a) the PV Assets;
- (b) the PV Real Estate;
- (c) the PV Licenses;
- (d) the PV Business IP;
- (e) the PV Contracts;
- (f) the PV Employees;
- (g) the PV Business Liabilities;
- (h) the Records;
- (i) the Transferring Litigations;
- (j) fiscal benefits sanctioned to the Transferor Company by the Government of Maharashtra under the Package Scheme of Incentives, 2007 and any other incentive schemes by any Governmental Authority and, in each case, to the extent relating to the PV Business; and
- (k) any tax credits/deferrals (including but not limited to goods and services tax credits, goods and services tax compensation cess credit etc.), withholding tax credits, tax collected at source, foreign tax credits, any claims under law, privileges, incentives, benefits, tax holidays, etc and, in each case, to the extent relating to the PV Business;

but shall exclude the Remaining Business.

Explanation:

1. Notwithstanding what is set out in the definition of the Remaining Business, the Board of the Transferor Company may also agree with the Board of the Transferee Company to classify any part of assets, properties, facilities, intellectual property or employees of the central functions (including central engineering functions) of the Transferor Company as part of the Passenger Vehicles Undertaking for the purpose of this Scheme.
2. In case of any question that may arise as to whether a specific asset or liability or employee or intellectual property or any other component of the Passenger Vehicles Undertaking pertains or does not pertain to the Passenger Vehicles Undertaking or whether it arises out of the activities or operations of the Passenger Vehicles Undertaking, such question shall be decided by mutual agreement between the Boards of the Companies;

“Person” means any individual (including in his capacity as trustee), entity, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship or other enterprise (whether incorporated or not), Hindu undivided family, trust, union, association of persons, Governmental Authority, or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;

“Pune Properties” mean (i) whole of the land admeasuring approximately 202.9 acres leased by Pimpri Chinchwad New Town Development Authority together with all buildings, factories and other structures standing thereon; and (ii) whole or part of the land admeasuring approximately 30 acres leased by Maharashtra Industrial Development Corporation, together with all buildings, factories and other structures standing thereon, for manufacture of, automobile products and components set up by the Transferor Company located in Pune and more particularly described in **Annexure 3**;

“Purchase Consideration” for the Passenger Vehicles Undertaking means INR 9,417 crores, settled by way of issuance of 941,70,00,000 equity shares of the Transferee Company at INR 10 each, being the fair value of equity share of the Transferee Company;

“PV Assets” means all assets, tangible or intangible, movable or fixed, whether present or future or contingent, corporeal or incorporeal including PV Working Capital Assets, freehold land, leasehold land, buildings, lease assets, plant and machinery, research and development assets, capitalized vehicles, furniture, electrical fittings, power lines, water and sanitation systems, appliances, office equipment, computers, communication facilities, installations, accessories, properties, tooling equipment, tools, instruments, diagnostic kits, resources, facilities, utilities, services and benefits of any bank guarantees, performance guarantees or letters of credit, goodwill, business information, distribution channel, trade-secrets and any other intangible assets, whether recorded in the books or not which are engaged, deployed, employed or used in and relating to the PV Business as on the Appointed Date, including those relating to research and development, and investment / interest in the Design and Development Division;

“PV Business” means all activities relating to development, design, manufacture, procurement, assembly, sale, services, annual maintenance contracts and distribution of passenger vehicles and electric vehicles (including new and/or refurbished vehicles) and sale of related parts and accessories, directly or indirectly by the Transferor Company, in each case under the brand name “TATA” in India and/or abroad; and contract manufacturing of passenger vehicles and parts carried out by the Transferor Company under any subsisting arrangement;

“PV Business Liabilities” means ordinary course liabilities pertaining to the PV Business and continuing as on the Appointed Date such as contingent liabilities, PV Working Capital Liabilities, liabilities arising out of PV Contracts, and, upon receipt of necessary approvals and such other directions as may be applicable, the Government of Gujarat Loan;

“PV Business IP” means and includes all intellectual property rights and proprietary information whether recorded in the books or not, as of the Appointed Date including trademarks, service marks, logos, trade dress, trade names, brand names, drawings, designs, domain names, database rights, rights in knowhow, trade secrets, technical information, software codes, copyrights, moral rights, confidential processes, patents, licenses, inventions and any other intellectual property or proprietary rights (including rights in computer software) to the extent relating to and significantly used by the PV Business, in each case whether registered or unregistered and including applications for the registration or grant of any such rights and any and all forms of protection having equivalent or similar effect anywhere in the world;

“PV Contracts” means those contracts entered into by the Transferor Company prior to the Appointed Date which relate to the PV Business, and shall include contracts assigned as on the Appointed Date or held in trust for benefit of the Transferee Company post the Appointed Date. The contracts shall include without limitation any service contracts, consultant contracts, contracts with vendors and suppliers, technology contracts, outsourcing agreements, offshore development contracts, assignment agreements, license agreements (including for intellectual property), deeds, bonds, insurance policies, information technology related agreements, schemes, agreements for contract manufacturing by the Transferor Company for passenger vehicles or parts, arrangements, bids, purchase orders (either with or without a general purchase agreement), memoranda of understanding, non disclosure undertakings, letter of intent and other commitments, whether written or unwritten, entered into by or on behalf of, or the benefit of which is held in trust for or has been assigned to, the Transferor Company as on the Appointed Date, each of which belongs to or relating to the PV Business;

“PV Employees” means employees of the Transferor Company who, as at the Effective Date, are employed and/or predominantly engaged in the PV Business;

“PV Licenses” means all licenses (including factory licenses), authorisations, permissions, right of way, approvals, applications, ARAI certifications, clearances, permits, benefits, consents, registrations (by whatever name called), certificates, credits, allotments, no objection certificates, concessions, subsidies, liberties including consents and authorisations by pollution control board / statutory authorities and any other licenses / permits issued or granted by any Governmental Authorities pertaining to or used by or with reference to the PV Business including the licenses listed in **Annexure 2**;

“PV Real Estate” means the immoveable properties i.e. land together with the buildings and structures standing thereon (whether leasehold, leave and licensed, right of way, allotted, owned, tenancies or otherwise) used for the PV Business including the Pune Properties and Sanand Property, together with all documents of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties. The inclusive list of key immovable properties owned / leased by the Transferor Company in respect of PV Business is set out in **Annexure 3**;

“PV Working Capital Assets” as of any specified date, means unbilled revenue, stores, stock inventory, prepaid expenses, cash and bank balances, trade debtors, deposits with public bodies, suppliers, security deposits, earnest monies, bills and other securities, loans and advances provided by the Transferor Company (including any balance with Governmental Authority), or any such other customary current and non-current assets relating, or assigned to the Transferor Company, each of which on the Appointed Date, belongs to or can be directly relating to the PV Business;

“PV Working Capital Liabilities” as of any specified date, means any deferred revenue, trade and other payables, trade acceptances, duties, provisions, deposits and retention money, provisions for employee payments, or such other customary current and non-current liabilities relating, or assigned to the Transferor Company, each of which on the Appointed Date, belongs to or can be directly relating to the PV Business;

“Records” means all necessary records, files, papers, engineering and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, databases containing market information, vouchers, registers, ledgers, documents and other books and records of, or to the extent pertaining to, the PV Business, in any media or format including machine readable or electronic media/ format and other records pertaining to the PV Business, as on the Appointed Date;

“Remaining Business” means all the undertakings, businesses, activities, operations, assets and liabilities of the Transferor Company other than the Passenger Vehicles Undertaking, and including but not limited to:

- (a) all activities relating to development, design, manufacture, procurement, assembly, sale, servicing, annual maintenance contracts and distribution of commercial vehicles (which include vehicles other than cars, multi-utility vehicles and sports-utility vehicles), and sale of related parts and accessories, directly or indirectly by the Transferor Company in India or abroad;
- (b) central functions carried out by the Transferor Company including but not limited to central engineering teams, legal, central purchase, corporate finance such as accounting, tax, treasury and investor relations, secretarial, central human resource functions and related employees, assets, intellectual property and other intangible properties;
- (c) any shares, bonds, debentures, stock, interests, beneficial interest or other securities held by the Transferor Company in other entities including in the subsidiaries and associates of the Transferor Company, whether listed or unlisted and whether Indian or foreign, other than the Design and Development Division;
- (d) secured and unsecured borrowings including inter corporate deposits and other debt taken by the Transferor Company or any security provided by the Transferor Company in connection with such borrowings, other than Government of Gujarat Loan;
- (e) (i) all liabilities arising in connection with litigations including litigations with or claims from Governmental Authorities, other than Transferring Litigations, and (ii) any claims from any Person arising out of or in connection with the use of or investment in connection with the PV Assets, relating to a period prior to the Appointed Date; and
- (f) Any other asset, liability or property not covered by the Passenger Vehicles Undertaking;

“Registrar of Companies” means the Registrar of Companies of Maharashtra situated in Mumbai in relation to the Transferor Company and the Transferee Company;

“Retained Earnings” means the balances as of quarter ended June 30, 2020 as shown in “Other Equity” in the Standalone Audited Balance Sheet of the Transferor Company, which comprises of distributable and un-distributable (Ind AS 101) reserves;

“Sanand Property” means whole or part of the land admeasuring approximately 540 acres of the Transferor Company located at Northkotpur village, Sanand Taluka, Ahmedabad, Gujarat together with all buildings, factories and other structures standing thereon, used for manufacture of automobile products and components and more particularly described in **Annexure 3**;

“Scheme” or **“the Scheme”** or **“this Scheme”** or **“Scheme of Arrangement”** means this Scheme of Arrangement in its present form or as amended or with any modification(s) approved or imposed or directed by the NCLT or any other Governmental Authorities, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act;

“SEBI” means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

“SEBI LODR Regulations” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including all circulars and notifications issued thereunder, as amended from time to time;

“SEBI Circular” means (i) Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; (ii) Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017; (iii) Circular No. CFD/ DIL3/CIR/2017/105 dated September 21, 2017; (iv) Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018; (v) Circular No. CFD/DIL1/CIR/P/2019/192 dated September 12, 2019 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;

“Securities Premium Account” means the securities premium account maintained by the Transferor Company in accordance with the provisions of Section 52 of the Act and having such amount as shown in the Audited Standalone Balance Sheet as at June 30, 2020;

“Stock Exchange” means either of the BSE or the NSE;

“Transferor Company Retained Records” means the original form of all records, files, papers, documents and other books and records to the extent: (i) pertaining to the accounting, tax or regulatory affairs of the PV Business; and (ii) required to be kept in control of the Transferor Company pursuant to the provisions of any Applicable Law, in any media or format including machine readable or electronic media/ format, as on the Appointed Date;

“Transferring Encumbrances” shall mean Encumbrance over the Sanand Property created in favour of Revenue Authority, Government of Gujarat pursuant to the Government of Gujarat Loan existing as on date including such other Encumbrance created over the Passenger Vehicle Undertaking, as decided by the Boards of the Companies; and

“Transferring Litigations” shall mean ordinary course litigations, claims or proceedings whether civil, criminal, arbitration proceedings, Section 138 proceedings or any other proceedings or claims made by or against the Transferor Company and which is directly relatable to the PV Business excluding those relating to past channel partners and ex-employees of the Transferor Company.

- (b) All terms used but not defined in this Scheme shall, unless contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act or any statutory modification or re-enactment thereof for the time being in force or any legislation which replaces the Act.
- (c) References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- (d) Headings, subheadings, titles, subtitles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.
- (e) All references in this Scheme to statutory provisions shall be construed as meaning and including references to:
 - (i) any statutory modification, consolidation or re-enactment made after the date of approval this Scheme by the Board of Directors of the Companies and for the time being in force;
 - (ii) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);
 - (iii) all statutory instruments or orders made pursuant to a statutory provision; and
 - (iv) any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.
- (f) Unless the context otherwise requires:
 - (i) the singular shall include the plural and vice versa, and references to one gender include all genders.
 - (ii) References to a person include any individual, firm, body corporate (whether 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).
- (g) Reference to days, months and years are to calendar days, calendar months and calendar years, respectively.
- (h) Any reference to “writing” shall include printing, typing, lithography and other means of reproducing words in visible form.
 - (i) The words “include” and “including” are to be construed without limitation.

- (j) Where a wider construction is possible, the words “other” and “otherwise” shall not be construed ejusdem generis with any foregoing words.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with or with any modification(s) approved or imposed or directed by NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

- 3.1 The authorized, issued, subscribed and paid up share capital of the Transferor Company as at June 30, 2020 is as under:

PARTICULARS	AMOUNT IN INR	AMOUNT IN INR
Authorised Share Capital:		
4,000,000,000 Ordinary Shares of INR 2 each	8,000,000,000	
1,000,000,000 'A' Ordinary Shares of INR 2 each	2,000,000,000	
300,000,000 Convertible Cumulative Preference Shares of INR 100 each	30,000,000,000	
Total		40,000,000,000
Issued Share Capital:		
3,089,466,453 Ordinary Shares of INR 2 each	6,178,932,906	
508,736,110 'A' Ordinary Shares of INR 2 each	1,017,472,220	
Total		7,196,405,126
Subscribed Share Capital:		
3,088,973,894 Ordinary Shares of INR 2 each	6,177,947,788	
508,502,896 'A' Ordinary Shares of INR 2 each	1,017,005,792	
Total		7,194,953,580
Paid-up Share Capital:		
3,088,973,894 Ordinary Shares of INR 2 each	6,177,947,788	
Less: Calls in arrears:	440	
Add: Share Forfeiture: Paid up value of partly paid Ordinary Shares forfeited in 1998-99 and 1999-2000 for non-receipt of call monies	477,945	
Ordinary Shares of INR 2 each		6,178,425,293
508,502,896 'A' Ordinary Shares of INR 2 each		1,017,005,792
Total		7,195,431,085

- 3.2 The authorized, issued, subscribed and paid up share capital of the Transferee Company as at June 30, 2020 is as under:

PARTICULARS	AMOUNT IN INR
Authorised share capital:	
1,50,000 Equity Shares of INR 10 each	15,00,000
Total	15,00,000
Issued, subscribed and paid-up share capital:	
Issued share capital	
1,50,000 Equity Shares of INR 10 each	15,00,000
Subscribed and paid-up share capital	
1,50,000 Equity Shares of INR 10 each	15,00,000
Total	15,00,000

The Transferee Company is a wholly owned subsidiary of TML Business Services Limited. The Transferor Company directly and indirectly, holds 100% equity interest in TML Business Services Limited and the Transferee Company.

PART II - SLUMP SALE

Section 1 - Transfer

4. Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the NCLT and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, the Passenger Vehicles Undertaking shall be and shall stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company, as a going concern on a slump sale basis (as defined under Section 2(42C) of the Income-tax Act, 1961), for a lump sum consideration as set out hereinafter, without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

5. Vesting of the PV Assets

Without prejudice to the generality of Clause 4 above, upon the coming into effect of this Scheme and with effect from the Appointed Date,

- (a) all the PV Assets, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the PV Business of whatsoever nature and wheresoever situate shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a going concern on a slump sale basis for a lump sum consideration, so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company. It is hereby clarified that with an intent to facilitate the Transferee Company to carry on the PV Business post Effective Date, the Transferor Company will endeavour to transfer the PV Business with normalized Net Working Capital.
- (b) without prejudice to the provisions of Clause 5(a) above, in respect of the PV Assets and properties of the PV Business as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by manual or constructive delivery and/or possession and/or by endorsement and/or delivery, the same shall stand so transferred or vested by the Transferor Company upon the coming into effect of this Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act, and the title to the assets will be deemed to have been vested accordingly without requiring any deed or instrument of conveyance for the transfer or vesting of the same.
- (c) the PV Real Estate (which shall include Leasehold Properties and Owned Properties set out in Annexure 3), whether freehold or leasehold or allotted by the Governmental Authorities or otherwise, and other fixed properties (including plant and machinery) pertaining to the PV Business and all documents of title, rights and easements in relation thereto, will stand assigned, conveyed and transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 230 to 232 and/or other applicable provisions of the Act. With effect from the Appointed Date, the Transferee Company shall be deemed to be in possession of the PV Real Estate and be entitled to exercise all rights and privileges and be liable to fulfil all obligations (including outgoing), in relation to or applicable to PV Real Estate and fixed assets forming part of Passenger Vehicles Undertaking, including mutation and/or substitution of the title to, or interest in the PV Real Estate which shall be made and duly recorded by the appropriate authority(ies) in favour of the Transferee Company pursuant to the sanction of the Scheme by the NCLT and upon the effectiveness of the Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Company

and/or the Transferee Company. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution.

Notwithstanding any provision to the contrary, from the Appointed Date, and until the owned properties, leasehold properties and related rights thereto, license/right to use the immovable property, tenancy rights, liberties and special status are transferred, conveyed, vested, recorded, effected and/or perfected, in the record of the appropriate authority in favour of the Transferee Company, the Transferee Company is deemed to be authorized to lawfully carry on the business in the PV Real Estate under the relevant agreement, deed, lease and/or license, as the case may be.

- (d) in so far as the Design and Development Division of the Transferor Company is concerned, upon the Scheme becoming effective and with effect from the Appointed Date, such part of the Design and Development Division as are relatable to the PV Business as decided by the Boards of the Companies, shall become a part of the Transferee Company, on and from the Appointed Date. The Design and Development Division would be integrated with the Transferee Company in such manner as the Board may deem fit including by transfer of shares in Tata Motors European Technical Centre PLC and Trilix S.r.l. (as the case maybe) on and from the Appointed Date and such integration shall be effected pursuant to the approval granted by the NCLT to this Scheme in accordance with Sections 230 to 232 of the Act and the applicable exchange control regulations, without any further acts, instrument, deeds or things. For achieving the above mentioned integration, the Transferee Company and the Transferor Company may make necessary applications required under law or otherwise with the authorized dealer banks or Reserve Bank of India (if required) to record the name of the Transferee Company as the owner of the Design and the Development Division and take all such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary.
- (e) in respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in Clause 5(b), Clause 5(c) and 5(d)) pertaining to the PV Business including sundry debtors, receivables, bills, credits, cash and bank balances, outstanding loans and advances and guarantees, if any, whether recoverable in cash or in kind or for value to be received, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- (f) all gas, electricity, utility and other services shall, to the extent it relates to the Passenger Vehicles Undertaking, be transferred, assigned, registered in the name of the Transferee Company, without any further acts, matters or deeds. With respect to the gas, electricity, utilities and other services including the utility and the electricity meters in the facility at the Pune Properties which are shared between the Passenger Vehicles Undertaking and the Remaining Business, such utilities relating to the Passenger Vehicles Undertaking shall deemed to be automatically segregated and a separate registration shall be effected in the name of the Transferee Company without any further acts, matters or deeds, without putting either of the businesses at a disadvantage.
- (g) Upon the Scheme coming into effect, for the purpose of satisfying any eligibility criteria including technical and/or financial parameters for participating and qualifying in invitations for expression of interest(s) and/or bid(s) and/or tender(s) of any nature meant for any project(s) or contract(s) or work(s) or services or combination

thereof, either related to the PV Business or pertaining to the PV Business, in addition to its own technical experience and/or financial credentials including drawn through other arrangements such as consortium or joint venture etc., the Transferee Company shall have legal capacity, power and authority to claim experience considering works/jobs done in the past and current work in hand, financial credentials, management experience and track record with respect to the Passenger Vehicles Undertaking of the Transferor Company.

6. Contracts, deeds etc.

Upon the coming into effect of this Scheme,

- (a) all PV Contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, including insurance contracts relating to the Passenger Vehicles Undertaking and any contract manufacturing by the Transferor Company for other passenger vehicles and parts, to which the Transferor Company is a party or to the benefit of which the PV Business may be eligible as per this Scheme, and which are subsisting or have effect immediately before the Appointed Date, shall continue in full force and effect (including with respect to all rights and obligations thereunder) on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company concerned, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder;
- (b) The Transferee Company shall be the beneficiary of all the bank guarantees, deposits, bonds, security deposits, indemnities, insurance contracts and any other benefit of whatsoever nature, in respect of the PV Business, to which the Transferor Company is a party or to the benefit of which the PV Business may be eligible and which are subsisting or have effect immediately before the Appointed Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company concerned, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder;
- (c) The Transferee Company shall, automatically and without any further document, acts, matters, deeds or no objections from counter parties,
- (i) become a beneficiary of any and all reserved capacity(ies) for passenger vehicles and powertrains for passenger vehicles (including pursuant to contract manufacturing arrangements provided by joint arrangements, affiliates and third parties of the Transferor Company);
- (ii) have the right to procure supply of spare parts or engineering services for such passenger vehicles or powertrains from the contract manufacturing entities set out in (i) above;
- in each case, under arrangements, to which the Transferor Company is a party or beneficiary and which relates to the PV Business, and which are subsisting or have effect immediately before the Appointed Date;
- (d) In the event any such PV Contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, are for the benefit of or applicable to or govern the operations of the PV Business as well as the Remaining Business, then upon the Scheme coming into effect, and if so decided by the Boards of the Companies, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Transferor Company or the Transferee Company so as to appropriately apply to or govern the operations of the PV Business and the Remaining Business of the Transferor Company, separately without putting either of them to any disadvantage whatsoever nature;
- (e) Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the Passenger Vehicles Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in

accordance with the provisions hereof, if so required under any Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed, without causing any additional costs/liabilities to the Transferor Company.

- (f) Without prejudice to the aforesaid, it is clarified that in the event any part of the contracts relating to PV Contracts intended to be transferred cannot be transferred to the Transferee Company upon the effectiveness of the Scheme for any reason whatsoever, the Transferor Company and the Transferee Company undertake to take all necessary steps, and execute all necessary documents, to ensure the transfer of such part of PV Contracts thereof to the Transferee Company forthwith without any further consideration. The Transferor Company and the Transferee Company agree that pending such transfer, the Transferor Company shall hold such part of the PV Contract in trust for the benefit of the Transferee Company.

7. Transfer of PV Business Liabilities

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date all PV Business Liabilities shall, whether they relate to a period prior to or post the Effective Date, pursuant to the sanction of this Scheme by the NCLT and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company in respect of the PV Business, and the Transferee Company shall meet, discharge and satisfy the same. It is clarified that the Transferor Company shall in no event be responsible or liable in relation to any such PV Business Liabilities following the Appointed Date. Further 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 PV Business Liabilities have arisen in order to give effect to the provisions of this Clause 7. The Transferor Company shall indemnify the Transferee Company for any claim made against the Transferee Company by any Person on account of liabilities relating to the Remaining Business.
- (b) It is expressly provided that, save as herein provided, no other term or condition of the PV Business Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.

8. Encumbrances

- (a) Subject to Clause 8(b) of the Scheme, all the assets in respect of the PV Business shall be transferred free from any and all Encumbrances, other than Transferring Encumbrances.
- (b) Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to move the Transferring Encumbrances as part of the Sanand Property and Government of Gujarat Loan, upon receipt of necessary approvals and such other directions as may be applicable.
- (c) Without prejudice to the other provisions of this Scheme and subject to Clause 8(a), the Transferor Company may, at any time prior to the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Law or otherwise, take such actions and execute such deeds, contracts, confirmations

or obtain such approvals/consents or arrangements with any party or any Governmental Authority, in order to give formal effect to the provisions of this Scheme, such that the Transferring Encumbrances, including those in relation to the Sanand Property for the Government of Gujarat Loan, vests with the Transferee Company with effect from Appointed Date. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances and assume the rights and obligations referred to above on the part of the Transferor Company to be carried out or performed, without causing any additional costs/liabilities to the Transferor Company.

- (d) The provisions of this Clause 8 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

9. Employees

- (a) Upon the coming into effect of this Scheme, all PV Employees shall become the employees of the Transferee Company, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the transfer of the PV Business from the Transferor Company pursuant to this Scheme. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Company and such benefits to which the employees are entitled shall also be taken into account, and paid (as and when payable) by the Transferee Company.
- (b) The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into or deemed to have been entered into by the Transferor Company with any union/employee of the respective Transferor Company.
- (c) In so far as the provident fund, gratuity fund, superannuation fund, pension fund and any other funds or benefits created by the Transferor Company for its employees or to which the Transferor Company is contributing for the benefit of its employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the PV Employees (including the aggregate of all the contributions made to such Funds for the benefit of the employees, accretions thereto and the investments made by the Funds in relation to the employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned employees or in the alternate, the Transferor Company shall enter into such other arrangement with the Transferee Company for the transfer of employee benefits under Applicable Law. In the event the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company: (i) the Transferor Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the employees shall be merged with the funds created by the Transferee Company; (ii) the Transferor Company may transfer the Funds to the fund maintained by the Governmental Authority, as may be identified by the Transferee Company; or (iii) the Transferee Company and the Transferor Company shall decide such other arrangement prescribed under Applicable Law to continue with the employee benefits. The transfer of such Funds shall be effected on the basis of actuarial valuation as on the Effective Date in respect of the PV Employees.

(d) In relation to those employees for whom the Transferor Company is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the Transferor Company as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

(e) Stock Options:

(i) Upon the effectiveness of the Scheme, notwithstanding anything contained in clause 15 or any other clause of the ESOP Scheme 2018, all the stock options granted by Transferor Company under the ESOP Scheme 2018, if existing as of the Effective Date, to the PV Employees, shall continue to be in full force and shall vest, without pro rating the service at the Transferor Company, in accordance with the timelines set out in the ESOP Scheme 2018 and the PV Employees shall continue to get the benefits under the provisions of the ESOP Scheme 2018, as if they were the employees of the Transferor Company and shall have the right to exercise such stock options in the manner contemplated under the ESOP Scheme 2018. Upon exercise of the aforesaid options by the said employees from time to time in accordance with the ESOP Scheme 2018, the Transferor Company shall continue to honour its obligations under the ESOP Scheme 2018 with respect to such employees in accordance with the provisions of the ESOP Scheme 2018.

(ii) The modifications, if any, to the ESOP Scheme 2018 required to effect the treatment set out at Clause 9(e)(i) above shall be effected as an integral part of the Scheme and the approval granted to the Scheme by the shareholders of the Transferor Company shall also be deemed to be their approval to such amendments pertaining to the ESOP Scheme 2018 required under Applicable Law, including under Section 62 of the Act, Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and any guidelines/ regulations issued by SEBI and no further approval of the shareholders of the Transferor Company or any other Person would be required to be separately obtained in this connection. The ESOP Scheme 2018 shall be deemed to be amended to give effect to all matters pertaining to the ESOP Scheme 2018 as described in this Scheme. It is hereby clarified that the modification to ESOP Scheme 2018 under this Clause 9(e)(ii) shall be applicable to all eligible employees classified or to be classified under the ESOP Scheme 2018.

(iii) Clause 3.14 of the ESOP Scheme 2018 containing definition of the term 'Employee' shall be modified by replacing the sub clause (a) of the definition with the following:

"Employee means

(a) a permanent employee of the Company or Tata Motors Passenger Vehicles Limited (or such name as may be approved by Registrar of Companies, Ministry of Corporate Affairs, pursuant to this Scheme) who has been working in India or outside India."

(iv) Without prejudice to the generality of the above, upon the Scheme coming into effect, the Board of the Transferor Company may take such actions and execute such documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 9(e), including carrying out necessary amendments to the ESOP Scheme 2018 without any further approval of the shareholders of the Transferor Company and/ or any other Person.

10. PV Licenses

(a) All the PV Licenses, permits, registrations, quotas, applications, rights, entitlements, approvals, permissions, consents, no objection certificates, clearances, authorities, powers of attorney, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company in respect of the Passenger Vehicles Undertaking and all rights and benefits that have accrued or which may accrue to the Transferor Company in respect of the PV Business, on the Appointed Date, including tax benefits and exemptions, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, rights, entitlements, approvals, permissions, consents, no objection certificates, clearances, authorities, powers of attorney, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

(b) However, if any such PV License, permits, registrations, quotas, rights, entitlements, approvals, permissions, consents, no objection certificates, clearances, authorities, powers of attorney, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges as referred to above, are for the benefit of or applicable to or govern the operations of the PV Business as well as the Remaining Business, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Transferor Company or the Transferee Company so as to appropriately apply to or govern the operations of the PV Business and the Remaining Business of the Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. It is hereby clarified that the obligations or liabilities attached to the PV Assets procured under the Export Promotion of Capital Goods Scheme shall be discharged either jointly or severally by the Companies, as per Applicable Law.

11. Legal and other proceedings

(a) Upon the coming into effect of this Scheme, all Transferring Litigations pertaining to the period prior to the Effective Date and/ or relating to cause of action arising prior to the Effective Date shall be continued and enforced by or against the Transferee Company in all respects for which the Transferor Company shall provide all reasonable support as required and/or requested for at cost of the Transferee Company. The Transferor Company shall in no event be responsible or liable in relation to any such Transferring Litigations against the Transferee Company on and from the Effective Date. It is clarified that any liability in relation to property tax of the PV Real Estate accruing after Appointed Date will be borne by the Transferee Company. The Transferee Company shall be added as a party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Transferor Company. The Transferee Company shall provide support as may be requested by the Transferor Company in respect of any litigation other than the Transferring Litigations.

12. PV Business IP

(a) Upon this Scheme becoming effective and with effect from the Appointed Date, the PV Business IP and all forms of protection having equivalent or similar effect anywhere in the world shall automatically, and without any further act, matters, deeds or things, vest with and will become the sole and exclusive property of the Transferee Company. The Transferor Company agrees to execute

and deliver at the request of the Transferee Company, all papers and instruments required to vest such rights, title and interest over PV Business IP in the name of the Transferee Company and in order to update the records, wherever applicable, of the respective registries to reflect the name and address of the Transferee Company as the current owner of the intellectual property.

- (b) The Transferor Company and the Transferee Company agree that pending such registration of the PV Business IP in the name of the Transferee Company, the Transferor Company shall hold such part of PV Business IP in trust for the benefit of the Transferee Company.
- (c) Notwithstanding anything contained in this Scheme, upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Act, the Transferor Company and the Transferee Company shall enter into appropriate arrangements and execute necessary documentation to provide access, license and/or right to use to the intellectual property rights owned/relating to each other's business, and such usage rights shall be subject to such conditions and limitations as agreed by the Boards of the Companies.

13. Taxation and benefits under statute / incentive plans

On and from the Appointed Date of the Scheme,

- (a) All goods and services tax credits, goods and service tax compensation cess, withholding tax credits, tax collected at source, foreign tax credits and any other claims under law, privileges, incentives, benefits, tax holidays, etc. and belonging to the Passenger Vehicles Undertaking as of the Appointed Date, shall be deemed to be and shall become the assets, rights, title, interest and entitlement of the Transferee Company on and from the Appointed Date, without any further acts, instrument, deeds or things, pursuant to the approval granted by the NCLT to this Scheme in accordance with Sections 230 to 232 of the Act. It is hereby clarified that any tax refunds which relate to a period prior to the Appointed Date will belong to the Transferor Company.
- (b) Any and all fiscal benefits sanctioned to the Transferor Company by the Governmental Authority and relating to the PV Business, accruing post the Appointed Date, including by the Government of Maharashtra under the Package Scheme of Incentives, 2007 shall be deemed to be and shall become the assets, rights, incentives, interest and entitlement of the Transferee Company, on and from the Appointed Date, without any further acts, instrument, deeds or things, pursuant to the approval granted by the NCLT to this Scheme in accordance with Sections 230 to 232 of the Act. It is hereby clarified that the rights, incentives, interest and entitlement applicable to the Companies on and from the Appointed Date provided by the Government of Maharashtra under the Package Scheme of Incentives, 2007 shall be subject to such sanctions and/or modification under Applicable Law and as per directions of the Department of Industries, Government of Maharashtra.
- (c) Notwithstanding anything contrary to the foregoing, it is clarified that, all taxes and duties payable by the Transferor Company (including under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State sales tax laws, Central Sales Tax Act, 1956, Value Added Tax, Service Tax, Goods and Services Tax laws and all other Applicable Laws), accruing and relating to the Passenger Vehicles Undertaking, including but not limited to tax payments, tax deducted at source, tax collected at source, withholding tax credits, foreign tax credit to the extent not transferable, minimum alternate tax, any refund and claims existing on the Appointed Date (and which may arise after the Appointed Date but which relate to a period on or before the Appointed Date) shall, for all purposes, be treated as tax payments, tax deducted at source, tax collected at source, foreign tax credit, minimum alternate tax or refunds and claims, as the case may be, of the Transferor Company.

14. Facilitation of transfer of Passenger Vehicles Undertaking

- (a) Without prejudice to the aforesaid, it is clarified that in the event any part of the Passenger Vehicles Undertaking intended to be transferred cannot be transferred to the Transferee Company upon the effectiveness of the Scheme for any reason whatsoever, the

Transferor Company and the Transferee Company undertake to take all necessary steps, and execute all necessary documents, to ensure the transfer of such part of the Passenger Vehicles Undertaking thereof to the Transferee Company forthwith without any further consideration. The Transferor Company and the Transferee Company agree that pending such transfer, the Transferor Company shall hold such part of the Passenger Vehicles Undertaking in trust for the benefit of the Transferee Company.

- (b) No specific part of the consideration payable under this Scheme is (nor can it be) allocated to any specific asset or right comprised in the Passenger Vehicles Undertaking. However, for the avoidance of doubt, it is clarified that the Companies may determine or attribute individual values to any of the assets, liabilities and/or rights transferred hereunder, for payment of stamp duty, registration fees or other similar taxes or fees under Applicable Law, if any other deeds and/or instruments are required to be executed for effectuating and completing the transactions contemplated hereunder. Such attribution of specific values is not intended, nor shall it be construed, to be an assignment of specific values to individual assets, liabilities or rights.
- (c) It is clarified that all guarantees provided by the Transferor Company in respect of the Passenger Vehicle Undertaking shall be valid and subsisting till adequate arrangements/guarantees have been provided in respect of the same by the Transferee Company.

Section 2: Conduct of Business

- 15. During the Implementation Period, the Transferor Company shall operate the Passenger Vehicles Undertaking in the ordinary course of business, unless otherwise agreed between the Boards of the Transferor Company and Transferee Company. It is hereby clarified that nothing in this clause shall prevent the Transferor Company from (a) taking any action relating to the Passenger Vehicles Undertaking which has already been decided prior to the commencement of the Implementation Period or which is in the interest of the PV Business; or (b) take any steps with respect to operations or functioning of the Transferor Company or its Remaining Business.
- 16. The Transferee Company shall also be entitled, pending the effectiveness of this Scheme, to apply to the relevant Governmental Authorities, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/ granted under any Applicable Law for carrying on the PV Business post the Effective Date.

Section 3: Consideration

17. Payment of consideration

- (a) Upon the coming into effect of this Scheme and upon transfer and vesting of the Passenger Vehicles Undertaking in the Transferee Company as a going concern on a slump sale basis, in accordance with the terms of the Scheme and pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act, the total lump sum consideration payable by the Transferee Company to the Transferor Company for purchase of the Passenger Vehicles Undertaking shall be the Purchase Consideration.
- (b) Subject to withholding taxes under Applicable Law, the Purchase Consideration payable shall be settled by way of issuance and allotment, to the Transferor Company, of 941,70,00,000 equity shares of the Transferee Company of INR 10 each i.e. fair value of the equity shares of the Transferee Company.
- (c) The equity shares to be issued and allotted by the Transferee Company in terms of Clause 17(b) above shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank pari passu in all respects with the existing equity shares of the Transferee Company.
- (d) The equity shares issued pursuant to Clause 17(b) above shall be issued in the dematerialized form by the Transferee Company.

- (e) The issue and allotment of equity shares by the Transferee Company to the Transferor Company as provided in Clause 17(b) of this Scheme is an integral part thereof, and shall be deemed to have been carried out pursuant to the provisions of the Scheme as if the procedure laid down under Sections 62 and 42 of the Act and any other applicable provisions of the Act were duly complied with and will not require any further act or deed or approvals by the Transferee Company. Similarly, the subscription to the shares of the Transferee Company by the Transferor Company shall be deemed to have been carried out pursuant to the provisions of the Scheme as if the procedure laid down under Section 186 of the Act and any other applicable provisions of the Act or SEBI LODR Regulations were duly complied with and will not require any further act or deed or approvals by the Transferor Company either under the Act or the SEBI LODR Regulations.

Section 4: Increase in authorised share capital

18. Increase in authorised share capital of Transferee Company

- (a) Upon this Scheme coming into effect and with effect from the Appointed Date, the authorized share capital of the Transferee Company shall stand automatically increased from INR 15,00,000 (Rupees Fifteen Lakhs) to INR 200,00,00,000 (Rupees Twenty Thousand Crores) without any further act or deed;
- (b) The capital clause of the memorandum of association of the Transferee Company shall, as a part of and, upon the coming into effect of the Scheme and without any further act, deed, instrument, resolution or writing, be replaced by the following clause:
“V. The Authorised Share Capital of the Company is Rs. 200,00,00,00,000 (Rupees Twenty Thousand Crores) divided into 20,00,00,00,000 (Two Thousand Crores) equity shares of Rs.10 (Rupees Ten) each.”
- (c) It is hereby clarified that for the purpose of this Clause 18, that the consent of the shareholders of the Transferee Company shall be sufficient for the purposes of effecting the above amendment in the authorized share capital of the Transferee Company, and shall be deemed to include consent under Sections 13, 61 and any other provision of the Act that may be applicable, and that no further resolution under any other provisions of the Act would be separately required. Notwithstanding anything contained in Clause 33 of this Scheme, the Transferee Company shall discharge the applicable filing fees and stamp duty in relation to the increase of the authorized share capital of the Transferee Company.

PART III - REDUCTION OF THE SECURITIES PREMIUM ACCOUNT OF THE TRANSFEROR COMPANY

19. Reduction in Securities Premium Account of the Transferor Company

- (a) Upon the Scheme becoming effective, the Securities Premium Account of the Transferor Company shall be written down in part with a corresponding adjustment to the Accumulated Losses appearing in Retained Earnings amounting to INR 11,173.59 crores in the following manner:

Particulars	Amount as on June 30, 2020 in INR Crores	Proposed Reduction in INR Crores	Pro-forma Amount on Effective Date in INR Crores*
Securities Premium	22,194.89	11,173.59	11,021.30
Accumulated Losses	11,173.59	11,173.59	Nil

**The amounts in respect of the Securities Premium Account and Accumulated Losses on the Effective Date are presented on a pro-forma basis assuming the said reduction in the Securities Premium Account had been affected as at June 30, 2020.*

- (b) Further, Article 68 of the Articles of Association of the Transferor Company authorizes the Transferor Company to reduce its share capital in any manner and in accordance with the provision of the Act.

- (c) All such adjustments against the Securities Premium Account of the Transferor Company, as set out above, shall be effected as per the provisions of Sections 230 to 232 of the Act and shall be deemed to be also effected under Section 52 and Section 66 of the Act and any other applicable provision of law.
- (d) The approvals including approvals from the shareholders of the Transferor Company received pursuant to the provisions of the Sections 230 to 232 of the Act under this Scheme shall be deemed to be sufficient approval(s) for giving effect to the provisions of this Clause 19(a) including under Section 52, Section 66 and the other related provisions of the Act and SEBI LODR. The Transferor Company shall not, nor shall be obliged to, (i) call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction of the Securities Premium Account of the Transferor Company; or (ii) obtain any additional approvals/compliances under Section 66 of the Act.
- (e) The reduction in the Securities Premium Account of the Transferor Company shall be effected as an integral part of the Scheme (without having to follow the process under Section 66 of the Act separately) and the same does not involve either a diminution of liability, or payment to any shareholder of any paid up share capital. The order of the NCLT sanctioning the Scheme shall be deemed to be an order under Section 66, Section 52 and other applicable provisions of the Act confirming the reduction of the Securities Premium Account. The adjustment of the Securities Premium Account would not have any impact on the shareholding pattern of the Transferor Company nor would it have any adverse impact on the creditors of the Transferor Company. There will be no change in the general reserves of the Transferor Company pursuant to this Clause 19 of the Scheme.
- (f) The Transferor Company shall not be required to add the words “And Reduced” as a suffix to its name consequent upon such reduction.

PART IV - GENERAL TERMS AND CONDITIONS

20. Remaining Business

- (a) The Remaining Business, including all the assets, investment in all subsidiaries, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company and the Transferee Company shall have no right, claim or obligation in relation to the Remaining Business.
- (b) It is hereby clarified that in addition to the commercial vehicles, the following shall be an integral part of the Transferor Company even post the Scheme and shall continue to vest with the Transferor Company:
- (i) the central functions carried out by the Transferor Company, unless any part thereof or assets or employees thereof are classified as part of the Passenger Vehicles Undertaking by the Boards of the Companies. In addition to and without prejudice to the foregoing, to retain operational and cost synergies, the Boards of the Companies may enter into necessary arrangements to provide the services of these central functions to the Transferee Company, and
- (ii) all the subsidiaries, associates and joint arrangements of the Transferor Company, excluding the Design and Development Division, including the entities set out in **Annexure 1** shall continue to vest with the Transferor Company.

21. Change of name

Upon the Scheme becoming effective, with effect from the Appointed Date, the name of the Transferee Company shall be changed to ‘Tata Motors Passenger Vehicles Limited’ or such other name as may be approved by the Registrar of Companies, Ministry of Corporate Affairs, subject to Transferee Company filing all necessary forms and applications with the Ministry of Corporate Affairs in this regard. The approval of the shareholders of Transferor Company to the Scheme shall be considered as the approval required under the provisions of the Act for such change of name.

22. Change in object clause

- (a) Upon the Scheme becoming effective, with effect from the Appointed Date, the main object clause of the Memorandum of Association of the Transferee Company shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of Passenger Vehicles Undertaking, pursuant to the provisions of Section 13 of the Act, and other applicable provisions of the Act. Accordingly, the memorandum of association of the Transferee Company shall be altered and amended and necessary revisions shall be carried out. The following clause shall be substituted in place of Clause 3(a) of the Memorandum of Association of the Transferee Company and shall read as under:

“To carry on the business of designing, developing, manufacturing, producing, assembling, altering, improving, repairing, installing, importing, exporting, buying, selling, re-selling, marketing, financing, leasing, letting on hire, distributing, consulting, servicing, provision of engineering and all kinds of services related thereto or otherwise dealing in any manner with passenger vehicles of all kinds (including motor vehicles, motor cars, motor jeeps, motor wagons, motor vans, utility vehicles and conveyance of all types and description for propulsion on land, whether propelled, moved, drawn or assisted by means of motor, petrol, diesel oil, power oil, spirit, steam, gas, vapour, electricity, battery, solar energy, atomic energy, or any other mechanical or power devices whatsoever); engines (including internal combustion engines), motors, parts, components, accessories and related equipment thereof, as well as activities required for establishing and undertaking the assembly, manufacture, sales, after-sales and/or servicing facilities; and all machinery equipment, utensils, appliances, apparatus, lubricants, enamels and all things capable of being used therewith or in the manufacture, maintenance and working thereof.”

- (b) The following Clause 3(b)1 to 3(b)3 of the Memorandum of Association shall be deleted in its entirety and the remaining Clauses from 4 to 39 shall be accordingly be renumbered as 1 to 36.

1. *To Carry on the business of services provider mode via internet or otherwise, to undertake IT enabled services like call Centre Management, Medical and legal transcription, data processing, Back office processing, Accounting, HR and payroll processing, Insurance claims processing, credit card processing, loans and letters of credit processing, cheque processing, data warehousing and database management, to carry on the business of manufacturing, dealing and maintenance of computer hardware, computer systems and assemble data processors, program designs and to buy, sell or otherwise deal in such hardware and software packages and all types of tabulating machine, accounting machines, calculators, computerised telecommunication systems and network, their components, spare parts, equipments and devices.*
2. *To carry on the business of establishing, running and managing institutions, school, and academics for imparting education in computer technology, offering equipment, solutions and services for Networking and network management, data centre management and in providing consultancy services in all above mentioned areas.*
3. *To carry on the Business to do render back office support services, including transaction processing, data processing, data mining & analysis, data processing activities including and other business processes not limited to accounting, financial, Legal, intellectual property, Business Intelligence and analytics, digital process transformation, control and compliance.”*

- (c) It is hereby clarified that for the purpose of this Clause 22, that the consent of the shareholders of the Transferee Company to the Scheme shall be sufficient for the purposes of effecting the above amendment in the Memorandum of Association of the

Transferee Company, and shall be deemed to include consent/ approval as required under Section 13 and other applicable provisions of the Act that may be applicable, and no further resolution under any provisions of the Act would be separately required.

- (d) Upon coming into effect of this Scheme, the Transferee Company shall file the requisite form(s) with the Registrar of Companies for the actions taken under this Scheme including for alteration of the object clause of its Memorandum of Association.

23. Accounting treatment

- (a) The Transferor Company and the Transferee Company shall abide by the Accounting Standards, for giving effect to the transfer and vesting of Passenger Vehicles Undertaking as contemplated in the Scheme.
- (b) Upon the Scheme becoming effective, the Transferee Company shall account for slump sale in its books of accounts in accordance with the requirements of the Accounting Standards.
- (c) Upon the Scheme becoming effective, the Transferor Company shall account for the slump sale in its books of accounts in accordance with the requirements of the Accounting Standards.

24. Conditions precedent

- (a) The effectiveness of the Scheme is conditional upon and subject to:
- (i) receipt of the observation letter or the no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulations 11, 37 and 94 of the SEBI LODR Regulations read with the SEBI Circular and the terms of such observation letter being acceptable to the Boards;
 - (ii) this Scheme being approved by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Transferor Company and the Transferee Company, as required under the Act and SEBI Circular, subject to any dispensation that may be granted by the NCLT;
 - (iii) the Transferee Company having received such approvals and sanctions, including consent of any Government Authority as may be required by Applicable Law in respect of the Scheme and on terms and conditions acceptable to the Boards of the Companies;
 - (iv) the Transferor Company having obtained necessary approvals for the transfer of the rights, benefits, interest and title of PV Real Estate, including Sanand Property and the Pune Properties, and the conditions, if any, prescribed as part of such approvals, are not adverse to the Transferor Company or the Transferee Company nor cast material financial cost on the Transferor Company or the Transferee Company, determined in the sole discretion of the respective Boards of the Companies;
 - (v) the Transferor Company having received necessary confirmations from the Governmental Authorities, including from Government of Maharashtra under the Package Scheme of Incentives, 2007 to the effect that the Transferee Company shall continue to be entitled to the benefits/incentives under the incentive scheme and/or grants issued by Governmental Authorities and relating to the PV Business, and such confirmations shall be in a form satisfactory to and on the conditions acceptable to the respective Boards of the Companies;
 - (vi) receipt of the NCLT order approving the Scheme; and
 - (vii) the certified copies of the NCLT order approving the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company.

- (b) Any of the conditions precedent set out in Clause 24(a) (iii), (iv) and (v) above may be waived wholly or partly by the Board of Directors of the Transferor Company and the Transferee Company, at their sole discretion and without any further approvals from any Person or without any amendment to this Scheme. Upon such waiver, the Scheme shall become effective on the Appointed Date.
- (c) It is hereby clarified that submission of the Scheme to NCLT and to the Governmental Authorities for their respective approval is without prejudice to all rights, interests, titles or defenses that the Transferor Company and/or the Transferee Company may have under or pursuant to all Applicable Laws.
- (d) On the approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or SEBI LODR Regulations or otherwise to the same extent applicable in relation to the slump sale set out in this Scheme, related matters including those set out herein and this Scheme itself.

25. Effect of non-receipt of approvals and matters relating to the revocation/ withdrawal of the Scheme

- (a) The Transferor Company and the Transferee Company acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme (a) in case any condition or alteration imposed by any appropriate Authority/Person is unacceptable to any of them or makes the Scheme unviable to implement; or (b) they are of the view that coming into effect of this Scheme could have adverse implications on the respective Companies including the Remaining Business; or (c) for any reason they may deem fit.
- (b) In the event of revocation/withdrawal under Clauses 25(a) above, no rights or liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person.

26. Applications

The Transferor Company and the Transferee Company shall make application(s) under Sections 230 to 232 and other applicable provisions of the Act to the NCLT for sanctioning this Scheme. Further, the Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) shall have the authority to undertake all acts and deeds necessary to give effect to this Scheme.

27. Modifications to the Scheme

- (a) The Transferor Company (by its Board) and the Transferee Company (by its Board), may, in their full and absolute discretion, assent to any alteration or modification to this Scheme which the respective Boards of the Transferor Company or the Transferee Company, as the case may be, deem fit, including such conditions which the NCLT and/or any other Governmental Authority may deem fit to approve or impose.
- (b) The Transferor Company (by its Board) and the Transferee Company (by its Board), may give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under Applicable Law).

28. Powers of the Board of the Companies

- (a) The Board of Transferor Company and the Transferee Company may in any manner at any time, determine jointly whether any asset, liability, employee, litigation, real estate, legal contracts,

process, proceedings, intellectual property or any component of Passenger Vehicles Undertaking pertains to the PV Business or the Remaining Business. The decision of the Boards of the Transferor Company and Transferee Company shall be final and binding on all stakeholders.

- (b) Without prejudice to the generality of the foregoing, the Boards of the Companies shall mutually agree, in order to ensure transfer of Passenger Vehicle Undertaking as a going concern:
 - (i) decide whether intellectual property rights or proprietary information shall form part of the PV Business, or Remaining Business or on manner of dealing/transferring/retaining intellectual property rights and proprietary information: (a) which are common for or relatable to both Passenger Vehicles Undertaking and the Remaining Business; and/or (b) which form part of the central functions of the Transferor Company; and/or (c) the assignment or transfer or retention of which shall put either of PV Business or Remaining Business at a disadvantage;
 - (ii) on the manner of dealing/transfer/retaining the contracts between Passenger Vehicles Undertaking and the Remaining Business, with respect to contracts (a) which are common for or relatable to both PV Business and the Remaining Business; and/or (b) which have been entered into by the central functions of the Transferor Company; and/or (c) the assignment or transfer or retention of which shall put either of Passenger Vehicles Undertaking or Remaining Business at a disadvantage;
 - (iii) on manner of dealing with and/or appropriation of the (a) leased or licensed properties used or occupied by the PV Employees; or (b) properties or facilities which are common for Passenger Vehicles Undertaking and the Remaining Business;
 - (iv) on manner of dealing/transferring any part or whole of the PV Real Estate including rights and interests associated thereto and to decide such alternate manner of transfer including sub leasing, taking into account such considerations as the Boards may deem fit;
 - (v) on manner of dealing/transferring/retaining the assets between the Passenger Vehicles Undertaking and the Remaining Business, (a) which are common for or relatable to both Passenger Vehicle Undertaking and the Remaining Business; and/or (b) the assignment or transfer or retention of which shall put either of Passenger Vehicles Undertaking or Remaining Business at a disadvantage;
 - (vi) to determine the employees of the Transferor Company who may be part of the Transferee Company as part of the Passenger Vehicles Undertaking; and
 - (vii) to determine appropriation of liability and/or litigation between the Passenger Vehicles Undertaking and the Remaining Business or the manner of dealing/transfer/retaining borrowings (whether secured or unsecured) or any security provided in connection with such borrowings.
- (c) The Boards of the Companies shall negotiate and agree on such documents as may be required to ensure continuity of the operations of the Passenger Vehicles Undertaking with the Transferee Company, any transition support and continual support to be provided by the Transferor Company to give full effect to the Scheme. The agreement may also provide for such services as may be provided by the Transferee Company to the Transferor Company. Without prejudice to the above, the Transferor Company and the Transferee Company shall enter into such documents, agreements and/ or arrangements, as may be necessary for provision of shared services by the Transferor Company including by the central engineering and other functional teams and to facilitate the sharing of, inter alia, infrastructure facilities, assets (whether immovable

or moveable), information technology services, legal, administrative, accounting, tax, treasury and other services, employees, intellectual property rights and proprietary information post the Appointed Date, on such terms and conditions that may be agreed between the Boards of the Transferor Company and the Transferee Company.

- (d) It is clarified that, in respect of the arrangements contemplated in Clause 28(c) above, approval of the Scheme by the shareholders of the Transferor Company and the Transferee Company under Sections 230 to 232 of the Act shall be deemed to have their approval under Section 188 and other applicable provisions of the Act and Regulation 23 and other applicable Regulations of SEBI LODR Regulations if and to the extent required and that no separate approval of the shareholders shall be required to be sought by either of the Transferor Company and/or the Transferee Company.

29. Severability

If any part and/or provisions of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

30. Upon this Scheme becoming effective, if required under Applicable Law, the accounts of the Transferor Company and the Transferee Company (as applicable), as on the Appointed Date, shall be reconstructed in accordance with the terms of this Scheme.
31. Upon the Scheme becoming effective, the Transferee Company and Transferor Company are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexures under the Income-tax Act, 1961 (including for minimum alternate tax purposes, carry forward and set-off of tax losses, tax credits and tax benefits), Service Tax Law, Value Added Tax Laws, Sales Tax Laws, Excise Duty Laws, Customs Duty Laws, Central Goods

and Services Tax, State Goods and Services Tax, Integrated Goods and Services Tax and other tax laws and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits under the Income-tax Act, 1961 and other tax laws and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

32. Administrative convenience

Notwithstanding anything contained in other clauses of the Scheme, the Transferor Company and the Transferee Company shall enter into documents, agreements, make applications to various authorities, regulatory bodies to facilitate the continuity of the operations of the Passenger Vehicles Undertaking and the uninterrupted transition of the business from the Transferor Company to the Transferee Company. The Transferor Company shall provide copies of Transferor Company Retained Records upon request from the Transferee Company. All records pertaining to Remaining Business shall be retained by the Transferor Company.

33. No cause of action

No third party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Transferor Company or the Transferee Company or their directors or officers, if the Scheme does not take effect or is withdrawn, amended or modified for any reason whatsoever.

34. Costs

Each of the Transferor Company and the Transferee Company shall pay the fees and costs of any financial or technical advisors, lawyers or accountants engaged by it in relation to the negotiations leading up to the transactions contemplated hereunder and for the preparation, execution and carrying into effect of this Scheme, provided that the costs, charges and expenses relating to stamp duty and registration in respect of the Scheme shall be borne and paid by the Transferor Company.

ANNEXURE 1
List of Subsidiaries, Joint Arrangements and Associates

Sr. No.	Name of Entity	Effective Holding %
(A)	DIRECT SUBSIDIARIES	
1	TML Business Services Limited (<i>name changed from Concorde Motors (India) Limited</i>)	100.00
2	Tata Motors Insurance Broking and Advisory Services Limited	100.00
3	TML Distribution Company Limited	100.00
4	Tata Hispano Motors Carrocera S.A.	100.00
5	Tata Hispano Motors Carroceries Maghreb SA	100.00
6	TMF Holdings Limited	100.00
7	TML Holdings Pte. Limited	100.00
8	Brabo Robotics and Automation Limited	100.00
9	Tata Precision Industries Pte. Limited	78.39
10	Tata Technologies Limited	72.48
11	Tata Marcopolo Motors Limited	51.00
(B)	INDIRECT SUBSIDIARIES	
(i)	Subsidiaries of TML Holdings Pte. Ltd.	
12	Tata Daewoo Commercial Vehicle Company Limited	100.00
13	Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited	100.00
14	PT Tata Motors Indonesia	100.00
15	PT Tata Motors Distribusi Indonesia	100.00
16	TMNL Motor Services Nigeria Limited	100.00
17	Jaguar Land Rover Automotive plc	100.00
18	Tata Motors (Thailand) Limited	97.17
19	Tata Motors (SA) (Proprietary) Limited	60.00
(ii)	Subsidiaries of Jaguar Land Rover Automotive plc	
20	Jaguar Land Rover Holdings Limited	100.00
(iii)	Subsidiaries of Jaguar Land Rover Holdings Limited	
21	Limited Liability Company "Jaguar Land Rover" (Russia)	100.00
22	Jaguar Land Rover (China) Investment Co. Ltd.	100.00
23	Jaguar Land Rover Limited	100.00
(iv)	Subsidiary of Jaguar Land Rover (China) Investment Co., Ltd.	
24	Shanghai Jaguar Land Rover Automotive Services Company Limited	100.00
(v)	Subsidiaries of Jaguar Land Rover Limited	
25	Jaguar Land Rover Austria GmbH	100.00
26	Jaguar Land Rover Japan Limited	100.00
27	JLR Nominee Company Limited (<i>dormant</i>)	100.00
28	Jaguar Land Rover Deutschland GmbH	100.00
29	Jaguar Land Rover Classic Deutschland GmbH	100.00
30	Jaguar Land Rover North America LLC	100.00
31	Jaguar Land Rover Nederland BV	100.00
32	Jaguar Land Rover Portugal - Veículos e Peças, Lda.	100.00
33	Jaguar Land Rover Australia Pty Limited	100.00
34	Jaguar Land Rover Italia Spa	100.00
35	Jaguar Land Rover Korea Company Limited	100.00
36	Jaguar Land Rover Canada ULC	100.00
37	Jaguar Land Rover France, SAS	100.00
38	Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA	100.00
39	Jaguar Land Rover India Limited	100.00
40	Jaguar Land Rover Espana SL	100.00
41	Jaguar Land Rover Belux NV	100.00
42	Jaguar Cars South Africa (Pty) Limited (<i>dormant</i>)	100.00
43	Jaguar Cars Limited (<i>dormant</i>)	100.00
44	Land Rover Exports Limited (<i>dormant</i>)	100.00
45	Land Rover Ireland Limited (<i>non-trading</i>)	100.00
46	The Daimler Motor Company Limited (<i>dormant</i>)	100.00
47	Daimler Transport Vehicles Limited (<i>dormant</i>)	100.00
48	S.S. Cars Limited (<i>dormant</i>)	100.00
49	The Lanchester Motor Company Limited (<i>dormant</i>)	100.00
50	Jaguar Land Rover Pension Trustees Limited (<i>dormant</i>)	100.00
51	Jaguar Land Rover Slovakia s.r.o	100.00
52	Jaguar Land Rover Singapore Pte. Ltd.	100.00
53	Jaguar Racing Limited	100.00
54	Jaguar Land Rover Colombia S.A.S	100.00
55	Jaguar Land Rover Ireland (Services) Limited	100.00
56	Jaguar Land Rover Taiwan Company Limited	100.00
57	Jaguar Land Rover Servicios México, S.A. de C.V.	100.00
58	Jaguar Land Rover México, S.A.P.I. de C.V.	100.00
59	Jaguar Land Rover Hungary KFT	100.00
60	Jaguar Land Rover Classic USA LLC (<i>dormant</i>)	100.00
61	Jaguar Land Rover (South Africa) Holdings Limited	100.00
62	Jaguar Land Rover Ventures Limited (<i>Incorporated w.e.f. May 16, 2019</i>)	100.00
63	InMotion Ventures Limited	100.00

64	Bowler Motors Limited (Name changed from Jaguar Land Rover Auto Ventures Limited (Incorporated w.e.f. December 13, 2019))	100.00
65	Jaguar Land Rover (Ningbo) Trading Co. Limited (Incorporated w.e.f. November 4, 2019)	100.00
66	Spark44 (JV) Limited	50.50
(vi)	Subsidiaries of Jaguar Land Rover (South Africa) Holdings Limited	
67	Jaguar Land Rover (South Africa) (Pty) Limited	100.00
(vii)	Wholly owned subsidiaries of Spark44 (JV) Limited	
68	Spark44 Pty. Ltd. (Sydney, Australia)	50.50
69	Spark44 GmbH (Frankfurt, Germany)	50.50
70	Spark44 LLC (LA & NYC, USA)	50.50
71	Spark44 Shanghai Limited (Shanghai, China)	50.50
72	Spark44 DMCC (Dubai, UAE)	50.50
73	Spark44 Demand Creation Partners Private Limited (Mumbai, India)	50.50
74	Spark44 Limited (London & Birmingham, UK)	50.50
75	Spark44 Singapore Pte. Ltd. (Singapore)	50.50
76	Spark44 Communications SL (Madrid, Spain)	50.50
77	Spark44 S.r.l. (Rome, Italy)	50.50
78	Spark44 Seoul Limited (Korea)	50.50
79	Spark44 Japan K.K. (Tokyo, Japan)	50.50
80	Spark44 Canada Inc (Toronto, Canada)	50.50
81	Spark44 Pty. Limited (South Africa)	50.50
82	Spark44 Colombia S.A.S. (Colombia)	50.50
83	Spark44 Taiwan Limited (Taiwan)	50.50
(viii)	Subsidiaries of InMotion Ventures Limited	
84	Lenny Insurance Limited (Name changed from InMotion Ventures 1 Limited)	100.00
85	InMotion Ventures 2 Limited	100.00
86	InMotion Ventures 3 Limited	100.00
87	InMotion Ventures 4 Limited (Incorporated w.e.f. January 4, 2019)	100.00
(ix)	Subsidiaries of Tata Technologies Ltd.	
88	Tata Technologies Pte. Limited	72.48
89	Tata Technologies (Thailand) Limited	72.48
90	Tata Manufacturing Technologies (Shanghai) Co. Limited	72.48
91	INCAT International Plc.	72.48
92	INCAT GmbH (under liquidation w.e.f. January 25, 2017)	72.48
93	Tata Technologies Europe Limited	72.48

94	Escenda Engineering AB	72.48
95	Tata Technologies Inc.	72.48
96	Tata Technologies de Mexico, S.A. de C.V.	72.48
97	Cambric GmbH (under liquidation w.e.f. March 7, 2018)	72.48
98	Cambric Limited	72.48
99	Tata Technologies SRL Romania	72.48
(x)	Subsidiaries of TMF Holdings Ltd.	
100	Tata Motors Finance Solutions Limited	100.00
101	Tata Motors Finance Limited	100.00
(xi)	Subsidiary of TML Business Services Limited (name changed from Concorde Motors (India) Limited)	
102	TML Business Analytics Services Limited	100.00
(C)	TATA MOTORS - JOINT OPERATIONS	
1	Tata Cummins Private Limited	50.00
2	Fiat India Automobiles Private Limited	50.00
(D)	TATA MOTORS - JOINT VENTURES (including their subsidiaries)	
1	Chery Jaguar Land Rover Automotive Company Limited	50.00
2	Chery Jaguar Land Rover Auto Sales Company Limited (100% Subsidiary of Chery Jaguar Land Rover Automotive Company Limited)	50.00
3	JT Special Vehicles Pvt. Limited	50.00
4	TATA HAL Technologies Limited	36.24
5	Loginomic Tech Solutions Private Limited ('TruckEasy')	26.00
(E)	TATA MOTORS - ASSOCIATES	
1	Automobile Corporation of Goa Limited	49.77
2	Nita Company Limited	40.00
3	Tata Hitachi Construction Machinery Company Private Limited	39.99
4	Tata Precision Industries (India) Limited	39.19
5	Tata AutoComp Systems Limited	26.00
(i)	Equity Investments of - Jaguar Land Rover Group (Subsidiary)	
6	Jaguar Cars Finance Limited	49.90
7	Synaptiv Limited	37.50
8	Cloud Car Inc	26.30
9	DriveClubService Pte. Ltd.	25.07

Note: Tata Motors European Technical Centre PLC and Trilix S.r.l. would be transferred to the Transferee Company as part of Design and Development Division of the Passenger Vehicle Undertaking

ANNEXURE 2
LICENSES

The following are the list of the key PV Licenses that are being used by Transferor Company as on the date of approval of the Scheme by the Board of the Companies. The list below is indicative and shall not be deemed to be exhaustive.

No.	License / Permit	Issuing Authority	Date of issuance	Date of Expiry
Environmental, labour and industrial licenses in respect of the Pune Properties				
1.	Consent to establish ("CTE") issued for 4 lakh vehicles	Maharashtra Pollution Control Board ("MPCB")	August 25, 1998	-
2.	CTE for 2.4 lakh vehicles	MPCB	August 30, 2004	-
3.	Consent to operate / hazardous waste authorization for manufacture of 3 lakh cars	MPCB	February 25, 2020	September 30, 2020
4.	Application number Mgr. (P&I)/0004/2006 dated February 4, 2006 for registration as principal employer	Chairman, Pune District Security Guard Board	-	-
5.	Bio-medical waste ("BMW") license number 1805000378	Sub regional office, Pimpri Chinchwad, MPCB	May 21, 2018	March 31, 2020
6.	Renewal application for BMW license number 1805000378	Regional office, MPCB	-	-
7.	Registration certificate number 1731000710008720 under Contract Labour (Regulation & Abolition) Act, 1970	Registering Officer, Under Contract Labour (Regulation & Abolition) Act, 1970	June 12, 2001	December 31, 2020
8.	Industrial license issued by Asst. Commissioner (License), Pimpri Chinchwad Municipal Corporation	Assistant Commissioner (License), Pimpri Chinchwad Municipal Corporation	May 22, 2018	March 31, 2021
Licenses under Explosives Act and Petroleum Act for the Pune Properties				
9.	License number S/HO/MH/03/470 (S734)	Chief Controller of Explosives, Petroleum and Explosives Safety Organization	June 11, 1997	September 30, 2020
10.	License number P/WC/MH/14/1442 (P26927)	Controller of Explosives, West Circle, Mumbai	December 1, 1998	December 31, 2021
11.	Letter for intimation of payment of fee for renewal of license number P/HQ/MH/15/1721(P7030)	Joint Chief Controller of Explosives, Petroleum & Explosives Safety Organization, Navi Mumbai.	October 13, 1998	-

12.	Letter for intimation of payment of fee for renewal of license number P/HQ/MH/15/1724(P7034)	Joint Chief Controller of Explosives, Petroleum & Explosives Safety Organization, Navi Mumbai	October 13, 1998	-
13.	Letter for intimation of payment of fee for renewal of license number P/HQ/MH/15/6159(P318552)	Joint Chief Controller of Explosives, Petroleum & Explosives Safety Organization, Navi Mumbai	October 24, 2013	-
Environmental, labour and industrial licenses in respect of Sanand Property				
14.	Environment clearance ("EC") number SEIAA/GUJ/EC/6(b)/149/2008 for LPG / Propane storage	Member Secretary, State Level Environment Impact Assessment Authority, Gujarat	December 1, 2008	November 30, 2013
15.	EC number SEIAA/GUJ/EC/7(h)/11/2010	Member Secretary, State Level Environment Impact Assessment Authority, Gujarat	October 7, 2010	October 6, 2015
16.	CTE number 1319/30516	Gujarat Pollution Control Board ("GPCB")	October 27, 2008	October 26, 2008
17.	Combined consent and approval ("CCA") / Hazardous waste authorization for TML vendor park	GPCB	March 17, 2016	April 1, 2021
18.	CCA / Hazardous waste authorization for manufacture of 5 lakh cars	GPCB	August 19, 2019	August 13, 2024
19.	Factory license number 18485	Deputy Director, Industrial Safety and Health, Ahmedabad	October 11, 2019 (last renewal date)	December 31, 2021
20.	BMW authorization number 330480	Regional officer, Ahmedabad, GPCB	December 7, 2016	October 18, 2021
21.	CTE for Common Effluent Treatment Plant number 39804	GPCB	December 13, 2010	December 12, 2015
22.	Registration certificate under Contract Labour Act			
23.	Agreement for permission for road crossing for construction of 3 culverts near village Charodi District, Ahmedabad	Agreement executed with Indian Oil Corporation Limited	August 14, 2009	-

Licenses under Explosives Act and Petroleum Act for Sanand Property				
24.	License number S/HO/GJ/03/1240/(S38630))	Dy. Chief Controller of Explosives, Petroleum and Explosives Safety Organization ("PESO")	October 29, 2009	September 30, 2022
25.	License number P/WC/GJ/14/3815 (P229963)	Deputy Controller of Explosives, Vadodara	April 23, 2010	December 31, 2024
26.	License number P/HQ/GJ/15/5024 (P227257)	Deputy Controller of Explosives, Vadodara	August 11, 2009	December 31, 2024
27.	License number P/HQ/GJ/15/5025 (P227258)	Deputy Controller of Explosives, Vadodara	August 11, 2009	December 31, 2024

Registrations under Legal Metrology Act				
28.	Registration number CLM/PCR/Cr-1123442/15-16	Controller of Legal Metrology, Karnataka	February 20, 2016	-
29.	Registration number GOI/HN/2016/173 for warehouse situated at Gurgaon	Assistant Director (Legal Metrology)	June 1, 2016	-
30.	Registration number 19/19/1/0075/4/1898 warehouse situated at Kolkata	Controller of Legal Metrology, West Bengal	June 24, 2017	-

All relevant registrations issued under Shops and Commercial Establishments Act

ANNEXURE 3

PV Real Estate

The following are the list of the key immovable properties which forms part of the PV Real Estate as on the date of the Scheme

Leasehold Properties - Pune Properties

Sr. No.	Description of Property	Lessor
1.	Land admeasuring approximately 202.9 acres, bearing Sector Nos. 15 and 15A of PCNTDA comprising of Gat Nos. 756 (in Sector No. 15) and Gat Nos. 540 (part), 541 (part), 543, 544, 545, 546 (part), 547 (part), 548 (part), 549 (part), 542 (part), 757, 758, 759, 760, 761, 762, 763 (part), 764 (part), 765 (part), 766 (part), 767 (part), 768 (part), 770 (part), 771, 772, 773 and 788 (in Sector Nos. 15 and 15A), lying, situated at Village Chikhali, Taluka Haveli, Pune together with all buildings, factories and other structures standing thereon (which buildings, factories and other structures are constructed and/or owned by the Transferor Company).	Pimpri Chinchwad New Town Development Authority

2.	Land admeasuring approximately 30 acres (or any part thereof) out of larger land admeasuring about 376.1402 acres bearing Plot No. 6 situated at the Pimpri Industrial Area within the village limits of Pimpri, Taluka Haveli, Pune together with all buildings, factories and other structures standing on the said part of the land being transferred (which buildings, factories and other structures are constructed and/or owned by the Transferor Company) (" MIDC PV Property "). A representative map of the MIDC PV Property has been annexed in Annexure 3A .	Maharashtra Industrial Development Corporation
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Owned Properties

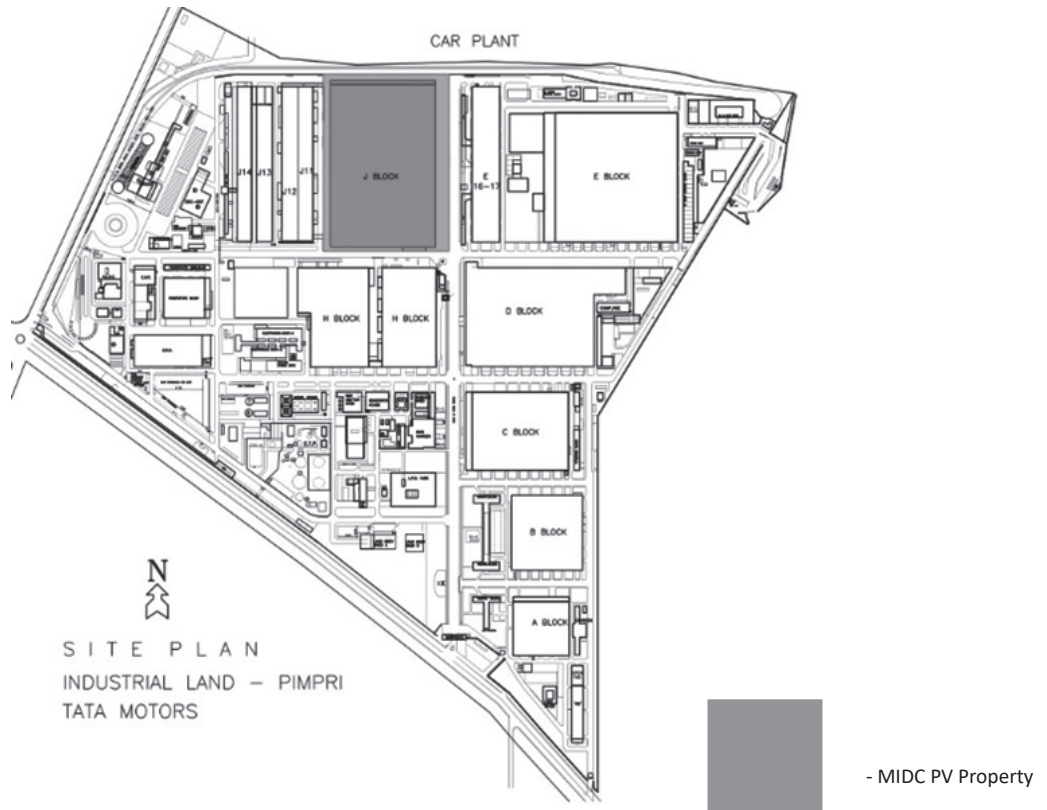
Sr. No.	Description of Owned Property
1.	Sanand Property: Land admeasuring approximately 540 acres (or any part thereof) bearing Revenue Survey No. 1, Village Northkotpura, Taluka Sanand, District Ahmedabad, Gujarat together with all buildings, factories and other structures standing thereon. The land being transferred forms part of a larger plot of land admeasuring about 1,100 acres. A representative map of the Sanand Property has been annexed in Annexure 3B .
2.	Ground floor & Basement, Lloyds Centre Point, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, including parking lots.
3.	Basement, Ground floor & 4th floor (including terrace), Ahura Centre, 82, Mahakali Caves Road, Andheri East, Mumbai 400 093, including parking lots.
4.	Basement (Unit No. 1/3 & 1/4), Ground floor (Unit No. 1 and 2), Mezzanine floor (Unit No. 101 & 102) and 2nd floor, Shivsagar Estate, Ceejay House, Dr Annie Besant Road, Worli, Mumbai 400 018, including parking lots.

In addition to above, the Boards of the Companies shall determine the inclusion of the following categories of leased / licensed properties as part of the PV Real Estate:

- leased or licensed properties used or occupied by the PV Employees; or
- properties or facilities which are common for Passenger Vehicles Undertaking and the Remaining Business.

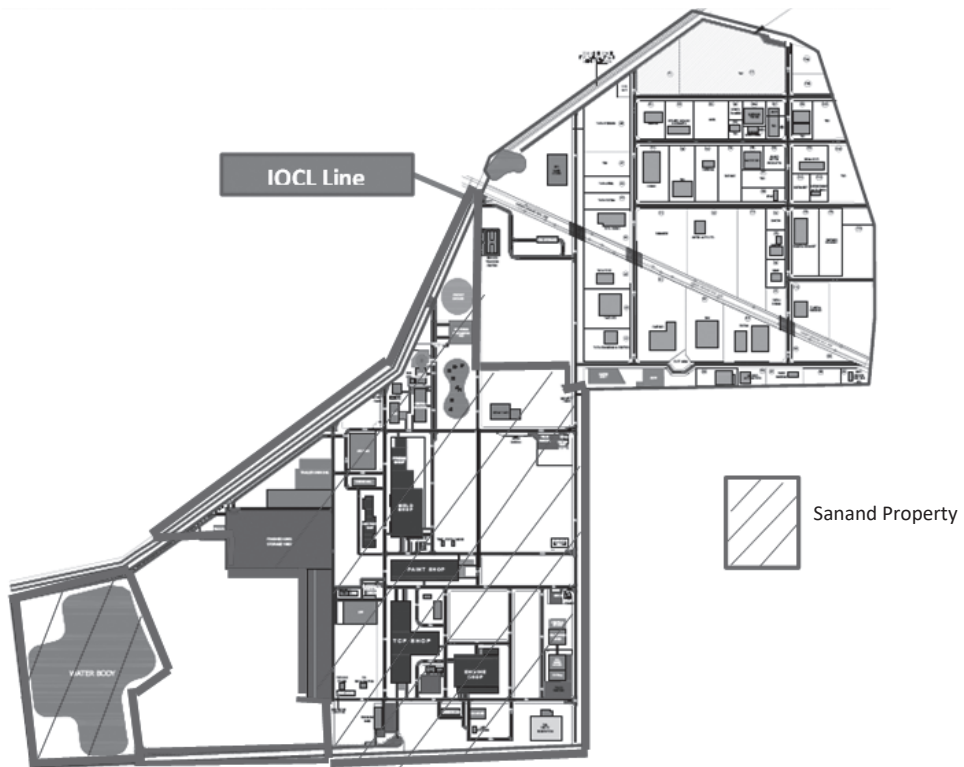
ANNEXURE 3A

MIDC PV Property



ANNEXURE 3B

Sanand Property



2303, Tower No. 4, Cedar, Runwal Greens
Mulund Goregaon Link Road, Bhandup (West)
Mumbai – 400 078

☎ +91 98198 98889 ✉ jainhvikrant@gmail.com

CA VIKRANT JAIN

B.Com, ACA, Registered Valuer
Registration No. IBBI/RV/05/2018/10204

STRICTLY PRIVATE AND CONFIDENTIAL

31st July 2020

Tata Motors Limited Attn: The Audit Committee / Board of Directors Bombay House, 24, Homi Mody Street, Fort, Mumbai – 400 001	TML Business Analytics Services Limited Attn: The Audit Committee / Board of Directors Floor 3, 4, Plot-18, Nanavati Mahalaya Mudhana Shetty Marg, BSE, Fort Mumbai – 400 001
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Dear Sirs/Madam,

Sub:Recommendation of consideration (discharged in the form of equity shares) for the proposed transfer of Passenger Vehicle Undertaking of Tata Motors Limited into TML Business Analytics Services Limited

This has reference to the engagement letter dt. 25th July 2020 entered into between **Vikrant Jain** (“Registered Valuer” or “I” or “Me”) and **Tata Motors Limited** (“TML”) and **TML Business Analytics Services Limited** (“TBASL”) (hereinafter collectively referred as “Companies” or “Clients” or “You”) and thereafter discussions that I had with the Clients from time to time in connection with determination of fair value of Passenger Vehicle Undertaking of TML.

SCOPE AND PURPOSE OF THIS REPORT

I have been informed by the Clients that TML is contemplating to transfer its Passenger Vehicle Undertaking (“PV Undertaking”) into TBASL (an indirect subsidiary of TML) as a going concern on a slump sale basis through a scheme of arrangement under the provisions of Sections 230–232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (“Proposed Transaction”). The consideration is to be discharged by way of issue of equity shares of TBASL to TML. This will not affect shareholding at TML. In this regard, I have been approached for recommending the consideration (to be discharged in the form of equity shares) for the Proposed Transaction and accordingly to provide a report thereof (“Valuation Report”). The said scheme of arrangement also involves reduction of the securities premium account of TML with a corresponding adjustment to accumulated losses without any cash outflow or financial outlay.

This report and the information contained herein are absolutely confidential. It is intended only for the sole use and information of the Board of Directors of the Companies / Committee of the Board and only for the purpose mentioned above. I understand that the Companies may be required to submit this report to regulatory authorities / shareholders, under applicable laws, in connection with the Proposed Transaction. I hereby consent to such disclosure of this report, on the basis that I owe responsibility to only the Companies that has engaged me and no other person; and that to the fullest extent permitted by law, I accept no responsibility or liability to the shareholders of the Companies or any other party, in connection with this report. The results of the valuation and my report will not be permitted to be used or relied by the Companies for any other purpose or any other party for any other purpose whatsoever. I am not responsible to any other person / party for any decision of such person / party based on my report. Any person / party intending to provide finance / invest in the business / shares of the Companies / its holding company / associates / I/Us, 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. It is hereby notified that reproduction, copying or otherwise



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quoting of my report or any part thereof, except for the purpose as set out earlier in this report is not permitted. The scope of my services is to conduct fair valuation of Passenger Vehicle Undertaking of TML as per the applicable provisions of Companies Act 2013, and in accordance with generally accepted International Valuation Standards.

SOURCE OF INFORMATION

The valuation analysis is undertaken on the basis of the following information relating to the PV Undertaking of TML, furnished to me by the Clients and information available in public domain:

- Unaudited carved out financial statements for PV Undertaking for years ended 31st March 2018 to 31st March 2020;
- Unaudited carved out financial statements for PV Undertaking for the quarter ended 30th June 2020;
- Financial projections of PV Undertaking for the next 5 years (FY21-FY25) along with underlying assumptions;
- Draft Scheme of Arrangement under section 230-232 of the Companies Act, 2013;
- Other relevant details pertaining to the past and present activities, future plans and prospects and other relevant information and data available in public domain;

SCOPE LIMITATIONS

My report is subject to the scope limitations detailed in engagement letter dt. 25th July 2020. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein. The valuation date considered is 27th July 2020.

No investigation of Client's claims to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed 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.

My work does not constitute an audit, due diligence certification or review of the historical financial statements and projections of PV Undertaking of TML referred to in this report. The Management of TML has carved out financial statements for PV Undertaking for quarter ended 30th June 2020 on best efforts basis for deriving historical Net Asset Value. Accordingly, I am unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Valuation analysis and results are also specific to the date of the report. A valuation of this nature involves consideration of various factors including those impacted by prevailing industry trends. This report is issued on the understanding that the Company has drawn attention to all the matters, which it is aware of concerning the financial position of the business and any other matters pertaining to PV Undertaking of TML, which may have an impact on my analysis, on the value of the business, including any significant changes that have taken place or are likely to take place in the financial position of the Companies. I have no responsibility to update this report for events and circumstances occurring after the date of this report.

In the course of the valuation, I have been provided with both written and verbal information, including financial and operating data. I have evaluated the information provided to me by management of TML through broad inquiry and analysis (but have not carried out a due diligence or audit or review for the purpose of this engagement, nor have I independently investigated or otherwise verified the data provided). I have been given to understand by the



management of TML that it has not omitted any relevant and material factors. Accordingly, I do not express any opinion or offer any form of assurance regarding the accuracy and completeness of the information / data provided to me. I assume no responsibility for any errors in the above information furnished by and their impact on the present exercise.

I express no opinion on the achievability of the forecasts relating to the PV Undertaking of TML given to me and are the responsibility of the management of TML. The assumptions used in their preparation, as I have been explained, are based on the present expectation of both – the most likely set of future business events and circumstances and its management's course of action related to them. It is usually the case that some events and circumstances do not occur as expected or which are not anticipated. Therefore, actual results during the forecast period may differ from the forecast and such differences may be material.

My report is not and nor should it be construed as my opining or certifying the compliance with the provisions of any law/standards including Company, Securities Market, Foreign Exchange regulatory, accounting and taxation laws / standards or as regards any legal, accounting or taxation implications or issues. The fee for the said valuation analysis and this report is not contingent upon the results reported.

BACKGROUND OF THE COMPANIES

TATA MOTORS LIMITED ("TML"), is a public limited company incorporated under the laws of India and having its registered office at Bombay House, 24, Homi Mody Street, Mumbai – 400 001 and its equity shares are listed on the National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") and American Depository Receipts are listed on the New York Stock Exchange. TML is engaged in the business of designing, development, manufacturing and sale of a wide range of commercial, passenger and electric vehicles and parts thereof within India and abroad.

Shareholding pattern of TML as on 30th June 2020

Shareholding Pattern (Ordinary shares)	No of Shares	% Shareholding
Promoter & Group	1,309,551,138	42.4%
Public – Institutions	895,832,775	29.0%
Public – Non-Institutions	883,589,981	28.6%
Grand Total	3,088,973,894	100.0%

Shareholding Pattern ('A' Ordinary shares)	No of Shares	% Shareholding
Promoter & Group	27,214,068	5.4%
Public – Institutions	331,127,450	65.1%
Public – Non-Institutions	150,161,378	29.5%
Grand Total	508,502,896	100.0%

Source: BSE

TML BUSINESS ANALYTICS SERVICES LIMITED ("TBASL") is a public limited company incorporated under the laws of India and having its registered office at 3rd Floor, Plot-18, Nanavati Mahalaya, Mudhana Shetty Marg, Fort, Mumbai – 400 001. TBASL is a wholly owned subsidiary of TML Business Services Limited. TML directly and indirectly, holds 100% equity interest in TML Business Services Limited and TBASL. Presently, no business is being carried out by TBASL.



APPROACH TO VALUATION ENGAGEMENT

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

- Discussion with the management to understand the business and fundamental factors that affect its earning-generating capability including strength, weaknesses, opportunity and threats analysis and historical financial performance of PV Undertaking of TML
- Analysis of information shared by the management
- Undertook discussion with Chartered Accountant firm appointed by the Companies and aligned results
- Analysis of information related to PV Undertaking of TML and its peers as available in public domain
- Selection of appropriate internationally accepted valuation methodology/(ies) after deliberation

VALUATION METHODOLOGY AND APPROACH

There are primarily three approaches in valuation (viz., Cost Approach, Market Approach and Income Approach). For any valuation, all the approaches may not be relevant and therefore will not give a fair estimate of value. Hence, the approach most suitable for that specific business / undertaking must be applied in the valuation exercise, based on the experience and common practices adopted by valuers.

According to IVS 104 "Fair Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

I have adopted internationally accepted valuation standards & approaches in delivering my valuation conclusion. There are several Principal Valuation approaches under International Valuation Standard of which I have considered only those approaches to the extent, it is applicable and relevant.

The various approaches generally adopted in valuation are as under:

1. **Asset Approach:** Net Asset Value Method
2. **Market Approach:** Comparable Companies Market Multiple Method
3. **Income Approach:** Discounted Cash Flow Method

The valuation could fluctuate with passage of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions, financials and otherwise, of the Company, and other factors which generally influence the valuation of the companies and their assets.

I have relied on the judgement of the management as regards contingent and other liabilities.

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 purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. The choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature, regulatory guideline and my reasonable judgement, in an independent and bona fide manner based on my previous experience of assignments.



The Valuation methodologies as may be applicable which have been used to arrive at the value attributable to the PV Undertaking are discussed hereunder:

Net Asset Value (NAV) 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. The Net Asset Value ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern.

The net asset value of the business based on the value of its net assets is of relatively limited relevance as compared to its value based on its potential earning capacity. The management of TML has provided unaudited carved out financials for the PV Undertaking as on 30th June 2020 on best effort basis for deriving out historical Net Asset Value.

In the present case, NAV method is not been considered as the most appropriate method and the same has been given "zero" percent weightage and has been kept in the background.

Comparable Companies Market Multiple ("CCM") Method:

Under this method, the equity value attributable to PV Undertaking is arrived at by using multiples derived from valuations of comparable companies, as manifested through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation..

Discounted Cash Flow ("DCF") Method:

Under the DCF method the projected free cash flows to the Undertaking is discounted at the weighted average cost of capital. The sum of the discounted value of such free cashflows is the value of the firm. The discounted cash flow method is a modern valuation method that relates the value of an asset to the present value of the expected future cash flows on those assets. I have considered DCF method for valuation, based on the future cash flow as projected for the PV Undertaking of TML.



CONCLUSION

The fair basis of valuation of PV Undertaking of TML would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove.

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgement 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 sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence valuation. This concept is also recognized in various judicial decisions.

The scheme of arrangement also includes capital reduction involving writing down the securities premium account of TML in part with a corresponding adjustment to the accumulated losses. There will be no cash outflow or financial impact due to this. Accordingly, the capital reduction does not impact the value of the PV Undertaking.

The Computation of consideration for slump sale of PV Undertaking into TBASL is as under:

Valuation Approach	PV Undertaking		TBASL	
	Value (INR crores)	Weight	Value (INR/share)	Weight
Asset Approach – Net asset value method	8,590	0%	NA	
Income Approach – Discounted Cashflow Method	9,044	50%	NA	
Market Approach – Comparable Companies' Multiples Method	9,790	50%	NA	
Value	9,417		10.0 per share	

TBASL is a newly incorporated entity with no business operations at present. Hence, none of the valuation approaches mentioned above are relevant and the fair value per share would be the par value, i.e. ₹ 10/- per share. Further, since this is not a case of merger / demerger, consideration is being paid to TML and not to the shareholders of TML. Hence there is no share entitlement ratio being computed.

In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this report, in my opinion, the **Fair Value of PV Undertaking of TML works out to ₹ 9,417 Crores, to be settled by issuance of 941.7 crore equity shares of TBASL of INR 10/- each fully paid up.**

Report Submitted

Thanking you,
Yours faithfully,

CA Vikrant Jain
Registered Valuer

Reg No: IBBI/RV/05/2018/10204



SRBC & COLLP

Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India

Tel: +91 22 6819 8000

Dated: 31 July 2020**To****The Audit Committee / Board of Directors****Tata Motors Limited**Bombay House, 24,
Homi Mody Street,
Fort, Mumbai- 400001**The Audit Committee / Board of Directors****TML Business Analytics Services Limited**Floor 3, 4, Plot-18,
Nanavati Mahalaya,
Mudhana Shetty Marg, BSE, Fort,
Mumbai - 4000001**Sub: Recommendation of consideration (discharged in the form of equity shares) for the proposed transfer of Passenger Vehicles Undertaking of Tata Motors Limited into TML Business Analytics Services Limited**

Dear Sir / Madam,

We refer to our engagement letter whereby S R B C & CO LLP (hereinafter referred to as "SRBC" or "we" or "us" or "Valuer") has been appointed by Tata Motors Limited (hereinafter referred to as "TML") and TML Business Analytics Services Limited (hereinafter referred as "TBASL") for recommendation of consideration (discharged in the form of equity shares) for the proposed transfer of the Passenger Vehicles Undertaking of TML (hereinafter referred to as "PV Undertaking" or "Valuation Subject"), as a going concern on a slump sale basis into TBASL, an indirect subsidiary of TML, under a scheme of arrangement under the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 ("Proposed Transaction").

TML and TBASL shall hereinafter be collectively referred to as "Companies" or "Clients".

The consideration for this report refers to number of equity shares of face value of INR 10/- each of TBASL, which would be issued to TML, pursuant to the Proposed Transaction.

Our deliverable for this engagement would be a consideration report ("Report")

SCOPE AND PURPOSE OF THIS REPORT

TML was incorporated on 1 September 1945 and has its registered office at Bombay House, 24 Homi Mody Street, Fort, Mumbai - 400001. The Company primarily operates in the automotive segment and offers a broad portfolio of automotive products including commercial vehicles and passenger vehicles, including electric vehicles. TML's automotive operations include all activities relating to the development, design, manufacture, assembly and sale of vehicles including financing thereof, as well as sale of related parts and accessories both in India and globally. Through its subsidiary Jaguar Land Rover Automotive Plc, TML is also engaged in the premium car market globally. For the year ended 31 March 2020, TML reported consolidated net revenues of INR 2,61,068.0 crores and loss before exceptional items and tax of INR 7,708.5 crores.

SRBC & COLLP

Chartered Accountants

Recommendation of consideration for the proposed transfer of Passenger Vehicles Undertaking of Tata Motors Limited into TML Business Analytics Services Limited

The PV Undertaking is currently housed in TML and is presently engaged in the design, development, manufacturing and selling of passenger vehicles, as well as sale of related parts and accessories, primarily in India and exports to select international markets. It offers its products under the brand names Tigor (including Tigor EV), Tiago, Nexon (including Nexon EV), Altroz and Harrier. PV Undertaking's manufacturing facilities are located in Pune, Maharashtra and Sanand, Gujarat while the design and development activities are undertaken in India and through its wholly owned overseas subsidiaries.

TBASL was incorporated on 4 April 2020 and having its registered office at Floor 3, 4, Plot-18, Nanavati Mahalaya, Mudhana Shetty Marg, BSE, Fort, Mumbai - 4000001. Presently no business is being carried out by TBASL.

We understand that the management of TML (hereinafter referred to as "the Management") is contemplating a restructuring involving transfer of PV Undertaking as a going concern on a slump sale basis into TBASL and reduction of the securities premium account of TML with a corresponding adjustment to accumulated losses, under a Scheme of Arrangement under the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. This restructuring involving hiving off the PV Undertaking into a separate legal entity is expected to bring differentiated focus for the PV Undertaking as well as help secure mutually beneficial strategic alliances in the future.

The consideration for this Proposed Transaction would be discharged through issue of equity shares of TBASL to TML in lieu of the transfer of the PV Undertaking. There will be no change in shareholding of TML as a result of the Proposed Transaction.

For the aforesaid purpose, the Board of Directors of TML and TBASL have appointed SRBC to recommend the consideration to be discharged through the issue of TBASL's equity shares to TML for transfer of the PV Undertaking, to be placed before the Audit Committee/Board of Directors of TML and TBASL.

We understand that the appointed date for the Proposed Transaction as per the draft scheme of arrangement shall be the same as the effective date of the scheme of arrangement.

The scope of our services is to conduct a fair valuation of the PV Undertaking and report on the consideration for the Proposed Transaction together with the number of equity shares to be issued by TBASL to TML, in accordance with internationally accepted valuation standards / ICAI Valuation Standards 2018 issued by Institute of Chartered Accountants of India.

We have been provided with the carved-out financials of PV Undertaking from the audited financials of TML for the quarter ended 30 June 2020 and carved-out financials of the PV Undertaking from the audited financials of TML for earlier periods. Further, we have been provided with the business plan of the Valuation Subject. We have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Report. Further, we have been informed that all material information impacting the Valuation Subject till the date of our Report has been disclosed to us.

We have been informed by the Management that till the Proposed Transaction becomes effective:

- (a) There would not be any material commencement of any business activities or transactions in TBASL before the effective date of the Proposed transaction, other than those needed to give effect to the Proposed Transaction
- (b) We have been informed that the business activities of the Valuation Subject has been carried out in the normal and ordinary course between 30 June 2020 and the Report date

We have relied on the above while arriving at the consideration for the Proposed Transaction.

S R B C & C O L L P

Chartered Accountants

Recommendation of consideration for the proposed transfer of Passenger Vehicles Undertaking of Tata Motors Limited into TML Business Analytics Services Limited

This Report is our deliverable for the above engagement. We understand that this Report may be produced/ disclosed before judicial, regulatory, government authorities and the stock exchanges for the purpose of the Proposed Transaction.

This Report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality and not in parts.

SOURCES OF INFORMATION

In connection with this exercise, we have received/obtained the following information:

1. Draft Scheme of Arrangement
2. For PV Undertaking of Tata Motors Limited
 - Financial statements of the PV Undertaking of TML carved-out from audited financial statements of TML for the years ended 31 March 2018 to 31 March 2020
 - Unaudited profit and loss statement of the PV Undertaking of TML carved-out from audited financial statements of TML for the quarter ended 30 June 2020
 - Unaudited balance sheet statement of the PV Undertaking of TML carved-out from audited financial statements of TML as at 30 June 2020 prepared by the Management on best effort basis for deriving historical Net Asset Value
 - Business plan of PV Undertaking
 - Other relevant information
3. For TML Business Analytics Services Limited
 - Balance sheet as at 30 June 2020
 - Other relevant information

During the discussions with the management of TML, we have also obtained explanations and information considered reasonably necessary for our exercise. The Clients have been provided with the opportunity to review the draft report as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Report.

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

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

- Requested and received financial and qualitative information
- Used data available in public domain
- Discussions (over phone calls / web-based tools) with the Management to:
 - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
- Undertook Industry Analysis:
 - Research publicly available market data including economic factors and industry trends that may impact the valuation
 - Analysis of key trends and valuation multiples of comparable companies/comparable transactions using Proprietary databases subscribed by us or our network firms
- Selection of internationally accepted valuation methodology(ies) / ICAI Valuation Standards 2018 issued by Institute of Chartered Accountants of India.
- Undertook discussion with registered valuer appointed by the Companies and aligned results to the extent relevant/possible including rounding off adjustments

S R B C & COLLP

Chartered Accountants

Recommendation of consideration for the proposed transfer of Passenger Vehicles Undertaking of Tata Motors Limited into TML Business Analytics Services Limited

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 our affiliates.

The recommendation contained herein is not intended to represent value at any time other than Report Date. We have no obligation to update this Report.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the Report Date; (iii) are based on the carved-out financials of PV Undertaking from the unaudited / audited financials of TML for quarter ended 30 June 2020 and earlier periods; and (iv) business plan of Valuation Subject. We have been informed that the business activities of the Valuation Subject has been carried out in the normal and ordinary course between 30 June 2020 and the Report date.

The valuation date is 27 July 2020. As of the valuation date, the COVID-19 ("Virus") crisis was still unfolding and the full impact of the Virus was not capable of being quantitatively or qualitatively assessed at this time. To the limited extent possible and based on the limited information available to date, we have tried to factor the impact in the valuations, mostly by considering post-COVID-19 forecasts provided by the Management. However, the potential for unknown ramifications on consumers, supply chains, commercial counterparties (both direct and indirect to the operations of PV Undertaking), future decisions that the Management may make as a result of the evolving Virus situation and potentially adverse geopolitical outcomes, means that the financial forecasts may be materially impacted by the Virus, over and above or in a different way than the impact considered. Thus, the impact considered in the Report should not be interpreted as a complete commentary or as an accurate assessment of the full impact of the Virus.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the 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.

The recommendation rendered in this Report only represent our recommendation based upon information furnished by the Companies and gathered from public domain (and analysis thereon) and the said recommendation shall be considered to be in the nature of non-binding advice. Our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors.

The determination of the consideration 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. 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 is, therefore, no indisputable single consideration recommendation. While we have provided our recommendation of the consideration based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the / consideration for the value attributable to the PV Undertaking. The final responsibility for the determination of the consideration at which the Proposed Transaction shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data as detailed in the section - Sources of Information.

Recommendation of consideration for the proposed transfer of Passenger Vehicles Undertaking of Tata Motors Limited into TML Business Analytics Services Limited

We have not independently audited or otherwise verified 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. Also, with respect to explanations and information sought from the Clients, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Valuation Subject 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 conclusion is based on the information given by/on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations, and that the Companies will be managed in a competent and responsible manner. Further, 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 disclosed in the audited/unaudited balance sheet of the Companies.

The financial forecasts used in the preparation of the Report reflects judgment of management of TML, based on present circumstances prevailing around the report date, as to the most likely set of conditions and the course of action it is most likely to take. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period will almost always may differ from the forecasts and such differences may be material.

The Report 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.

The fee for the engagement is not contingent upon the results reported.

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 to the Companies. 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 Companies, their directors, employees or agents.

It is understood that this analysis does not represent a fairness opinion. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

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, other than in connection with the proposed Scheme of Arrangement, without our prior written consent. In addition, this report does not in any manner address the prices at which equity shares of the TML will trade following announcement of the Proposed Transaction and we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Transaction.

SRBC & COLLP

Chartered Accountants

Recommendation of consideration for the proposed transfer of Passenger Vehicles Undertaking of Tata Motors Limited into TML Business Analytics Services Limited

SHAREHOLDING PATTERN

Tata Motors Limited

The issued and subscribed equity share capital of TML as at 30 June 2020 is INR 679.2 crores consisting of 3,088,973,894 Ordinary equity shares of face value of INR 2 each and 508,502,896 'A' Ordinary equity shares of face value of INR 2 each. The shareholding pattern as on 30 June 2020 is as follows:

Shareholding Pattern (Ordinary shares)	No of Shares	% Shareholding
Promoter & Group	1,309,551,138	42.4%
Public - Institutions	895,832,775	29.0%
Public – Non-Institutions	883,589,981	28.6%
Grand Total	3,088,973,894	100.0%

Source: BSE

Shareholding Pattern ('A' Ordinary shares)	No of Shares	% Shareholding
Promoter & Group	27,214,068	5.4%
Public - Institutions	331,127,450	65.1%
Public – Non-Institutions	150,161,378	29.5%
Grand Total	508,502,896	100.0%

Source: BSE

TML Business Analytics Services Limited

The issued and subscribed equity share capital of TBASL as at 30 June 2020 is INR 15,00,000 consisting of 1,50,000 equity shares of face value of INR 10 each. TBASL is a wholly owned subsidiary of TML Business Services Limited ("TBSL"). TML, directly and indirectly, holds 100% equity interest in TBSL and TBASL.

Recommendation of consideration for the proposed transfer of Passenger Vehicles Undertaking of Tata Motors Limited into TML Business Analytics Services Limited

APPROACH - BASIS OF VALUATION

The Proposed Scheme of Arrangement contemplates the slump sale by transfer of PV Undertaking into TBASL. Arriving at the consideration for the Proposed Transaction would require determining the value of the PV Undertaking.

There are several commonly used and accepted methods under the market, income and asset approaches for determining the consideration for the Proposed Transaction, which have been considered in the present case, to the extent relevant and applicable, and subject to availability of information, including:

1. Market Price method
2. Comparable Companies' Multiples method
3. Discounted Cash Flow Market Price method
4. Net Asset Value method

It should be understood that the valuation of any company or its assets is inherently subjective 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. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Valuations Subject, and other factors.

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 bona fide manner based on our previous experience of assignments of a similar nature.

Net Asset Value ("NAV") 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. The Net Asset Value ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. A scheme of arrangement would normally be proceeded with, on the assumption that the companies amalgamate/businesses get transferred as going concerns and an actual realization of the operating assets is not contemplated. In a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance, with the values arrived at on the net asset basis being of limited relevance. Therefore, we have not used the NAV Method for valuation.

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 ("WACC"). The sum of the discounted value of such free cash flows is the value of the firm.

S R B C & COLLP

Chartered Accountants

Recommendation of consideration for the proposed transfer of Passenger Vehicles Undertaking of Tata Motors Limited into TML Business Analytics Services Limited

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 that are available to the providers of the company's capital - both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. weighted average 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. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

We have used DCF method considering business plan of PV Undertaking provided to us for valuation.

Comparable Companies' Multiples ("CCM") method

Under this method, value of equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifested through stock market valuations of listed companies. 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.

We have considered Enterprise value to Revenue multiple of the comparable listed Indian and appropriate international companies for the purpose of our valuation.

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. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market.

Market price method have not been used to value PV Undertaking as it is only one of the many businesses of TML.

MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION

- Key operating / financial parameters of Valuation Subject
- Business plan of Valuation Subject
- Transfer is to an indirect subsidiary of TML which is fully controlled by TML, and there is no change in final economic ownership

Recommendation of consideration for the proposed transfer of Passenger Vehicles Undertaking of Tata Motors Limited into TML Business Analytics Services Limited

BASIS OF CONSIDERATION

The basis of the slump sale of PV Undertaking into TBASL would have to be determined after taking into consideration all the factors and methods mentioned hereinabove. Though different values have been arrived at under each of the above methods, for the purposes of recommending the consideration to be discharged through issuance of equity shares, it is necessary to arrive at a final value for the Valuation Subject. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approaches / methods.

The Scheme of Arrangement includes capital reduction involving writing down the securities premium account of TML in part with a corresponding adjustment to the accumulated losses. There will be no cash outflow or financial impact due to this. Accordingly, the capital reduction does not impact the value of the PV Undertaking.

The consideration has been arrived at on the basis of a fair valuation of the Valuation Subject based on the various approaches / methods explained herein earlier and various qualitative factors, business dynamics and growth potentials of the business of the Valuation Subject, having regard to information base, key underlying assumptions and limitations.

The computation of consideration for slump sale of PV Undertaking into TBASL is tabulated below:

Valuation Approach	PV Undertaking		TBASL	
	Value (INR crores)	Weight	Value (INR / share)	Weight
Asset Approach - Net asset value method	8,590	0%	NA	
Income Approach - Discounted Cashflows Method	8,828	50%	NA	
Market approach - Comparable Companies' Multiples Method	10,006	50%	NA	
Value	9,417		10.0 per share	

TBASL is a recently incorporated entity with no business operations. Hence, none of the valuation approaches mentioned above are relevant and the fair value per share would be the par value, i.e. INR 10 per share.

Further, since this is not a case of merger/demerger, consideration is being paid to TML and not to shareholders of TML. Hence there is no share entitlement ratio being computed.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following consideration for the Proposed Transaction:

S R B C & COLLP

Chartered Accountants

Recommendation of consideration for the proposed transfer of Passenger Vehicles Undertaking of Tata Motors Limited into TML Business Analytics Services Limited

INR 9,417 crores for PV Undertaking, to be settled by issuance of 941.7 cr equity shares of TBASL of INR 10/- each fully paid up.

Respectfully submitted,

S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/ E300003

**RAVI KAILASH
BANSAL**

Digitally signed by RAVI KAILASH
BANSAL
DN: cn=RAVI KAILASH BANSAL,
c=IN, o=Personal,
email=ravi.bansal@srb.in
Date: 2020.07.31 16:39:30 +05'30'

per Ravi Bansal

Partner

Membership No: 049365

UDIN: 20049365AAAABX2805

Place: Mumbai

Date: 31 July 2020



Investment Banking

July 31, 2020

Tata Motors Ltd.
Bombay House
24, Homi Mody Street, Fort
Mumbai - 400 001

Dear Sirs,

Sub: Draft scheme of arrangement under sections 230 – 232 of Companies Act, 2013 between Tata Motors Limited (“TML” or the “Transferor Company”) and TML Business Analytics Services Limited (“Transferee Company”) for transfer and vesting of Passenger Vehicle Business Undertaking of TML to Transferee Company

As requested by the management of TML, we have undertaken the exercise to issue a fairness opinion (“Opinion”) on the valuation reports of the “Passenger Vehicle Business Undertaking” of TML which is proposed to be transferred to, TML Business Analytics Services Limited on a going concern basis through a slump sale, pursuant to the Scheme of Arrangement under sections 230 – 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 (‘Scheme’). The Transferee Company is a wholly owned subsidiary of TML Business Services Limited and TML, directly and indirectly, holds 100% equity interest in TML Business Services Limited and the Transferee Company.

In arriving at our Opinion, we have reviewed financial, business information and other publicly available information. We have reviewed the reports issued by S R B C & CO LLP and by Vikrant Jain, Chartered Accountant (collectively referred to as “Valuers”), each dated July 31, 2020.

In addition to above, we have had discussions with the officials of TML on the past and current business operations of the Passenger Vehicle Undertaking, its future prospects and operations, and have received a management representation letter from TML and the Transferee Company dated July 30, 2020.

Based on our examination and according to the information and explanation provided to us, we note that the Scheme entails, *inter alia*, an arrangement between the Transferee Company, an entity in which TML holds 100% indirect equity interest, and TML, for transfer and vesting of the Passenger Vehicle Business Undertaking of TML into the Transferee Company and writing down the securities premium account of TML in part with a corresponding adjustment to the accumulated losses of TML. The reduction in securities premium account does not involve and financial outlay and does not affect the valuation of the Passenger Vehicle Business Undertaking. Accordingly, the scope of our Opinion does not cover opinion on reduction of the securities premium account of TML envisaged in the Scheme.

We further note that, the Scheme envisages share issuance to TML by the Transferee Company as a lump sum consideration for transfer and vesting of Passenger Vehicle Business Undertaking with the Transferee Company.

Kotak Mahindra Capital Company Limited

CIN 67120MH1995PLC134050

Registered Office:

27BKC

C – 27, “G” Block

Bandra Kurla Complex

Bandra (East), Mumbai – 400 051, India

T +91 22 43360000

F +91 22 67132445

www.investmentbank.kotak.com

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed good and marketable and we would urge TML and the Transferee Company to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment.

In giving our Opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in oral or written form, discussed with or reviewed by or for us, or publicly available. We have been given to understand that all information that was relevant for the purpose of our exercise was disclosed to us. We have not conducted any evaluation or appraisal of any assets or liabilities of TML or the Transferee Company nor have we evaluated the solvency or fair value of TML or the Transferee Company, under any laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of TML or the Transferee Company. We have also assumed that the final Scheme of Arrangement will be substantially the same as the Scheme discussed with and reviewed by us, unless modified by any regulatory authority or statutory body. We were not requested to solicit, and did not solicit, interest from other parties with respect to an acquisition of, or other business combination with TML or the Transferee Company or any other alternative transaction.

Our Opinion does not factor overall economic and environment risk and other risks and is purely based on the information and representations provided to us. We have not assumed the risk of any material adverse change having an impact on the businesses of TML and the Transferee Company in arriving at our final Opinion.

We express no view as to, and our Opinion does not address, the underlying business decision of TML and the Transferee Company to effect the Scheme or the merits of the Proposed Transaction. Our Opinion does not constitute a recommendation to any shareholder or creditor of TML or the Transferee Company as to how such shareholder or creditor should vote on the Scheme or any matter related thereto. In addition, this Opinion does not address the fairness to, or any other consideration, to the creditors or other constituencies of TML and the Transferee Company. We are not expressing any opinion herein as to the prices at which the shares of TML will trade following the announcement or consummation of the proposed transaction or as to the prices at which the shares of TML may be transacted.

Our Opinion is not and does not purport to be an appraisal or otherwise reflective of the prices at which any business or securities actually could be ideally bought or sold by any party and are not indicative of actual value or actual future results that might be achieved, which value may be higher or lower than those indicated.

Our Opinion is necessarily based on financial, economic, market and other conditions as in effect on the date of issuing this Opinion, and the information made available to us as of, the date hereof, including the capital structure of TML and the Transferee Company. We understand the Company's business plan has factored in the potential impact of COVID-19 pandemic. Hence we have not considered any additional impact of COVID-19 pandemic on the operations of TML and the Transferee Company. It should be understood that subsequent developments may affect this Opinion and that we do not have any obligation to update, revise, or reaffirm this Opinion.





Investment Banking

We will receive a fee for our services in connection with the delivery of this Opinion from TML. In addition, TML has agreed to indemnify us for certain potential liabilities arising out of our engagement.

We and our affiliates in the past have provided, and currently provide, services to TML and their affiliates unrelated to the Scheme for which services we and such affiliates have received and expect to receive compensation, including, without limitation as lenders and creditors and as financial advisors for the purchase/sale of assets/businesses by/to TML (as the case may be) and as lead managers / underwriters in securities offerings of TML.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of companies that may be the subject matter of this transaction for our own account or for the account of our customers and, accordingly, may at any time hold long or short position in such securities. In addition, we and our affiliates maintain relationships with TML and the Transferee Company and their respective affiliates. Further our affiliates may own or manage securities of TML and may vote or have views contrary to this opinion.

This Opinion is provided solely for the benefit of the Board of Directors of TML and its committees, and shall not confer rights or remedies upon, any shareholder of TML, or any other person other than the members of the Board of Directors of TML and its committees, or be used for assessing tax implications or any other purpose, except to the extent required by law or by the request or requirement of any judicial, statutory, regulatory, legislative, administrative or other governmental body. This Opinion may not be used or relied upon by nor is it issued for the benefit of any third party for any purpose whatsoever or disclosed, referred to or communicated by you (in whole or in part) except with our prior written consent in each instance. Provided however, this opinion may only be disclosed as may be required under any applicable law in India and may be kept open for inspection by shareholders of TML, but we take no responsibility or liability for or arising out of any such disclosure. We specifically disclaim any responsibility to any third party to whom this Letter may be shown or who may acquire a copy of this Letter.

The laws of India govern all matters arising out of or relating to this Opinion (including, without limitation, its interpretation, construction, performance, and enforcement). With respect to any suit, action or any other proceedings relating to this Opinion, the courts of competent jurisdiction at India shall have exclusive jurisdiction.

On the basis of and subject to the foregoing, it is our view that the consideration value of INR 9,417 Crore to be settled by way of issuance of 941.7 Crore shares of the Transferee Company of INR 10/- each fully paid up, as determined by the Valuers for the purpose of the transfer of the Passenger Vehicles Undertaking as proposed under the Scheme is fair from a financial point of view.

Yours faithfully,

For Kotak/Mahindra Capital Company Limited

A handwritten signature in black ink, appearing to be "V. K. Mahindra", written over a faint circular stamp.

Authorised Signatory



BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
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Corporate Identity Number: L67120MH2005PLC155188



DCS/AMAL/SV/R37/1832/2020-21

“E-Letter”

November 03, 2020

The Company Secretary,
Tata Motors Ltd
Bombay House, 24 Homi Mody Street,
Mumbai, Maharashtra, 400001

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Tata Motors Limited (“the Company” or “Transferor Company”) and TML Business Analytics Services Limited (“TBASL” or “Transferee Company”) and their respective shareholders and creditors.

We are in receipt of the Draft Scheme of Arrangement by Tata Motors Ltd filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated November 03, 2020 has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure to disclose the details of the ongoing proceedings against it under Section 11(1), 11(4) and 11 B of SEBI Act, 1992 in respect of backdated transaction in the shares of Global Telesystems Limited and Global E-Commerce Services Limited, before Hon’ble NCLT and shareholders, while seeking approval of the scheme.”
- “Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circular.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
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Corporate Identity Number: L67120MH2005PLC155188

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

sd/-

Nitinkumar Pujari
Senior Manager


National Stock Exchange Of India Limited

Ref: NSE/LIST/24425_II

November 04, 2020

The Company Secretary
Tata Motors Limited
Bombay House,
24 Homi Mody Street,
Mumbai - 400001

Kind Attn.: Mr. Hoshang Sethna

Dear Sir,

Sub: Observation Letter for Draft Scheme of Arrangement between TATA Motors Limited and TML Business Analytics Services Limited and their respective shareholders

We are in receipt of the Draft Scheme of Arrangement between TATA Motors Limited and TML Business Analytics Services Limited and their respective shareholders vide application dated August 14, 2020.

Based on our letter reference no Ref: NSE/LIST/24425 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), kindly find following comments on the draft scheme:

- a. *The Company shall ensure to disclose the details of ongoing proceedings against it under section 11(1), 11(4) and 11B of SEBI Act, 1992 in respect of backdated transaction in the shares of Global Telesystems Limited and Global E- commerce Services Limited, before the Hon'ble NCLT and shareholders, while seeking approval of the scheme.*
- b. *The Company shall ensure that the additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchange, from the date of the receipt of this letter is displayed on the websites of the listed companies.*
- c. *The Company shall duly comply with various provisions of the Circular.*
- d. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- e. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of

This Document is Digitally Signed

 Signer: Jiten Bharat Patel
Date: Wed, Nov 04, 2020 2:30:51
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Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from November 04, 2020 within which the scheme shall be submitted to NCLT.

Yours faithfully,
For National Stock Exchange of India Limited

Jiten Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed



Signer: Jiten Bharat Patel
Date: Wed, Nov 4, 2020 14:49:51 IST
Location: NSE



The Senior General Manager – Listing Operations
Department of Corporate Services
BSE Limited
1st Floor, New Trading Ring, Rotunda Bldg., P J Towers
Dalal Street, Fort
Mumbai 400 001.

September 30, 2020
Sc - 16124

Dear Sir,

Ref: Scheme of Arrangement between Tata Motors Limited (“the Company” or “Transferor Company”) and TML Business Analytics Services Limited (“TBASL” or “Transferee Company”) and their respective shareholders (“Scheme”)

Sub: ‘Report on Complaints’ in terms of Para 6 of Part I(A) of Annexure I to the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time (“SEBI Circular”)

In continuation to our application dated August 14, 2020 towards the Scheme under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2020, which documents were uploaded on the BSE website viz. www.bseindia.com on September 8, 2020, please find enclosed the Report on Complaints in the format specified in the SEBI Circular.

The Report on Complaints is also being uploaded on the website of the Company, i.e. www.tatamotors.com as per the requirement of the said circular.

You are requested to take the above document on record and process our application.

Thanking you,

Yours faithfully,

For Tata Motors Limited

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HOSHANG KEKI
SETHNA
Date: 2020.09.30
17:57:27 +05'30'
KEKI
SETHNA

Hoshang Sethna
Company Secretary
Phone: 8097999900
Email: hks@tatamotors.com

Encl: Complaint report

TATA MOTORS LIMITED

Bombay House 24 Homi Mody Street Mumbai 400 001
Tel 91 22 6665 8282 Fax 91 22 6665 7799
www.tatamotors.com CIN L28920MH1945PLC004520

**REPORT ON COMPLAINTS**

Period of Complaints Report: September 8, 2020 to September 29, 2020

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	N.A	N.A	N.A
2.	N.A.	N.A	N.A
3.	N.A	N.A	N.A

For Tata Motors Limited

HOSHANG
KEKI SETHNA

Digitally signed by
HOSHANG KEKI
SETHNA
Date: 2020.09.30
17:58:05 +05'30'

Hoshang K Sethna
Company Secretary
September 30, 2020

TATA MOTORS LIMITED

Bombay House 24 Homi Mody Street Mumbai 400 001
Tel 91 22 6665 8282 Fax 91 22 6665 7799
www.tatamotors.com CIN L28920MH1945PLC004520



National Stock Exchange of India Limited (NSE)
Exchange Plaza, Bandra Kurla Complex,
Bandra East,
Mumbai – 400051
Kind Attn: Ms Sneha Goradia / Mr Jiten Patel

October 7, 2020
Sc no. - 16130

Dear Sir,

Ref: Scheme of Arrangement between Tata Motors Limited (“the Company” or “Transferor Company”) and TML Business Analytics Services Limited (“TBASL” or “Transferee Company”) and their respective shareholders (“Scheme”)

Sub: ‘Report on Complaints’ in terms of Para 6 of Part I(A) of Annexure I to the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time (“SEBI Circular”)

In continuation to our application dated August 14, 2020 towards the Scheme under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2020, which documents were uploaded on the NSE website viz. www.nseindia.com on September 11, 2020, please find enclosed the Report on Complaints in the format specified in the SEBI Circular.

The Report on Complaints is also being uploaded on the website of the Company, i.e. www.tatamotors.com as per the requirement of the said circular.

You are requested to take the above document on record and process our application.

Thanking you,

Yours faithfully,

For Tata Motors Limited

HOSHANG  Digitally signed by
HOSHANG KEKI SETHNA
Date: 2020.10.05
16:14:52 +05'30'

Hoshang Sethna
Company Secretary
Phone: 8097999900
Email: hks@tatamotors.com

Encl: Complaint report

TATA MOTORS LIMITED

Bombay House 24 Homi Mody Street Mumbai 400 001
Tel 91 22 6665 8282 Fax 91 22 6665 7799
www.tatamotors.com CIN L28920MH1945PLC004520



REPORT ON COMPLAINTS

Period of Complaints Report: September 11, 2020 to October 2, 2020

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	N.A	N.A	N.A
2.	N.A.	N.A	N.A
3.	N.A	N.A	N.A

For Tata Motors Limited

HOSHANG
KEKI
SETHNA

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HOSHANG KEKI SETHNA
Date: 2020.10.05
18:06:14 +05'30'

Hoshang K Sethna
Company Secretary
October 7, 2020

TATA MOTORS LIMITED

Bombay House 24 Homi Mody Street Mumbai 400 001
Tel 91 22 6665 8282 Fax 91 22 6665 7799
www.tatamotors.com CIN L28920MH1945PLC004520

ANNEXURE F1

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TATA MOTORS LIMITED

[Pursuant to Section 232(2)(c) of the Companies Act, 2013]

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TATA MOTORS LIMITED AT ITS MEETING HELD ON FRIDAY JULY 31, 2020 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS.

1. Background

- 1.1. The Board of Directors (the “**Board**”) of Tata Motors Limited (“**TML**” or the “**Transferor Company**” or “**Company**”) at its meeting held on July 31, 2020, had, subject to the approval of members and/or creditors, as may be required, and other relevant authorities, approved a draft scheme of arrangement between the Company and TML Business Analytics Services Limited (“**TBASL**” or “**Transferee Company**”) and their respective shareholders (“**Scheme**”) pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 (“**Act**”) and other applicable provisions of the Act and the rules made thereunder. The Scheme *inter alia* involves (a) the transfer of Passenger Vehicles Undertaking (as defined in the Scheme) of the Company, as a going concern, on a slump sale basis as defined under Section 2(42C) of the Income-tax Act, 1961 to TBASL for a lump sum consideration of ₹9,417 crores; and (b) reduction of share capital of the Company without extinguishing or reducing its liability on any of its shares by writing down the securities premium account in part, which is lost or is unrepresented by available assets, with a corresponding adjustment to the accumulated losses amounting to ₹11,173.59 crores.
- 1.2. TBASL is a wholly owned subsidiary of TML Business Services Limited and the Company, directly and indirectly, holds 100% equity interest in TML Business Services Limited and TBASL.
- 1.3. Section 232(2)(c) of the Act requires the directors to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties. The said report is required to be circulated to the members of the Company along with the notice for convening the meeting of the members and/or the creditors, as may be required, to be ordered by the Hon’ble National Company Law of Tribunal, Mumbai Bench (“**NCLT**”). This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act. The Board noted that based on the Valuation Reports, the Scheme contemplates settlement of consideration of ₹9,417 crores for the transfer of the Passenger Vehicles Undertaking through issuance of 941,70,00,000 equity shares of the Transferee Company at ₹10 each i.e. being the fair value of the equity share of Transferee Company.
- 1.4. The following documents were placed before the Board for the purpose of making this report:
 - Draft Scheme as recommended by the Audit Committee of the Board of Directors of the Company and Report of the Audit Committee dated July 31, 2020 thereon;
 - Valuation Report dated July 31, 2020 issued by M/s Vikrant Jain, Independent Chartered Accountants, Registered Valuer, setting out the valuation of the Passenger Vehicles Undertaking of the Company which is being transferred to the Transferee Company (“**Valuation Report 1**”);
 - Valuation Report dated July 31, 2020 issued by S R B C & Co LLP, Independent Chartered Accountants setting out the valuation of the Passenger Vehicles Undertaking of the Company which is being transferred to the Transferee Company (“**Valuation Report 2**”);

- Fairness Opinion dated July 31, 2020 prepared by Kotak Mahindra Capital Company Limited, an Independent Valuer Category-I Merchant Banker (“**Fairness Opinion**”) stating that the consideration set out in Valuation Report 1 and Valuation Report 2 for the transfer of the Passenger Vehicles Undertaking of the Company to the Transferee Company as proposed under the Scheme is fair from a financial point of view;
- Certificate dated July 31, 2020 issued by the Statutory Auditors of the Company confirming the accounting treatment contained in the draft Scheme (“**Auditor’s Certificate**”);
- Undertaking in relation to non-applicability of Para 9(a) of Annexure 1 of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by SEBI, as amended from time to time (“**SEBI Circular**”), certified by the statutory auditors of the Company pursuant to Para 9(c) of Annexure 1 of the SEBI Circular dated July 31, 2020 (“**Undertaking**”); and
- Certificate dated July 31, 2020 issued by the statutory auditors of the Company in respect of the Undertaking.

2. Effect of the Scheme on equity shareholders (promoter and non-promoter shareholders) of TML:

- 2.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, pursuant to the sanction of the Scheme by NCLT and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, (a) the Passenger Vehicle Undertaking (as defined in the Scheme) of the Company shall be and stand transferred to and vested in or be deemed to have been vested in the Transferee Company, and (b) that a portion of the Company’s securities premium account, which is lost or is unrepresented by available assets would stand written down, with a corresponding adjustment to the accumulated losses of the Company to the extent of ₹11,173.59 crores.
- 2.2. The Scheme contemplates the transfer of Passenger Vehicles Undertaking of the Company on a going concern basis on a slump sale basis as defined under Section 2(42C) of the Income-tax Act, 1961. Since there will be no issue of shares of the Transferee Company to the shareholders of the Company pursuant to the Scheme, there would be no change in the pre and post scheme shareholding pattern and capital structure of the Company on the Scheme coming into effect.
- 2.3. As far as the equity shareholders of the Company are concerned (promoter shareholders as well as non-promoter shareholders), there will be no dilution in their shareholding in the Company pursuant to the Scheme and therefore the equity shareholders of the Company will not be affected upon the Scheme becoming effective.
- 2.4. The adjustment to the Securities Premium does not involve any financial outlay and therefore, would not affect the ability or liquidity of the Transferor Company to meet its obligations/commitments or have any adverse impact on the creditors.

3. Effect of the Scheme on Directors and Key Managerial Personnel of TML:

- 3.1. The Scheme is not expected to have any effect on the directors and key managerial personnel of the Company. Further, no change in the Board of Directors of the Company is envisaged on account of the Scheme.
- 3.2. The directors holding shares of the Company do not have any other interest in the Scheme otherwise than that as shareholders in general. Further, none of the key managerial personnel and relatives of the directors of the Company is concerned or interested, financially or otherwise in the proposed Scheme. Save as aforesaid, none of the directors of the Company have any material interest in the proposed Scheme.
- 3.3. The individual shareholding, of each of the said directors, the key managerial personnel and their respective relatives, is less than 2%

of the paid up share capital of the Company. The shareholding of the present directors and key managerial personnel of the Company, either individually or jointly as a first holder or as a nominee, in the Company and the Transferee Company is as under:

Sr. No.	Name of the directors and Key Managerial Personnel of TML	No. of Equity Shares held in	
		TML (Ordinary Shares unless explicitly stated as AOS for 'A' Ordinary Shares)	TBASL
1.	Mr N. Chandrasekaran Non-Executive Director and Chairman	2,00,000	Nil
2.	Dr Ralf Speth Non-Executive Director	Nil	Nil
3.	Mr Om Prakash Bhatt Non-Executive, Independent Director	Nil	Nil
4.	Ms Hanne Sorensen Non-Executive, Independent Director	Nil	Nil
5.	Ms Vedika Bhandarkar Non-Executive, Independent Director	Nil	Nil
6.	Mr Gunter Butschek CEO and Managing Director	Nil	Nil
7.	Mr P B Balaji Group Chief Financial Officer	20,000	*1
8.	Mr H K Sethna Company Secretary	2,953 (AOS) 813	*1

* as nominees of TML Business Services Limited

4. Valuation:

4.1. M/s Vikrant Jain, Independent Chartered Accountants, Registered Valuer and M/s. S R B C & Co LLP Independent Chartered Accountants, both have separately undertaken the valuation of the Passenger Vehicles Undertaking of the Company and have recommended the fair value of the Passenger Vehicles Undertaking vide their valuation reports both dated July 31, 2020. The total lump sum consideration payable by the Transferee Company to the Company for the purchase of the Passenger Vehicles Undertaking of the Company has been arrived at on the basis of the fair valuation of the Passenger Vehicles Undertaking of the Company as explained in the valuation report and various qualitative factors relevant to the Company and the business dynamics and growth potentials of the business, having regard to information base, key underlying assumptions and limitations. Based on the relevant factors and circumstances as outlined in the valuation reports M/s. S R B C & Co LLP and Vikrant Jain have determined the fair value of the Passenger Vehicles Undertaking at ₹9,417 crores. The said consideration would be settled through issuance of 941,70,00,000 equity shares of the Transferee Company at ₹10 each being the fair value of the equity share of the Transferee Company to the Company. Kotak Mahindra Capital Company Limited, an Independent Valuer Category-I Merchant Banker vide its letter dated July 31, 2020 has submitted that the consideration at which the Scheme envisages the transfer of the Passenger Vehicles Undertaking of the Company to the Transferee Company as proposed under the Scheme is fair from a financial point of view.

4.2. No special valuation difficulties were reported.

5. Consideration

Board noted that the Scheme contemplates payment of lump sum consideration by the Transferee Company to the Company. The mode of discharge of such consideration would be through issuance to the Company of 941,70,00,000 equity shares of the Transferee Company at ₹10 each being the fair value of the equity share of the Transferee Company.

Based on the above, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

By Order of the Board
For Tata Motors Limited

Gunter Butschek
CEO and Managing Director

Date: July 31, 2020
Place: Austria

**REPORT ADOPTED BY THE BOARD OF DIRECTORS
OF TML BUSINESS ANALYTICS SERVICES LIMITED**

[Pursuant to Section 232(2)(c) of the Companies Act, 2013]

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TML BUSINESS ANALYTICS SERVICES LIMITED AT ITS MEETING HELD ON FRIDAY JULY 31, 2020 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON SHAREHOLDERS AND KEY MANAGERIAL PERSONNEL.

1. Background

- 1.1. The Board of Directors (the “**Board**”) of TML Business Analytics Services Limited (“**Transferee Company**” or “**Company**”) at its meeting held on July 31, 2020, had, subject to the approval of members, as may be required, and other relevant authorities, approved a draft scheme of arrangement between Tata Motors Limited (“**TML**” or “**Transferor Company**”) and the Company and their respective shareholders (“**draft Scheme**”) pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 (“**Act**”) and other applicable provisions of the Act and the rules made thereunder. The draft Scheme *inter alia* involves the transfer of Passenger Vehicles Undertaking (as defined in the Scheme) of the Transferor Company, as a going concern, on a slump sale basis as defined under Section 2(42C) of the Income-tax Act, 1961 to the Company for a lump sum consideration of ₹9,417 crores.
- 1.2. The Company is a wholly owned subsidiary of TML Business Services Limited and TML, directly and indirectly, holds 100% equity interest in TML Business Services Limited and the Company.
- 1.3. Section 232(2)(c) of the Act requires the directors to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties. The said report is required to be circulated to the members of the Company along with the notice for convening the meeting of the members and/or the creditors, as may be required, to be ordered by the Hon’ble National Company Law of Tribunal, Mumbai Bench (“**NCLT**”). This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act. The Board noted that based on the Valuation Report, the Scheme contemplates settlement of consideration of ₹9,417 crores for the acquisition of the Passenger Vehicles Undertaking through issuance of 941,70,00,000 equity shares of the Company at ₹10 each i.e. being the fair value of the equity share of Company to the Transferor Company.
- 1.4. The following documents were placed before the Board for the purpose of making this report:
 - Draft Scheme
 - Valuation Report dated July 31, 2020 issued by M/s Vikrant Jain, Independent Chartered Accountants, Registered Valuer, setting out the valuation of the Passenger Vehicles Undertaking of the Transferor Company which is being transferred to the Transferee Company (“**Valuation Report**”);
 - Certificate dated August 1, 2020 issued by the Statutory Auditors of the Company confirming the accounting treatment contained in the draft Scheme (“**Auditor’s Certificate**”).

2. Effect of the Scheme on equity shareholders (promoter and non-promoter shareholders) of the Company:

- 2.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, pursuant to the sanction of the Scheme by NCLT and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, the Passenger Vehicle Undertaking (as defined in the Scheme) of TML shall be and stand transferred to and vested in or be deemed to have been vested in the Transferee Company.

- 2.2. The Scheme contemplates the acquisition of Passenger Vehicles Undertaking of TML on a going concern basis on a slump sale basis as defined under Section 2(42C) of the Income-tax Act, 1961.
- 2.3. The Company shall issue of 941,70,00,000 equity shares of the Company at ₹10 each i.e. being the fair value of the equity share of Company to the Transferor Company (“**Purchase Consideration**”). Upon such issuance the equity shareholding of (i) TML Business Services Limited, currently promoter of the Transferee Company will be diluted from 100% to 0.002%; and (ii) TML will become the promoter of the Transferee Company holding 99.998%.
- 2.4. The Purchase Consideration is based on the Valuation Report which has been duly considered by the Board of Directors of the Company and the Board has come to the conclusion that Purchase Consideration is fair and reasonable.
- 2.5. The equity shares so issued and allotted as provided above shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank *pari-passu* in all respects with the equity shares of the Company after the Effective Date (as defined in the Scheme) including in respect of dividend, if any, that may be declared by the Company on or after the Effective Date.

3. Effect of the Scheme on Directors and Key Managerial Personnel of the Company:

- 3.1. Whilst the Scheme does not contemplate any change in the Board of Directors and the Key Managerial Personnel (KMP) of the Company, appropriate changes in Directors and KMPs will be made pursuant to business and statutory requirements.
- 3.2. None of the directors, key managerial personnel and their respective relatives, hold any shares either individually or jointly as a first holder or as a nominee, in the Company. Further, none of the key managerial personnel and relatives of the directors of the Company is concerned or interested, financially or otherwise in the proposed Scheme.

4. Valuation:

- 4.1. M/s Vikrant Jain, Independent Chartered Accountants, Registered Valuer has undertaken the valuation of the Passenger Vehicles Undertaking of TML and have recommended the fair value of the Passenger Vehicles Undertaking vide its valuation report dated July 31, 2020. The total lump sum consideration payable by the Company to TML for the purchase of the Passenger Vehicles Undertaking of TML has been arrived at on the basis of the fair valuation of the Passenger Vehicles Undertaking of TML as explained in the Valuation Report and various qualitative factors relevant to the Company and the business dynamics and growth potentials of the business, having regard to information base, key underlying assumptions and limitations. Based on the relevant factors and circumstances as outlined in the Valuation Report, the fair value of the Passenger Vehicles Undertaking is ₹9,417 crores. The said consideration would be settled through issuance of 941,70,00,000 equity shares of the Company at ₹10 each being the fair value of the equity shares of the Company to TML.
- 4.2. No special valuation difficulties were reported.

5. Consideration

Board noted that the Scheme contemplates payment of lump sum consideration by the Company to TML. The mode of discharge of such consideration would be through issuance to TML of 941,70,00,000 equity shares of the Company at ₹ 10 each being the fair value of the equity shares of the Company.

Based on the above, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

By Order of the Board
For TML Business Analytics Services Limited

Date: July 31, 2020
Place: Mumbai

Name: Smriti Goyal
Designation: Director

THIS IS A DISCLOSURE DOCUMENT PREPARED IN CONNECTION WITH THE PROPOSED SCHEME OF ARRANGEMENT BETWEEN TATA MOTORS LIMITED ("TATA MOTORS" OR "TRANSFEROR COMPANY") AND TML BUSINESS ANALYTICS SERVICES LIMITED ("COMPANY" OR "TRANSFeree COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS UNDER SECTIONS 230 TO 232 AND RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AND THE RULES THEREUNDER (COLLECTIVELY THE "ACT") ("SCHEME"). THE SCHEME IS ALSO AVAILABLE ON THE WEBSITE OF TATA MOTORS, NAMELY, WWW.TATAMOTORS.COM, AND THE WEBSITES OF BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE" AND TOGETHER WITH BSE, THE "STOCK EXCHANGES"), I.E. WWW.BSEINDIA.COM AND WWW.NSEINDIA.COM RESPECTIVELY, WHERE THE EQUITY SHARES OF TATA MOTORS ARE LISTED.
THIS DISCLOSURE DOCUMENT CONTAINS 6 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.
NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS DISCLOSURE DOCUMENT.
This disclosure document has been prepared in connection with the Scheme, pursuant to the Securities and Exchange Board of India ("SEBI") circular bearing number CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended ("SEBI Circular"), the Master Circular no. SEBI/HO/CFD/DIL/CIR/P/249/ dated December 22, 2020 issued by SEBI, read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended. This disclosure document dated January 22, 2021 ("Disclosure Document") should be read together with the Scheme and the notice to the shareholders of Tata Motors in connection with the Scheme.

TML BUSINESS ANALYTICS SERVICES LIMITED

Registered Office & Corporate Office	Floor 3, 4, Plot-18, Nanavati Mahalaya, Mudhana Shetty Marg, BSE, Fort, Mumbai, Mumbai City MH 400001 IN
Contact Person	Ms. Smriti Goyal
Telephone	+91 022 66658282
E-mail	tmpvl@tatamotors.com
Website	-
CIN	U72900MH2020PLC339230

NAME OF PROMOTER OF THE COMPANY

TML Business Services Limited is the promoter of the Company.

SCHEME DETAILS, LISTING AND PROCEDURE

Brief particulars of the Scheme are as follows:

- (i) transfer and vesting of the Passenger Vehicles Undertaking (as defined in the Scheme) of Tata Motors to the Company as a going concern, on a slump sale basis as defined under Section 2(42C) of the Income-tax Act, 1961, for the Purchase Consideration (as defined in the Scheme) of ₹9,417 crores settled by way of issuance of 941,70,00,000 equity shares of the Company at ₹10 each to Tata Motors,
- (ii) reduction of the Securities Premium Account (as defined in the Scheme) of Tata Motors,
- (iii) increase in authorised share capital of the Company,
- (iv) modification of the ESOP Scheme 2018 (as defined in the Scheme), pursuant to Sections 230 to 232, and other relevant provisions, of the Act;
- (v) change in name of the Company to 'Tata Motors Passenger Vehicles Limited' or such other name as may be approved by the Registrar of Companies, Ministry of Corporate Affairs,
- (vi) change in main object clause of the memorandum of association of the Company and various other matters incidental to, consequential to and/or otherwise connected in the manner provided in the Scheme.

The Scheme is subject to the approvals and sanctions as mentioned in the Scheme.

ELIGIBILITY

In compliance with the SEBI Circular, circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017, as amended and the Master Circular no. SEBI/HO/CFD/DIL/CIR/P/249/ dated December 22, 2020 issued by SEBI, read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

INDICATIVE TIMELINE

This Disclosure Document is being issued pursuant to the Scheme, and is not, nor should it be deemed to be, an offer to the public. Given that the Scheme requires approval of various regulatory authorities including and primarily, the National Company Law Tribunal ("NCLT"), the exact time frame cannot be established with certainty.

GENERAL RISKS

For taking any investment decision, investors must rely on their own examination of Tata Motors and the Company and the Scheme, including the risks involved. The equity shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Disclosure Document. Specific attention is invited to the section titled "Risk Factors" at page 4 of this Disclosure Document.

NAME OF THE STATUTORY AUDITOR

B S R & Co. LLP, Chartered Accountants

PROMOTER OF THE COMPANY

TML Business Services Limited ("TMLBSL" or "Promoter) is the promoter of the Company. It is a public unlisted company incorporated under the provisions of the Companies Act, 1956, having its registered office at 3rd Floor, Nanavati Mahalaya, 18 Homi Mody, Street Hutatma Chowk, Mumbai, Maharashtra 400001, India. The CIN of TMLBSL is U72100MH1972PLC015561.

TMLBSL was originally incorporated as "Mazda Industrial Chemicals Private Limited" on January 18, 1972, which was later converted from a private limited company to a public limited company with the name "Mazda Industrial Chemicals Limited". It was thereafter, renamed as "Minicar (India) Limited" and subsequently, the name of "Minicar (India) Limited" was changed to "Concorde Motors (India) Limited". The name of "Concorde Motors (India) Limited" was changed to its present name "TML Business Services Limited" on March 31, 2020.

TMLBSL is engaged in the business of, amongst other things, (i) providing outsourcing services for all processes, sub-processes, transactions, activities and all other work performed by businesses in various industries within India and across the world; (ii) financing the purchase by way of leasing, letting or hire, hire purchase, loan financing or easy payment system or any other form, scheme or programme of financing all type of automobiles and their parts and accessories, etc.

The names of the promoter and promoter group of TMLBSL who hold equity shares as on the date of this Disclosure Document, are as follows:

Name of promoter and promoter group	Total no. of shares held	Shareholding as a % of total no. of shares
Tata Motors Limited	16,36,97,694*	100%
Total	16,36,97,694	100%

*Tata Motors is the beneficial owner of sixty equity shares which are held by its nominees

Note: TML Distribution Company Limited, a wholly owned subsidiary of Tata Motors is holding 100,000,000 Unsecured, Unrated, Unlisted, Compulsorily Convertible Debentures of ₹10/- each in TMLBSL; and Tata Motors and Tata Industries Limited are respectively, holding 13,54,195 and 10,80,805, 7% Cumulative Redeemable Preference Shares of ₹100/- each in TMLBSL.

Tata Motors directly and indirectly holds 100% equity interest in TMLBSL and in the Company. Tata Motors is a public limited company incorporated under the laws of India and having its registered office at Bombay House, 24, Homi Mody Street, Mumbai-400001 and its equity shares are listed on the Stock Exchanges in India and American Depository Receipts are listed on the New York Stock Exchange. Tata Motors is engaged inter alia in the business of design, development, manufacturing and sale of a wide range of commercial, passenger and electric vehicles and parts thereof within India and abroad.

BUSINESS OVERVIEW AND STRATEGY

Business Overview:

The Company has been incorporated on April 4, 2020 to carry on the business of, amongst other things, providing outsourcing services for all processes, sub-processes, transactions and activities including technical support, managed datacentre, managed technical centre, business or financial analysis, customer relationship management for work performed by businesses within India and abroad. The Company presently does not have any business operations.

Strategy:

Upon the Scheme becoming effective, the name of the Company shall be changed to 'Tata Motors Passenger Vehicles Limited' or such other name as may be approved by the Registrar of Companies, Ministry of Corporate Affairs and will carry on all activities relating to development, design, manufacture, procurement, assembly, sale, services, annual maintenance contracts and distribution of passenger vehicles and electric vehicles (including new and/or refurbished vehicles) and sale of related parts and accessories.

BOARD OF DIRECTORS

Sr. No	Name	Designation	Experience including the current/past position held in other firms
1	Shyam Mani	Non-Executive Director	He was appointed on the board of the Company on April 4, 2020. He has been associated with Tata Motors Group for over 20 years He is currently the managing director of TMF Holdings Limited.
2	Vijay Bhagwanji Somaiya	Non-Executive Director	He was appointed on the board of the Company on April 4, 2020. He has been associated with Tata Motors for over 35 years. He is currently the Vice President (Treasury and Investor Relationship) at Tata Motors.
3	Smriti Goyal	Non-Executive Director	She was appointed on the board of the Company on April 4, 2020. She has over 18 years of experience in finance. She is presently the Senior General Manager (Accounting and Reporting) at Tata Motors.

OBJECTS OF THE ISSUE

Brief objects of the proposed Scheme are as follows:

- Transfer and vesting of the Passenger Vehicles Undertaking (as defined in the Scheme) of Tata Motors to the Company as a going concern, on a slump sale basis as defined under Section 2(42C) of the Income-tax Act, 1961; and
- Reduction of the Securities Premium Account (as defined in the Scheme) of Tata Motors.

PRE-SCHEME SHAREHOLDING PATTERN OF THE COMPANY

Sr. No	Particulars	Pre-Scheme number of shares	% holding of Pre-Scheme
1	Promoter & Promoter Group	1,50,000*	100.00%
2	Public	-	-
	Total	1,50,000	100%

*The Promoter i.e TMLBSL is the beneficial owner of six equity shares which are held by its nominees.

FINANCIAL STATEMENTS

TMLBASL has been incorporated on April 4, 2020 as a wholly-owned subsidiary of TMLBSL. The first financial year of the Company has commenced from its date of incorporation i.e. from April 4, 2020 and shall end on March 31, 2021. Further the Company does not have any business operations as on current date. Therefore, the audited financial statements of the Company are not available and hence not been disclosed in this Disclosure Document.

INTERNAL RISK FACTORS

- The proposed Scheme is subject to the approval of shareholders of the Company and Tata Motors, respectively and various authorities, including the NCLT. If the proposed Scheme does not receive the requisite approvals, the objects and benefits mentioned in the proposed Scheme will not be achieved.
- The Company was incorporated on April 4, 2020 and has a very short operating history. Currently, the Company does not carry on any business activity, and therefore there are no audited financial statements as on the date of this Disclosure Document. Accordingly, it may be difficult to evaluate the future prospects of the Company.
- The Company does not have any experience in operating the Passenger Vehicles Undertaking. While post-effectiveness of the Scheme, experienced personnel will get transferred to the Company, the efforts of the Company at integrating the acquired Passenger Vehicles Undertaking may not yield timely or effective results, which may affect its financial condition and results of operations.
- The business environment of the Passenger Vehicles Undertaking is a highly competitive in nature, with a large number of domestic and foreign companies. To the extent that the Company is unable to compete effectively with other companies in similar lines of business, the business, results of operations and financial condition of the Company may be adversely affected.
- The Company is an unlisted company and its equity shares are not available for trading on any Stock Exchanges.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- Total number of outstanding litigations against the Company and amount involved: Nil
- Brief details of the top five material outstanding litigations against or involving the Company and the amount involved: Nil
- Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in the last five financials years, including outstanding action, if any: Nil

D. Brief details of outstanding criminal litigations against Promoter:

S. No.	Particulars	Litigation filed by	Current Status	Amount Involved (₹)
1.	A First Information Report dated September 28, 2019 was filed by Archit Dua ("Complainant") against the Promoter and others at the Paschim Vihar Police Station under sections 479, 419 and 420 of the Indian Penal Code, 1860, alleging cheating, criminal breach of trust, criminal misappropriation of property, criminal intimidation, hatching criminal conspiracy by the Promoter for (i) delivering old, used and accidental car instead of new car to the Complainant, and (ii) inducing the Complainant to pay the amount equivalent to the value of the new car by making false and fraudulent representations. The Promoter has filed a reply dated November 21, 2019 in the matter and refuted all the allegations. The matter is currently pending.	Archit Dua	Pending	7,48,723
2.	A Criminal Complaint no. MA No. 1869/2017 was filed before the Court of Judicial Magistrate First Class at Pune by Anoop KR against the Promoter and others under sections 417, 418, 420, 426, 427 and 34 of the Indian Penal Code, 1860, alleging fraud and cheating by the Promoter for selling an old, used and accidental car instead of a new car. The Judicial Magistrate First Class has passed an order dated February 14, 2018 and issued process against the Promoter and other accused parties.	Anoop KR	Pending	1,200,000
3.	A First Information Report dated September 5, 2017 was filed by Rakesh Thakur ("Complainant") against the Promoter and its representatives at the Saket Police Station, South Delhi under sections 406, 420 and 34 Indian Penal Code, 1860, alleging cheating, fraud and misrepresentation by the representatives of the Promoter for (i) selling a faulty car to the Complainant, (ii) failing to provide a new car by replacing the faulty car, and (iii) failure to provide refund of the money paid towards purchase of car. The Promoter has filed a reply dated June 22, 2019 in the matter and denied all the allegations. The matter is currently pending.	Rakesh Thakur	Pending	Not quantifiable at this stage

4.	A challan dated February 10, 2020 was issued by Factory Inspector against the Promoter and its directors under section 116, 417, 461 of the Delhi Municipal Corporation Act, 1957, summoning the Promoter and its directors to appear before the Magistrate Court, Saket. The matter is currently pending.	Factory Inspector	Pending	Not quantifiable at this stage
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ANY OTHER IMPORTANT INFORMATION PERTAINING TO THE COMPANY: Nil

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the applicable guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Disclosure Document is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Disclosure Document are true and correct.



Place: Mumbai
January 22, 2021

B S R & Co. LLP

Chartered Accountants

14th Floor, Central Wing,
Tower 4, Nesco Center,
Western Express Highway, Goregaon (East),
Mumbai – 400063

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Independent Auditors' Report

To
Board of Directors of
Tata Motors Limited

Report on the audit of the Condensed Standalone Interim Financial Statements

Opinion

We have audited the condensed standalone interim financial statements of Tata Motors Limited (“the Company”), which comprise the condensed standalone balance sheet as at 30 September 2020, the condensed standalone statement of profit and loss (including other comprehensive income), condensed standalone statement of changes in equity and condensed standalone statement of cash flows for the quarter and year-to-date period then ended, and notes to the condensed standalone interim financial statements, including a summary of the significant accounting policies and other selected explanatory information, as required by Indian Accounting Standard (Ind AS) 34 “Interim Financial Reporting” and other accounting principles generally accepted in India and includes two joint operations consolidated on a proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate condensed interim financial statements of one joint operation as was audited by the other auditor, the aforesaid condensed standalone interim financial statements give a true and fair view in conformity with Ind AS 34 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 30 September 2020, and loss and other comprehensive income for the quarter and year-to-date period then ended, changes in equity and its cash flows for the year-to-date period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (“Act”). Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the Condensed Standalone Interim Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the condensed standalone interim financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of the audit report of the other auditor referred to in “Other Matter” paragraph below, is sufficient and appropriate to provide a basis for our opinion on the condensed standalone interim financial statements.



B S R & Co. LLP**Independent Auditors' report (Continued)****Tata Motors Limited****Emphasis of Matter**

We draw your attention to Note 2(c)(ii) to these condensed standalone interim financial statements, which describes the Management's assessment of the impact of COVID -19 pandemic and the resultant lockdowns on the significant uncertainties involved in developing some of the estimates involved in preparation of the condensed standalone interim financial statements including but not limited to its assessment of liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, intangible assets under development and the net realisable values of other assets. Based on information available as of this date, Management believes that no further adjustments are required to the condensed standalone interim financial statements. However, in view of the highly uncertain economic environment impacting the automotive industry, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and the actual results may differ from those estimated as at the date of approval of these condensed standalone interim financial statements.

Our opinion is not modified in respect of the above matter.

Management's Responsibility for the Condensed Standalone Interim Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these condensed standalone interim financial statements that give a true and fair view of the state of affairs, profit/loss and other

comprehensive income, changes in equity and cash flows of the Company including its joint operations, in accordance with Ind AS 34 prescribed under section 133 of the Act and other accounting principles generally accepted in India. The respective Board of Directors of the Company and its joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the condensed standalone interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the preparation of the condensed standalone interim financial statements by the Directors of the Company, as aforesaid.

In preparing the condensed standalone interim financial statements, the respective Management and Board of Directors of the Company and its joint operations are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its joint operations is responsible for overseeing the financial reporting process of each company.



B S R & Co. LLP

Independent Auditors' report (Continued)

Tata Motors Limited

Auditor's Responsibilities for the Audit of the Condensed Standalone Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the condensed standalone interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these condensed standalone interim financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the condensed standalone interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed standalone interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the condensed standalone interim financial statements, including the disclosures, and whether the condensed standalone interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations to express an opinion on the condensed standalone interim financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of the Company and such joint operation. For the other joint operation included in the condensed standalone interim financial statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled "Other Matter" in this audit report.



B S R & Co. LLP

Independent Auditors' report (Continued)

Tata Motors Limited

Auditor's Responsibilities for the Audit of the Condensed Standalone Interim Financial Statements

(continued)

We believe that the audit evidence obtained by us along with the consideration of the audit report of the other auditor referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the condensed standalone interim financial statements.

We communicate with those charged with governance of the Company and such joint operation included in the condensed standalone interim financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

We did not audit the financial statements of one joint operation included in the condensed standalone interim financial statements of the Company, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 7,263.95 crores as at 30 September 2020, total revenue (before consolidation adjustments) of Rs. 2,007.00 crores and Rs. 2,693.52 crores and net profit after tax (before consolidation adjustments) of Rs. 182.79 crores and Rs. 271.22 crores for the quarter ended 30 September 2020 and for the period from 01 April 2020 to 30 September 2020 respectively and net cash inflows (before consolidation adjustments) amounting to Rs. 104.72 crores for the period ended on that date, as considered in the condensed standalone interim financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the condensed standalone interim financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint operation, is based solely on the audit report of the other auditor.

Our opinion on the condensed standalone interim financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration Number: 101248W/W-100022



Yezdi Nagporewalla

Partner

Membership No.: 049265

UDIN: 20049265AAAABG8013

Place: Mumbai

Date: 27 October 2020

TATA MOTORS LIMITED
Condensed Balance Sheet

		(₹ in crores)	
		As at September 30,	As at March 31,
		<u>2020</u>	<u>2020</u>
I. ASSETS	Notes		
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment	3	18,752.40	18,870.67
(b) Capital work-in-progress		1,500.49	1,755.51
(c) Right of use assets	4	685.87	669.58
(d) Goodwill		99.09	99.09
(e) Other intangible assets	5 (a)	6,385.65	5,568.64
(f) Intangible assets under development	5 (b)	1,510.01	2,739.29
(g) Investments in subsidiaries, joint ventures and associates	6	15,127.17	15,182.29
(h) Financial assets			
(i) Investments	7	596.21	548.57
(ii) Loans and advances	9	133.87	138.46
(iii) Other financial assets	11	1,654.33	1,512.96
(i) Non-current tax assets (net)		703.54	727.97
(j) Other non-current assets	13	1,168.95	1,208.08
		<u>48,317.58</u>	<u>49,021.11</u>
(2) CURRENT ASSETS			
(a) Inventories	15	3,837.69	3,831.92
(b) Financial assets			
(i) Investments	8	3,427.58	885.31
(ii) Trade receivables	16	1,815.17	1,978.06
(iii) Cash and cash equivalents	18	593.95	2,145.30
(iv) Bank balances other than (iii) above	19	106.60	1,386.89
(v) Loans and advances	10	238.22	232.14
(vi) Other financial assets	12	596.35	1,546.56
(c) Assets classified as held for sale	41 (a)	199.97	191.07
(d) Other current assets	14	1,361.58	1,371.51
		<u>12,177.11</u>	<u>13,568.76</u>
TOTAL ASSETS		<u>60,494.69</u>	<u>62,589.87</u>
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	20	719.54	719.54
(b) Other equity		14,376.77	17,668.11
		<u>15,096.31</u>	<u>18,387.65</u>
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	21	17,206.08	14,776.51
(ii) Lease liabilities		555.72	522.24
(iii) Other financial liabilities	23	727.21	854.74
(b) Provisions	25	1,670.12	1,769.74
(c) Deferred tax liabilities (net)		207.79	198.59
(d) Other non-current liabilities	27	285.31	269.58
		<u>20,652.23</u>	<u>18,391.40</u>
(2) CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	22	6,637.06	6,121.36
(ii) Lease liabilities		75.67	83.30
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises		96.62	101.56
(b) Total outstanding dues of creditors other than micro and small enterprises		5,986.31	8,000.69
(iv) Acceptances		4,682.17	2,741.69
(v) Other financial liabilities	24	4,303.87	5,976.35
(b) Provisions	26	1,480.97	1,406.75
(c) Current tax liabilities (net)		42.17	31.49
(d) Other current liabilities	28	1,441.31	1,347.63
		<u>24,746.15</u>	<u>25,810.82</u>
TOTAL EQUITY AND LIABILITIES		<u>60,494.69</u>	<u>62,589.87</u>

In terms of our report attached

For and on behalf of the Board

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

P B BALAJI
Group Chief Financial Officer
Place - Mumbai

VEDIKA BHANDARKAR [DIN:00033808]
Audit Committee Chairman
Place - Mumbai

YEZDI NAGPOREWALLA
Partner
Membership No: 049265
UDIN: 20049265AAAAAG8013
Place - Mumbai

H K SETHNA [FCS: 3507]
Company Secretary
Place - Mumbai

GUENTER BUTSCHEK [DIN: 07427375]
CEO & Managing Director
Place - Austria

Date: October 27, 2020

Date: October 27, 2020

TATA MOTORS LIMITED
Condensed Statement of Profit and Loss

Particulars	Notes	Three months ended September 30,		Six months ended
		2020	2019	2020
Revenue from operations				
Revenue	29	9,591.18	9,913.33	12,225.32
Other operating revenue	29	76.92	87.15	129.65
I Total Revenue from operations		9,668.10	10,000.48	12,354.97
II Other Income	30	241.98	361.42	376.31
III Total Income (I+II)		9,910.08	10,361.90	12,731.28
IV Expenses				
(a) Cost of materials consumed		6,107.98	5,530.68	7,281.20
(b) Purchases of products for sale		1,317.20	1,304.17	1,774.42
(c) Changes in inventories of finished goods, work-in-progress and products for sale		(174.86)	644.83	134.70
(d) Employee benefits expense	31	1,058.60	1,067.09	2,025.34
(e) Finance costs	32	634.67	497.92	1,187.47
(f) Foreign exchange (gain)/loss (net)		(35.21)	69.18	(14.28)
(g) Depreciation and amortisation expense		909.92	760.65	1,769.81
(h) Product development/Engineering expenses		176.25	207.01	314.44
(i) Other expenses	33	1,283.21	1,928.47	1,944.94
(j) Amount transferred to capital and other accounts	34	(201.99)	(306.44)	(379.69)
Total Expenses (IV)		11,075.77	11,703.56	16,038.35
V Profit/(loss) before exceptional items and tax (III-IV)		(1,165.69)	(1,341.66)	(3,307.07)
VI. Exceptional items				
(a) Provision for loan given to/investment in subsidiary companies/joint venture		43.75	11.25	92.63
(b) Write off/(reversal) of provision/ impairment of capital work-in-progress and intangibles under development (net)		-	(83.11)	-
(c) Employee separation cost		2.61	0.19	2.61
VII. Profit/(loss) before tax (V-VI)		(1,212.05)	(1,269.99)	(3,402.31)
VIII Tax expense/(credit) (net)				
(a) Current tax		19.28	(2.42)	28.53
(b) Deferred tax		(18.88)	14.40	(27.75)
Total tax expense		0.40	11.98	0.78
IX Profit/(loss) for the period from continuing operations (VII-VIII)		(1,212.45)	(1,281.97)	(3,403.09)
X Other comprehensive income/(loss):				
(A) (i) Items that will not be reclassified to profit and loss:				
(a) Remeasurement losses on defined benefit obligations (net)		(1.46)	(16.79)	(5.91)
(b) Equity instruments fair value through other comprehensive income		16.93	(11.21)	47.64
(ii) Income tax expenses relating to items that will not be reclassified to profit and loss		(3.35)	(7.32)	(0.86)
(B) (i) Items that will be reclassified to profit and loss - gains and (losses) in cash flow hedges		90.65	(54.81)	102.42
(ii) Income tax (expense)/credit relating to items that will be reclassified to profit and loss		(31.68)	19.16	(35.80)
Total other comprehensive income/(loss), net of taxes		71.09	(70.97)	107.49
XI Total comprehensive income/(loss) for the period (IX+X)		(1,141.36)	(1,352.94)	(3,295.60)
XII Earnings/(loss) per share (EPS)	36			
(A) Ordinary shares (face value of ₹ 2 each) :				
(i) Basic		₹ (3.37)	(3.78)	(9.46)
(ii) Diluted		₹ (3.37)	(3.78)	(9.46)
(B) 'A' Ordinary shares (face value of ₹ 2 each) :				
(i) Basic		₹ (3.37)	(3.78)	(9.46)
(ii) Diluted		₹ (3.37)	(3.78)	(9.46)

In terms of our report attached

For and on behalf of the Board

 For **B S R & Co. LLP**
 Chartered Accountants
 Firm's Registration No: 101248W/W-100022

P B BALAJI
 Group Chief Financial Officer
 Place- Mumbai

VEDIKA BHANDARKAR [DIN:00033808]
 Audit Committee Chairman
 Place- Mumbai

YEZDI NAGPOREWALLA
 Partner
 Membership No: 049265
 UDIN: 20049265AAAAAG8013
 Place- Mumbai

H K SETHNA [FCS: 3507]
 Company Secretary
 Place- Mumbai

GUENTER BUTSCHEK [DIN: 07427375]
 CEO & Managing Director
 Place - Austria

Date: October 27, 2020

Date: October 27, 2020

TATA MOTORS LIMITED
Condensed Cash Flow Statement

	(₹ in crores)	
	Six months ended September 30,	
	2020	2019
Cash flows from operating activities:		
Loss for the period	(3,403.09)	(1,379.07)
Adjustments for:		
Depreciation and amortization expense	1,769.81	1,537.70
Allowances/(reversal) for trade and other receivables	28.16	(7.78)
Inventory write down (net)	41.49	67.55
(Profit)/loss on sale of assets (net) (including assets scrapped / written off)	(4.59)	228.71
Write off/(reversal) of impairment of capital work-in-progress and intangibles under development (net)	-	(83.11)
Profit on sale of investments at FVTPL (net)	(25.23)	(14.15)
Marked-to-market loss/(gain) on investments measured at Fair value through profit and loss	(14.06)	0.01
Share-based payments	4.26	5.29
Provision for loan given to/investment in subsidiary companies/joint venture	92.63	19.04
Tax expense	0.78	61.41
Finance costs	1,187.47	937.41
Interest income	(82.00)	(267.63)
Dividend income	(20.45)	(205.37)
Foreign exchange gain (net)	(52.95)	(390.39)
	<u>2,925.32</u>	<u>1,888.69</u>
Cash flows from operating activities before changes in following assets and liabilities	<u>(477.77)</u>	<u>509.62</u>
Trade receivables	150.81	(64.65)
Loans and advances and other financial assets	(78.18)	24.89
Other current and non-current assets	40.38	(84.07)
Inventories	(47.26)	(690.70)
Trade payables and acceptances	(80.50)	(3,540.37)
Other current and non-current liabilities	40.08	(924.54)
Other financial liabilities	(82.12)	441.98
Provisions	9.64	(153.91)
Cash used in operations	<u>(524.92)</u>	<u>(4,481.75)</u>
Income tax refund/(paid) (net)	6.48	(43.28)
Net cash used in operating activities	<u>(518.44)</u>	<u>(4,525.03)</u>
Cash flows from investing activities:		
Payments for property, plant and equipments	(427.92)	(969.41)
Payments for other intangible assets	(426.53)	(866.94)
Proceeds from sale of property, plant and equipments	7.51	16.23
Investments in Mutual Fund (purchased)/sold (net)	(2,502.97)	197.41
Investments in subsidiary companies	-	(467.00)
Purchase of stake in joint venture	(0.02)	-
Loan to subsidiary company	(3.23)	(7.79)
Increase in short term inter corporate deposit (net)	(48.75)	(3.00)
Deposits with financial institution	-	(250.00)
Realisation of deposits with financial institution	750.00	250.00
Deposits/restricted deposits with banks	(307.66)	(447.14)
Realisation of deposits/restricted deposits with banks	1,588.03	526.50
Interest received	93.84	269.05
Dividend received	20.45	204.47
Net cash used in investing activities	<u>(1,257.25)</u>	<u>(1,547.62)</u>
Cash flows from financing activities		
Proceeds from long-term borrowings (net of issue expenses)	4,062.61	1,500.00
Repayment of long-term borrowings	(3,061.32)	(574.26)
Proceeds/(payment) from Option Settlement of long term borrowings (net)	82.93	143.71
Proceeds from short-term borrowings	3,870.94	5,904.59
Repayment of short-term borrowings	(3,077.41)	(2,987.47)
Net change in other short-term borrowings (with maturity up to three months)	(359.77)	3,654.56
Repayment of lease liabilities (including interest)	(105.24)	(94.72)
Dividend paid	-	(0.07)
Interest paid [including discounting charges paid, ₹147.52 crores (September 30, 2019 ₹204.79 crores)]	(1,190.95)	(1,080.24)
Net cash from financing activities	<u>221.79</u>	<u>6,466.10</u>
Net increase/(decrease) in cash and cash equivalents	<u>(1,553.90)</u>	<u>393.45</u>
Cash and cash equivalents as at April 1, (opening balance)	2,145.30	487.40
Effect of foreign exchange on cash and cash equivalents	2.55	17.83
Cash and cash equivalents as at September 30, (closing balance)	<u>593.95</u>	<u>898.68</u>
Non-cash transactions:		
Liability towards property, plant and equipment and other intangible assets purchased on credit/deferred credit	347.92	490.76
Increase / (decrease) in liabilities arising from financing activities on account of non-cash transactions :		
Exchange differences	(145.51)	140.28
Amortization / effective interest rate adjustments of borrowings	97.28	49.13

In terms of our report attached

For and on behalf of the Board

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

VEDIKA BHANDARKAR [DIN:00033808]
Audit Committee Chairman
Place- Mumbai

YEZDI NAGPOREWALLA
Partner
Membership No: 049265
UDIN: 20049265AAAABG8013
Place- Mumbai

H K SETHNA [FCS: 3507]
Company Secretary
Place- Mumbai

GUENTER BUTSCHEK [DIN: 07427375]
CEO & Managing Director
Place - Austria

Date: October 27, 2020

Date: October 27, 2020

B S R & Co. LLP

Chartered Accountants

14th Floor, Central Wing,
Tower 4, Nesco Center,
Western Express Highway, Goregaon (East),
Mumbai – 400063

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Report on Review of Condensed Consolidated Interim Financial Statements

To the Board of Directors of Tata Motors Limited

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Tata Motors Limited (“the Holding Company”), its subsidiaries (together referred to as ‘the Group’), its associates and its joint ventures, which comprise the condensed consolidated balance sheet as at 30 September 2020, the condensed consolidated statement of profit and loss (including other comprehensive income), the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the quarter and year to date period then ended and a summary of the significant accounting policies and other selected explanatory information (herein after referred to as “condensed consolidated interim financial statements”). The Holding Company’s Board of Directors is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with the accounting principles generally accepted in India, including the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) 34, Interim Financial Reporting as specified under section 133 of the Companies Act, 2013 (“the Act”) read with relevant rules issued thereunder. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above and based on the consideration of reports of the other auditors and based on the unaudited interim financial information of subsidiaries, step-down subsidiaries, associates and joint ventures, referred to below in the Other Matters paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material aspects, in accordance with Ind AS 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

B S R & Co. LLP

Tata Motors Limited

Review Report – 30 September 2020 (Continued)

Emphasis of Matter

1. We draw your attention to Note 2 (iii) to the condensed consolidated interim financial statements, which describes the Management's assessment of COVID-19 pandemic and the resultant lockdowns on the significant uncertainties involved in developing some of the estimates involved in preparation of the condensed consolidated interim financial statements including but not limited to its assessment of the Group's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, intangible assets under development, allowance for loan losses for the Group's vehicle financing business and the net realisable values of other assets. Based on information available as of this date, Management believes that no further adjustments are required to the condensed consolidated interim financial statements. However, in view of the highly uncertain economic environment impacting the global automotive industry, a definitive assessment of impact is highly dependent upon circumstances as they evolve in future and the actual results may differ from those estimated as at the date of approval of these condensed consolidated interim financial statements. Our conclusion is not modified in respect of this matter.

Other Matters

1. We did not review the condensed interim financial statement of one joint operation included in the condensed standalone interim financial statements of the Holding Company, whose condensed interim financial statements reflect total assets (before consolidation adjustments) of Rs. 7,263.95 crores as at 30 September 2020, and total revenues (before consolidation adjustments) of Rs. 2,007.00 and Rs 2,693.52 crores, total net profit after tax (before consolidation adjustments) of Rs. 182.79 crores and Rs 271.22 crores, total comprehensive income (before consolidation adjustments) of Rs. 184.40 crores and Rs 272.11 crores for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020, respectively, and cash inflows (before consolidation adjustment) of Rs. 104.72 crores for the period from 1 April 2020 to 30 September 2020, as considered in the condensed standalone interim financial statements of the Holding Company. This condensed interim financial statement has been audited by other auditor whose report has been furnished to us by the management and our report on the condensed consolidated interim financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint operation, is based solely on the report of the other auditor.
2. We did not review the interim financial statements of one subsidiary and 71 step-down subsidiaries included in the condensed consolidated interim financial statements, whose interim financial statements reflect total assets (before consolidation adjustment) of Rs. 218,772.76 crores as at 30 September 2020, and total revenues (before consolidation adjustments) of Rs. 42,048.76 crores, total net profit after tax (before consolidation adjustments) of Rs. 995.11 crores, total comprehensive income (before consolidation adjustments) of Rs. 3,624.76 crores for the quarter ended 30 September 2020 and total revenues (before consolidation adjustments) of Rs. 69,765.16 crores, total net loss after tax (before consolidation adjustments) of Rs. 5,217.86 crores, total comprehensive loss (before consolidation adjustments) of Rs. 10,010.60 crores for the period 1 April 2020 to 30 September 2020, and cash inflows (net) (before consolidation adjustments) of Rs. 4,275.32 crores for the period from 1 April 2020 to 30 September 2020, as considered in the condensed consolidated interim financial statements. The condensed consolidated interim financial statements also include the Group's share of net profit after tax (net) of Rs. 27.32 crores and Rs 30.24 crores and the Group's share of total comprehensive income (net) of Rs. 27.32 crores and Rs 30.24 crores for the quarter ended 30 September 2020 and for the period 1 April 2020 to 30 September 2020, respectively, in respect of four associates and one joint venture whose interim financial statements have been reviewed by other auditors. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the management and our report on the condensed consolidated interim financial statements, in so far as it relates to the amounts and disclosures included in respect of these step-down subsidiaries, associates and joint venture, is based solely on the reports of the other auditors.

B S R & Co. LLP**Tata Motors Limited****Review Report – 30 September 2020 (Continued)****Other Matters (Continued)**

Of the 71 step-down subsidiaries referred to above, the interim financial statements of two step-down subsidiaries which are located outside India have been prepared under the generally accepted accounting principles ('GAAPs') applicable in their respective countries and which have been reviewed by the respective auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted these interim financial statements from accounting principles generally accepted in their respective countries to Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion in so far as it relates to such step-down subsidiaries located outside India is based on the reports of other auditors under the aforementioned GAAPs in respective countries and the aforesaid conversion adjustments prepared by the Holding Company's management and reviewed by us.

3. The condensed consolidated interim financial statements include the financial information of seven subsidiaries and thirteen step-down subsidiaries which have not been reviewed by their auditors and are based solely on the management certified accounts, whose interim financial information reflect total assets (before consolidation adjustments) of Rs. 1,185.71 crores as at 30 September 2020, and total revenues (before consolidation adjustments) of Rs. 170.26 crores and Rs 234.17 crores, total net loss after tax (net) (before consolidation adjustments) of Rs. 29.34 crores and Rs 64.98 crores, total comprehensive loss (net) (before consolidation adjustments) of Rs. 29.28 crores and Rs 65.16 crores for the quarter ended 30 September 2020 and for the period 1 April 2020 to 30 September 2020, respectively, and cash inflows (net) of Rs. 33.00 crores for the period 1 April 2020 to 30 September 2020, as considered in the condensed consolidated interim financial statements. The condensed consolidated interim financial statements also include the Group's share of net profit after tax of Rs. 11.46 crores and the Group's share of total comprehensive income of Rs. 13.50 crores for the quarter ended 30 September 2020 and net loss after tax of Rs. 47.79 crores and total comprehensive loss of Rs. 49.71 crores for the period from 1 April 2020 to 30 September 2020, as considered in the condensed consolidated interim financial statements, in respect of four associates and two joint ventures which have not been reviewed by their auditors and are based solely on the management certified accounts. Our report on the condensed consolidated interim financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, step-down subsidiaries, associates and joint ventures are based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group.



BSR & Co. LLP

Tata Motors Limited

Review Report – 30 September 2020 (Continued)

Other Matters (Continued)

4. Our conclusion on the condensed consolidated interim financial statements, is not modified in respect of the above matters relating to our reliance on the reports of other auditors and the financial information certified by the management.

For BSR & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022



Mumbai
27 October 2020

Yezdi Nagporewalla
Partner
Membership No: 049265
UDIN:20049265AAAABH7389

TATA MOTORS LIMITED
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

(₹ in crores)

	Notes	As at September 30, 2020	As at March 31, 2020
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	76,265.85	77,882.83
(b) Capital work-in-progress		10,405.81	8,599.56
(c) Right of use assets	4	6,095.61	6,275.34
(d) Goodwill		777.70	777.06
(e) Other intangible assets	5 (a)	44,251.38	42,171.91
(f) Intangible assets under development	5 (b)	24,697.53	27,022.73
(g) Investment in equity accounted investees		4,438.32	4,418.89
(h) Financial assets:			
(i) Other investments	6	957.12	1,028.05
(ii) Finance receivables	14	20,213.66	16,833.77
(iii) Loans and advances	8	1,044.98	782.78
(iv) Other financial assets	9	5,218.23	4,749.57
(i) Deferred tax assets (net)		4,891.72	5,457.90
(j) Non-current tax assets (net)		1,061.52	1,152.05
(k) Other non-current assets	16	1,824.81	5,381.57
		<u>202,144.24</u>	<u>202,534.01</u>
(2) Current assets			
(a) Inventories	10	33,417.30	37,456.88
(b) Financial assets:			
(i) Other investments	7	15,067.74	10,861.54
(ii) Trade receivables	11	9,751.80	11,172.69
(iii) Cash and cash equivalents	12	20,671.30	18,467.80
(iv) Bank balances other than (iii) above	13	3,537.31	15,259.17
(v) Finance receivables	14	12,342.26	14,245.30
(vi) Loans and advances	8	1,252.32	935.25
(vii) Other financial assets	9	3,291.06	4,586.48
(c) Current tax assets (net)		318.70	142.80
(d) Assets classified as held-for-sale		199.97	194.43
(e) Other current assets	17	6,160.14	6,264.91
		<u>106,009.90</u>	<u>119,587.25</u>
TOTAL ASSETS		<u><u>308,154.14</u></u>	<u><u>322,121.26</u></u>
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	719.54	719.54
(b) Other equity		49,855.66	62,358.99
Equity attributable to owners of Tata Motors Ltd		50,575.20	63,078.53
Non-controlling interests		1,461.77	813.56
		<u>52,036.97</u>	<u>63,892.09</u>
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities:			
(i) Borrowings	19	85,333.37	83,315.62
(ii) Lease liabilities		5,139.63	5,162.94
(iii) Other financial liabilities	21	1,736.33	3,858.48
(b) Provisions	23	13,516.12	14,736.69
(c) Deferred tax liabilities (net)		1,108.75	1,941.87
(d) Other non-current liabilities	24	13,653.06	8,759.52
		<u>120,487.26</u>	<u>117,775.12</u>
(2) Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	20	24,139.79	16,362.53
(ii) Lease liabilities		761.16	814.18
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises		101.87	109.75
(b) Total outstanding dues of creditors other than micro and small enterprises		53,043.42	63,517.13
(iv) Acceptances		4,683.47	2,771.33
(v) Other financial liabilities	22	32,212.63	36,544.00
(b) Provisions	23	10,244.60	10,329.04
(c) Current tax liabilities (net)		1,047.88	1,040.14
(d) Other current liabilities	25	9,395.09	8,965.95
		<u>135,629.91</u>	<u>140,454.05</u>
TOTAL EQUITY AND LIABILITIES		<u><u>308,154.14</u></u>	<u><u>322,121.26</u></u>

In terms of our report attached

For and on behalf of the Board

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

VEDIKA BHANDARKAR [DIN:00033808]
Audit Committee Chairman
Place- Mumbai

YEZDI NAGPOREWALLA
Partner
Membership No: 049265
UDIN: 20049265AAAABG8013
Place- Mumbai

H K SETHNA [FCS: 3507]
Company Secretary
Place- Mumbai

GUENTER BUTSCHEK [DIN: 07427375]
CEO & Managing Director
Place- Austria

Date: October 27, 2020

Date: October 27, 2020

TATA MOTORS LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in crores)

Particulars	Notes	For Three months ended September 30,		For Six months ended September 30,	
		2020	2019	2020	2019
I. Revenue from operations	26				
(a) Revenue		52,839.02	64,763.39	84,320.88	125,593.55
(b) Other Operating Revenues		690.98	668.56	1,192.18	1,305.39
Total revenue from operations		53,530.00	65,431.95	85,513.06	126,898.94
II. Other income (includes Government grants)	27	633.22	672.56	1,239.75	1,508.55
III. Total Income (I+II)		54,163.22	66,104.51	86,752.81	128,407.49
IV. Expenses:					
(a) Cost of materials consumed					
(i) Cost of materials consumed		34,007.00	36,403.07	43,948.51	75,809.75
(ii) Basis adjustment on hedge accounted derivatives		(20.69)	(348.85)	(45.83)	(424.43)
(b) Purchase of products for sale		3,085.74	3,049.31	4,810.66	6,138.12
(c) Changes in inventories of finished goods, work-in-progress and products for sale		(3,604.72)	1,023.99	4,675.23	(1,620.46)
(d) Employee benefits expense	28	6,408.99	7,283.01	12,103.25	15,002.58
(e) Finance costs	29	1,949.60	1,835.36	3,826.41	3,546.93
(f) Foreign exchange (gain)/loss (net)		(432.99)	115.98	(480.13)	253.51
(g) Depreciation and amortisation expense		5,601.47	5,299.57	11,200.84	10,411.29
(h) Product development/Engineering expenses		1,011.18	1,098.72	2,106.10	1,892.72
(i) Other expenses	30	10,186.52	14,140.18	17,629.25	28,429.59
(j) Amount transferred to capital and other account		(3,209.33)	(4,377.97)	(6,014.98)	(8,484.89)
Total Expenses (IV)		54,982.77	65,522.37	93,759.31	130,954.71
V. Profit/ (Loss) before exceptional items and tax (III-IV)		(819.55)	582.14	(7,006.50)	(2,547.22)
VI. Exceptional Items:					
(a) Employee separation cost		2.61	86.58	2.61	195.40
(b) Provision/write off/(reversal)(net) of impairment of capital work-in-progress and intangibles under development (net)		-	(83.11)	-	(83.11)
(c) Reversal for cost of closure of operation of a subsidiary		(7.49)	(51.31)	(10.71)	(51.31)
(d) Provision for loan given to a Joint venture		-	8.75	-	8.75
VII. Profit/(Loss) before tax (V-VI)		(814.67)	621.23	(6,998.40)	(2,616.95)
VIII. Tax expense reversal /(credit) (net):					
(a) Current tax (including Minimum Alternate Tax)		750.15	274.82	876.26	714.71
(b) Deferred tax		(1,221.54)	170.65	852.84	(73.17)
Total tax expense/(credit) (net)		(471.39)	445.47	1,729.10	641.54
Profit/(loss) for the period from continuing operations (VII-VIII)		(343.28)	175.76	(8,727.50)	(3,258.49)
X. Share of profit/(loss) of joint ventures and associates (net)		36.02	(363.46)	(23.74)	(608.87)
XI. Profit/(loss) for the period (IX+X)		(307.26)	(187.70)	(8,751.24)	(3,867.36)
Attributable to:					
(a) Shareholders of the Company		(314.45)	(216.56)	(8,752.44)	(3,914.90)
(b) Non-controlling interests		7.19	28.86	1.20	47.54
XII. Other comprehensive income/(loss):					
(A) (i) Items that will not be reclassified to profit or loss:					
(a) Remeasurement gains and (losses) on defined benefit obligations (net)		(188.21)	(1,386.38)	(9,012.05)	(1,795.31)
(b) Equity instruments at fair value through other comprehensive income (net)		28.28	(9.76)	62.64	(19.22)
(c) Share of other comprehensive income in equity accounted investees (net)		(0.01)	(5.85)	(3.83)	(5.59)
(d) Gains and (losses) in cash flow hedges of forecast inventory purchases		-	-	-	-
(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		32.58	226.67	1,710.43	299.04
(B) (i) Items that will be reclassified to profit or loss:					
(a) Exchange differences in translating the financial statements of foreign operations		961.84	(239.33)	915.58	(1,631.95)
(b) Gains and (losses) in cash flow hedges (including forecast inventory purchases) (refer note 36(c))		3,527.35	(743.71)	3,184.44	(126.63)
(c) Gains and (losses) on finance receivables held at fair value through other comprehensive income		(51.61)	39.74	(6.43)	39.74
(d) Share of other comprehensive income in equity accounted investees (net)		64.05	(5.38)	41.53	(142.33)
(ii) Income tax (expense)/credit relating to items that will be reclassified to profit or loss		(669.00)	104.93	(626.64)	(35.03)
Total other comprehensive income/(loss) for the period (net of tax)		3,705.27	(2,019.07)	(3,734.33)	(3,417.28)
Attributable to:					
(a) Shareholders of the Company		3,703.38	(2,017.83)	(3,734.84)	(3,409.01)
(b) Non-controlling interests		1.89	(1.24)	0.51	(8.27)
XIII. Total comprehensive income/(loss) for the period (net of tax) (XI+XII)		3,398.01	(2,206.77)	(12,485.57)	(7,284.64)
Attributable to:					
(a) Shareholders of the Company		3,388.93	(2,234.39)	(12,487.28)	(7,323.91)
(b) Non-controlling interests		9.08	27.62	1.71	39.27
XIV. Earnings/(loss) per equity share (EPS)	34				
(a) Ordinary shares (face value of ₹2 each):					
(i) Basic EPS	₹	(0.87)	(0.64)	(24.33)	(11.53)
(ii) Diluted EPS	₹	(0.87)	(0.64)	(24.33)	(11.53)
(b) 'A' Ordinary shares (face value of ₹2 each):					
(i) Basic EPS	₹	(0.87)	(0.64)	(24.33)	(11.53)
(ii) Diluted EPS	₹	(0.87)	(0.64)	(24.33)	(11.53)

In terms of our report attached

For and on behalf of the Board

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

VEDIKA BHANDARKAR [DIN:00033808]
Audit Committee Chairman
Place- Mumbai

YEZDI NAGPOREWALLA
Partner
Membership No: 049265
UDIN: 20049265AAAAABG8013
Place- Mumbai

H K SETHNA [FCS: 3507]
Company Secretary
Place- Mumbai

GUENTER BUTSCHEK [DIN: 07427375]
CEO & Managing Director
Place- Austria

Date: October 27, 2020

Date: October 27, 2020

TATA MOTORS LIMITED
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(₹ in crores)

	For six months ended September 30,	
	2020	2019
Cash flows from operating activities:		
Profit/(Loss) for the year	(8,751.24)	(3,867.36)
Adjustments for:		
Depreciation and amortisation expense	11,200.84	10,411.29
Allowances for finance receivables	355.95	339.24
(Reversal)/provision for trade and other receivables	(23.54)	30.30
Inventory write-down	453.49	268.95
Employee separation cost	-	114.50
Accrual for share-based payments	4.26	5.29
Provision/(reversal) for impairment of capital work in progress and intangibles under development	-	(83.11)
Reversal of costs of closure of operations of a subsidiary company	(10.71)	(51.31)
Provision for loan given to a joint venture	-	8.75
(Gain) /Loss on marked-to-market investments measured at fair value through profit or loss	(75.25)	196.10
(Profit) /Loss on sale of assets (including assets scrapped/written off) (net)	315.02	415.72
Profit on sale of investments (net)	(76.61)	(74.71)
Share of (profit)/loss of joint ventures and associates (net)	23.74	608.87
Tax expense (net)	1,729.10	641.54
Finance costs	3,826.41	3,546.93
Interest income	(245.85)	(591.32)
Dividend income	(19.77)	(20.89)
Foreign exchange loss (net)	(601.76)	(645.70)
Cash flows from operating activities before changes in following assets and liabilities	8,104.08	11,253.08
Finance receivables	(1,839.22)	1,960.91
Trade receivables	1,595.27	3,556.40
Loans and advances and other financial assets	(697.39)	144.34
Other current and non-current assets	3,713.19	(593.44)
Inventories	4,045.21	(1,759.91)
Trade payables and acceptances	(9,440.13)	(7,798.27)
Other current and non-current liabilities	(3,911.12)	266.07
Other financial liabilities	(837.20)	680.37
Provisions	(1,594.08)	(1,412.12)
Cash generated from/(used in) operations	(861.39)	6,297.43
Income tax paid (net)	(903.01)	(702.42)
Net cash from/(used in) operating activities	(1,764.40)	5,595.01
Cash flows from investing activities:		
Payments for property, plant and equipment	(4,692.87)	(6,810.62)
Payments for other intangible assets	(4,418.45)	(7,719.28)
Proceeds from sale of property, plant and equipment	29.48	19.10
Investments in mutual fund (purchased)/sold (net)	(4,473.93)	2,882.08
Investment in equity accounted investees	-	(1.70)
Acquisition of subsidiary company	(0.02)	-
Investments - others	(1.95)	(45.66)
Proceeds from redemption/sale of investment in other companies	204.76	5.28
Interest received	232.65	561.71
Dividend received	19.77	19.75
Dividend received from equity accounted investees	1.51	14.26
Deposit with financial institution	-	(250.00)
Realisation of deposit with financial institution	750.00	250.00
Deposits/restricted deposits with banks	(15,474.70)	(12,626.20)
Realisation of deposits/restricted deposits with banks	27,555.76	13,657.67
(Increase) / decrease in short term Inter-corporate deposits	-	(6.67)
Net cash from/(used in) investing activities	(267.99)	(10,050.28)

TATA MOTORS LIMITED
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(₹ in crores)

	Six months ended September 30,	
	2020	2019
Cash flows from financing activities:		
Proceeds from long-term borrowings	10,103.34	7,264.48
Repayment of long-term borrowings	(9,424.38)	(3,247.22)
Proceeds from option settlement of long term borrowings (net)	82.93	143.71
Proceeds from short-term borrowings	14,673.00	6,228.35
Repayment of short-term borrowings	(6,358.11)	(16,339.85)
Net change in other short-term borrowings (with maturity up to three months)	(562.51)	11,582.12
Repayment of lease liability (including interest)	(735.46)	(653.09)
Dividend paid to non-controlling interests shareholders of subsidiaries (including dividend distribution tax)	-	(46.38)
Distribution to minority	(11.50)	-
Proceeds from Issuance of perpetual instrument classified as equity by a subsidiary	642.11	-
Interest paid [including discounting charges paid ₹600.59 crores (September 30, 2019 ₹641.61 crores)]	(4,222.30)	(3,614.88)
Net cash from financing activities	4,187.12	1,317.24
Net increase/(decrease) in cash and cash equivalents	2,154.73	(3,138.03)
Cash and cash equivalents as at April 01, (opening balance)	18,467.80	21,559.80
Effect of foreign exchange on cash and cash equivalents	48.77	(71.77)
Cash and cash equivalents as at September 30, (closing balance)	20,671.30	18,350.00
Non-cash transactions:		
Liability towards property, plant and equipment and intangible asests purchased on credit/deferred credit	6,033.30	6,398.71
Increase/(decrease) in liabilities arising from financing activities on account of non-cash transactions:		
Exchange differences	309.00	304.45
Amortisation of prepaid discounting charges	(96.87)	(60.28)

In terms of our report attached

For and on behalf of the Board

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

VEDIKA BHANDARKAR [DIN:00033808]
Audit Committee Chairman
Place- Mumbai

YEZDI NAGPOREWALLA
Partner
Membership No: 049265
UDIN: 20049265AAAABG8013
Place- Mumbai

H K SETHNA [FCS: 3507]
Company Secretary
Place- Mumbai

GUENTER BUTSCHEK [DIN: 07427375]
CEO & Managing Director
Place - Austria

Date: October 27, 2020

Date: October 27, 2020

TML BUSINESS ANALYTICS SERVICES LIMITED
UNAUDITED BALANCE SHEET AS ON SEPTEMBER 30, 2020

Particulars	Amount (₹ in Lakhs)
Liabilities	
Equity Share Capital	15.00
TOTAL	15.00
Assets	
Bank balance (towards subscription of 150,000 equity shares of ₹ 10 each)	15.00
TOTAL	15.00

For and on behalf of the Board

Shyam Mani
Director
(DIN: 00273598)

Vijay Somaiya
Director
(DIN: 03185227)

Smriti Goyal
Director
(DIN: 08488684)

Date: November 12, 2020
Place: Mumbai

Pre and post Scheme capital structure of Tata Motors Limited ('the Transferor Company')

A. The capital structure of the Transferor Company as on September 30, 2020 is as under:

Authorised Share Capital	Amount in ₹	Amount in ₹
4,000,000,000 Ordinary Shares of ₹2/- each	8,000,000,000	
1,000,000,000 'A' Ordinary Shares of ₹2/- each	2,000,000,000	
300,000,000 Convertible Cumulative Preference Shares of ₹100/- each	30,000,000,000	
Total		40,000,000,000
Issued Capital		
3,089,466,453 Ordinary Shares of ₹2/- each	6,178,932,906	
508,736,110 'A' Ordinary Shares of ₹2/- each	1,017,472,220	
Total		7,196,405,126
Subscribed Capital		
3,088,973,894 Ordinary Shares of ₹2/- each	6,177,947,788	
508,502,896 'A' Ordinary Shares of ₹2/- each	1,017,005,792	
Total		7,194,953,580
Paid-up Capital		
3,088,973,894 Ordinary Shares of ₹2/- each	6,177,947,788	
Less: Calls in arrears:		
i) 310 Ordinary Shares of ₹2/- each (₹1/- outstanding on each)	310	
ii) 260 Ordinary Shares of ₹2/- each (₹0.50/- outstanding on each)	130	
(310+260) = 570 Shares	(310+130)=440	
	6,177,947,348	
Add: Share Forfeiture		
iii) Paid up value of partly paid Ordinary Shares which had been forfeited in 1998-99 and 1999-2000 due to non-receipt of call monies.	477,945	
Ordinary Shares of ₹2/- each		6,178,425,293
508,502,896 'A' Ordinary Shares of ₹2/- each		1,017,005,792
Grand Total		7,195,431,085

B. There would be no change in the said capital structure of the Transferor Company solely pursuant to the Scheme coming into effect.

Pre and post shareholding pattern of the Transferor Company

C. The shareholding pattern of the Transferor Company as on September 30, 2020 is as under:

Sr. No.	Category of Shareholder(s)	Ordinary Shares		'A' Ordinary Shares		**Voting Rights	
		No. of Shares	Share holding %	No. of Shares	No. of Shares	Share holding %	%
(A)	Promoters & Promoter Group						
(1)	Indian						
(a)	Individuals/Hindu Undivided Family	0	0	0	0	0	0
(b)	Central Government /State Government(s)	0	0	0	0	0	0
(c)	Financial Institutions/Bank(s)	0	0	0	0	0	0
(d)	Any other (specify)	0	0	0	0	0	0
	(i) Bodies Corporate	1,30,95,51,138	42.39	3,68,00,118	7.24	1,313,231,149	41.83
	Sub-Total (A)(1)	1,30,95,51,138	42.39	3,68,00,118	7.24	1,313,231,149	41.83
(2)	Foreign						
(a)	Individuals (Non - Resident Individuals /Foreign Individuals)	0	0	0	0	0	0
(b)	Government	0	0	0	0	0	0

(c)	Institutions	0	0	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	1,30,95,51,138	42.39	3,68,00,118	7.24	1,313,231,149	41.83
(B)	Public Shareholding						
(1)	Institutions						
(a)	Mutual Funds/UTI	1,73,058,881	5.60	12,33,38,826	24.26	185,392,759	5.90
(b)	Venture Capital Funds	0	0	0	0	0	0
(c)	Alternate Investment Funds	328,769	0.01	14,01,402	0.28	468,909	0.01
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0
(e)	Foreign Portfolio Investors	48,91,39,770	15.84	12,77,79,557	25.13	501,917,693	15.99
(f)	Financial Institutions/Banks	44,74,639	0.14	30,05,583	0.59	4,775,196	0.15
(g)	Insurance Companies	20,49,44,479	6.63	27,52,225	0.54	205,219,699	6.54
(h)	Provident Funds/Pension Funds	2,07,71,902	0.67	0	0	2,07,71,902	0.66
(i)	Any Other (specify)	0	0	0	0	0	0
	Sub-Total (B)(1)	89,27,18,440	28.90	25,82,77,593	50.79	918,546,158	29.26
(2)	Central Government/State Government(s)/ President of India	49,44,144	0.16	2,49,70,901	4.91	7,441,233	0.24
	Sub-Total (B)(2)	49,44,144	0.16	2,49,70,901	4.91	7,441,233	0.24
(3)	Non-Institutions						
(a)	Individuals						
	i) Individual Shareholders holding nominal share capital upto ₹2 lakh	42,80,65,397	13.86	11,85,49,399	23.31	439,887,009	14.01
	ii) Individual Shareholders holding nominal share capital in excess of ₹2 lakh	5,71,24,745	1.85	3,59,09,636	7.06	60,715,694	1.93
(b)	NBFCs registered with RBI	16,931	0.00	6,770	0.00	17,608	0.00
(c)	Employees Trusts	0	0	0	0	0	0
(d)	Overseas Depositories (holding DRs) (balancing figure)	*32,27,50,975	10.45	0	0	322,750,975	10.28
(d)	Any Other (specify)	7,38,02,124	2.39	3,39,88,479	6.68	77,199,783	2.46
	i) Bodies Corporates	1,66,39,119	0.54	95,80,648	1.88	17,597,066	0.56
	ii) Clearing Members	1,17,77,799	0.38	93,91,922	1.85	12,716,926	0.41
	iii) Limited Liability Partnership - LLP	11,25,702	0.04	10,98,883	0.22	1,235,577	0.04
	iv) HUF	1,14,88,771	0.37	61,74,571	1.21	12,105,688	0.39
	v) Trusts	28,45,179	0.09	1,93,681	0.04	2,864,540	0.09
	vi) IEPF Suspense- A/c	45,51,515	0.15	9,810	0.00	4,552,496	0.14
	vii) Non Resident Individuals	2,50,51,895	0.81	75,38,964	1.48	25,805,346	0.82
	viii) Director or Director's Relatives	2,00,000	0.01	0	0	2,00,000	0.01
	ix) Foreign Bodies - DR	1,22,144	0.00	0	0	122,144	0.00
	Sub Total (B)(3)	88,17,60,172	28.55	18,84,54,284	37.06	900,571,069	28.68
	Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)	1,77,94,22,756	57.61	47,17,02,778	92.76	182,65,58,460	58.17
	Total (A)+(B)	3,08,89,73,894	100.00	50,85,02,896	100.00	3,139,789,609	100.00
(C)	Shares held by custodians against which DRs are issued (GDR)	0	0	0	0	0	0
	Total (A)+(B)+(C)	3,08,89,73,894	100.00	50,85,02,896	100.00	3,139,789,609	100.00

*No. of shares underlying depository receipts

** The voting rights on the Ordinary Shares shall be in the same proportion to the paid up ordinary share capital and in case of voting rights on the 'A' Ordinary shares, the holder shall be entitled to one vote for every ten 'A' Ordinary Shares held as per the terms of its issue.

D. There would be no change in the shareholding pattern of the Transferor Company solely pursuant to the Scheme coming into effect.

Pre and post Scheme capital structure of TML Business Analytics Services Limited ('the Transferee Company')

A. The capital structure of the Transferee Company as on September 30, 2020 is as under:

Particulars	Amount in ₹
Authorised Share Capital	
150,000 equity shares of ₹10 each	1,500,000
Total	1,500,000
Issued, Subscribed and Paid-up Capital	
150,000 equity shares of ₹10 each	1,500,000
Total	1,500,000

B. The expected capital structure of the Transferee Company post the Scheme becoming effective is as under:

Particulars	Amount in ₹
Authorised Share Capital	
20,00,00,00,000 equity shares of ₹10 each	200,00,00,00,000
Total	200,00,00,00,000
Issued, Subscribed and Paid-up Capital	
9,41,71,50,000 equity shares of ₹10 each	94,17,15,00,000
Total	94,17,15,00,000

Pre and post shareholding pattern of the Transferee Company

C. The shareholding pattern of the Transferee Company as on September 30, 2020 is as under:

Name of Shareholder	No. of Shares held
Promoter:	
TML Business Services Limited [formerly known as Concorde Motors (India) Limited]	149,994
Others:	
Mr Pathamadai Balachandran Balaji*	1
Mr Girish Arun Wagh*	1
Mr Hoshang Keki Sethna*	1
Mr Asim Kumar Mukhopadhyay*	1
Mr Vispi Sarosh Patel*	1
Mr Ashokkumar Bholanath Koyari*	1
Total	150,000

* Nominee of TML Business Services Limited

D. The shareholding pattern of the Transferee Company post the Scheme becoming effective is as under:

Name of Shareholder	No. of Shares held
Promoters:	
TML Business Services Limited [formerly known as Concorde Motors (India) Limited]	149,994
Tata Motors Limited	9,41,70,00,000
Others:	
Mr Pathamadai Balachandran Balaji*	1
Mr Girish Arun Wagh*	1
Mr Hoshang Keki Sethna*	1
Mr Asim Kumar Mukhopadhyay*	1
Mr Vispi Sarosh Patel*	1
Mr Ashokkumar Bholanath Koyari*	1
Total	94,17,15,00,000

* Nominee of TML Business Services Limited



TATA TATA MOTORS LIMITED

Corporate Identification No. (CIN) - L28920MH1945PLC004520

Registered Office: Bombay House, 24 Homi Mody Street, Mumbai - 400 001

Tel: +91 22 6665 8282 E-mail: inv_rel@tatamotors.com Website: www.tatamotors.com

POSTAL BALLOT FORM

The last date for receipt of postal ballot is March 4, 2021

Serial No. _____

1. Name & Registered Address :
of the sole / first named member

2. Name(s) of the Joint Holder(s), :
if any

3. Registered Folio Number / :
DP ID No and Client ID No.*
*(Applicable to members holding shares in dematerialized form)

4. Number of Share(s) held: a) Ordinary _____; b) 'A' Ordinary _____

5. I/We hereby exercise my/our vote(s) in respect of Resolution as detailed in the Notice dated January 22, 2021 convening Meeting of the Equity Shareholders of Tata Motors Limited, as directed by the Hon'ble National Company Law Tribunal, Mumbai Bench on Friday, March 5, 2021 at 3:30 p.m. through video conferencing or other audio visual means by sending my/our assent or dissent to the said Resolution by placing a tick mark (✓) in the appropriate box below:

Description of Resolution	No. of Shares for which votes cast		I/We assent to the Resolution (FOR)	I/We dissent from the Resolution (AGAINST)
	Ordinary Shares	'A' Ordinary Shares		
Resolution for approving the Scheme of Arrangement between Tata Motors Limited ('Transferor Company' or 'Company') and TML Business Analytics Services Limited ('Transferee Company') and their respective shareholders under Sections 230-232 of the Companies Act, 2013.	Ordinary Shares			
	'A' Ordinary Shares			

Place:

Date:

(Signature of Member)

Note: Please read the instructions printed overleaf carefully before exercising your vote.

INSTRUCTIONS

1. GENERAL INFORMATION

- a) In view of the present circumstances on account of the COVID-19 pandemic, the Postal Ballot Form in loose-leaf is not being provided in hard copy and is being sent through e-mail.
- b) The Mumbai Bench of the National Company Law Tribunal ('NCLT'), vide its order dated January 4, 2021 and corrigendum dated January 13, 2021 to the said order ('Order') has directed that a Meeting of the Equity Shareholders of the Company shall be convened and held through video conferencing/other audio visual means on Friday, March 5, 2021 at 3:30 p.m. IST for the purpose of considering, and if thought fit, approving, the arrangement embodied in the Scheme of Arrangement between Tata Motors Limited ('Company') and TML Business Analytics Services Limited and their respective shareholders.

- c) In compliance with the provisions of Sections 108, 110 and 230(4) of the Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014; Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; Secretarial Standard-2 on General Meetings; applicable Securities and Exchange Board of India Circulars and Ministry of Corporate Affairs Circulars and pursuant to the Order, the Company is providing the facility of voting by postal ballot and remote e-voting (prior to and during the Meeting) so as to enable the equity shareholders to consider and approve the Scheme by way of the aforesaid resolution.

Note: In case any equity shareholder intends to cast the vote by using the e-voting facility, the e-voting instructions given in the Notice are to be followed.

- d) Voting right shall be reckoned on the paid-up value of shares registered in the name of Member as at the close of business on Friday, January 22, 2021 ('Cut-off date').
- e) The proposed Scheme, if assented by majority of Shareholders representing three-fourth of the value, by way of Postal Ballot, remote e-voting prior to and during the Meeting shall be considered as passed on the date of the Meeting.

2. PROCESS FOR MEMBERS OPTING FOR VOTING BY BALLOT

- a) Members desirous of exercising their vote by availing the postal ballot facility are requested to carefully read the instructions printed here and in the Notice and return the scan copy of the duly completed signed form with assent (FOR) or dissent (AGAINST), from their registered email IDs, to the Scrutinizer at tml.scrutinizer@gmail.com with a copy to RTA at tmlballot2021@tsrdarashaw.com on or before Thursday, March 4, 2021 at 5:00 p.m. IST. Alternatively, members may send by registered post (if feasible/ permissible under the present circumstances on account of COVID-19 pandemic), the duly completed postal ballot form, signed and authenticated by the person entitled to vote, along with the documents referred herein, to the registered office of the Company at Bombay House, 24 Homi Mody Street, Mumbai 400 001. However, the Company encourages its members to send copy of the duly completed postal ballot form and other documents via email or avail the e-voting facility made available prior to or during the Meeting instead of sending physical copies under the present circumstances.
- b) In case of joint holding, this Ballot Form should be completed and signed by the first named Member and in his absence by the next named Member (as per the specimen signature registered with the Company/Depository).
- c) There will be one Ballot Form for every Client ID No./Folio No., irrespective of the number of joint holders.
- d) In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Ballot Form should be accompanied by a certified copy of the relevant board resolution/appropriate authorisation, with the specimen signature(s) of the authorised signatory(ies) duly attested.
- e) Voting rights in the Ballot cannot be exercised by a proxy.
- f) Holder(s) of Power of Attorney ('PoA') on behalf of an equity shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Company and sending a scan (PDF file) of the PoA authenticated by a notary (if permissible under the present circumstances on account of COVID-19 pandemic) or alternatively self-attesting it.
- g) Completed Ballot Forms should reach the Scrutinizer no later than the close of working hours i.e. at 5:00 p.m. on March 4, 2021. Incomplete Ballot Forms or Ballot Forms received after this date will be considered invalid.
- h) An incomplete, unsigned, incorrectly ticked, defaced, torn, mutilated, overwritten, wrongly signed Postal Ballot Form will be rejected. The Scrutinizer's decision in this regard shall be final and binding.
- i) A Member seeking duplicate Ballot Form or having any grievance pertaining to the Ballot process can write to the Company's Registrars- TSR Darashaw Consultants Pvt. Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr E. Moses Road, Mahalaxmi, Mumbai 400011 or to the e-mail ID tmlballot2021@tsrdarashaw.com.
- j) Equity shareholders who are sending the form by post are requested to fill the form in indelible ink and not in erasable writing mode.



Corporate Identification No. (CIN) - L28920MH1945PLC004520
Registered Office: Bombay House, 24 Homi Mody Street, Mumbai - 400 001
Tel: +91 22 6665 8282 E-mail: inv_rel@tatamotors.com Website: www.tatamotors.com

MEETING OF THE SECURED CREDITORS OF TATA MOTORS LIMITED CONVENED PURSUANT TO THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

NOTICE TO SECURED CREDITORS

Day	Friday
Date	March 5, 2021
Time	2:30 p.m. IST
Venue	Through video conferencing/other audio visual means

Sr. No.	Index	Page No.
1.	Notice of meeting of the secured creditors of Tata Motors Limited convened as per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench.	1-3
2.	Explanatory Statement under Sections 230(3), 232(1), 232(2) read with Section 102 and other applicable provisions of the Companies Act, 2013.	4-11
3.	Scheme of Arrangement between Tata Motors Limited ('Transferor Company' or 'Company') and TML Business Analytics Services Limited ('Transferee Company') and their respective shareholders under Sections 230-232 of the Companies Act, 2013 as Annexure A .	Please refer to Page No. 14 to 83 of the Notice to Equity Shareholders sent herewith.
4.	Valuation Reports both dated July 31, 2020 by Mr Vikrant Jain and SRBC & Co. LLP, Independent Chartered Accountants ('Valuers'), setting out the valuation of the Passenger Vehicles Undertaking of the Company being transferred to the Transferee Company as Annexures B1 and B2 respectively.	
5.	Fairness Opinion dated July 31, 2020 by Kotak Mahindra Capital Company Limited stating that the consideration value to be settled by way of issuance of equity shares of Transferee Company, as determined by the Valuers for the purpose of transfer of the Passenger Vehicles Undertaking as proposed under the Scheme, is fair from a financial point of view to the Transferor Company as Annexure C .	
6.	Observation letters issued by BSE Limited ('BSE') dated November 3, 2020 and by National Stock Exchange of India Limited ('NSE') dated November 4, 2020 as Annexures D1 and D2 respectively.	
7.	Reports on Complaints filed with BSE dated September 30, 2020 and filed with NSE dated October 7, 2020 as Annexures E1 and E2 respectively.	
8.	Reports both dated July 31, 2020 adopted by the Board of Directors of the Transferor Company and by the Board of Directors of the Transferee Company, as required under Section 232(2)(c) of the Companies Act, 2013 as Annexures F1 and F2 respectively.	
9.	Information pertaining to the Transferee Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as Annexure G .	
10.	Supplementary accounting statements of the Transferor Company and Transferee Company for the period ended September 30, 2020 as Annexures H1 and H2 respectively.	
11.	Pre and post scheme capital structure and shareholding pattern of the Transferor and the Transferee Company as Annexures I1 and I2 respectively.	

IN THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH AT MUMBAI
COMPANY SCHEME APPLICATION CA (CAA) 1142/MB/2020

In the matter of the Companies Act, 2013;
And

In the matter of Application under Sections 230 - 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of Scheme of Arrangement between Tata Motors Limited ('**Transferor Company**') or '**Applicant Company 1**' or '**Company**') and TML Business Analytics Services Limited ('**Transferee Company**') or '**Applicant Company 2**') and their respective shareholders.

Tata Motors Limited [CIN:L28920MH1945PLC004520],)
a company incorporated under the Indian Companies)
Act, 1913 and having its registered office at Bombay) ... Applicant Company 1 /
House, 24 Homi Mody Street, Mumbai 400001) Transferor Company

**NOTICE CONVENING MEETING OF THE SECURED CREDITORS OF
TATA MOTORS LIMITED**

To

The secured creditors of Tata Motors Limited

TAKE NOTICE that by the order dated January 4, 2021 and corrigendum dated January 13, 2021 to the said order in the above mentioned Company Scheme Application ('**Order**'), the Hon'ble National Company Law Tribunal, Mumbai Bench ('**Hon'ble Tribunal**') or '**NCLT**') has directed *inter alia* that a meeting of the secured creditors of the Company be convened and held to consider and, if thought fit, to approve the proposed Scheme of Arrangement between Tata Motors Limited and TML Business Analytics Services Limited and their respective shareholders ('**Scheme**') under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('**Act**') along with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time. The Scheme, if approved by the secured creditors, will be subject to the subsequent approval of the Hon'ble Tribunal and such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.

TAKE FURTHER NOTICE that in pursuance of the Order and as directed therein, a meeting of the secured creditors of the Company will be held on Friday, March 5, 2021 at 2:30 p.m. IST ('**Meeting**') through video conferencing ('**VC**') / other audio visual means ('**OAVM**') in compliance with the applicable provisions of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**') and by following the operating procedures (with requisite modifications as may be required) referred to in General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 issued by the Ministry of Corporate Affairs ('**MCA**') in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 read with rules made thereunder on account of COVID-19 - Extension of time - reg' (collectively referred to as '**MCA Circulars**'), at which day, date and time, you are requested to attend.

TAKE FURTHER NOTICE that a copy of the Scheme, Notice and the Explanatory Statement under Sections 230(3), 232(1), 232(2) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other annexures as stated in the Index including the Valuation Reports are enclosed herewith. A copy of this Notice and the accompanying documents will be placed on the website of the Company at <https://www.tatamotors.com/investors/scheme-of-arrangement-between-tml-and-tbasl/> and will also be available on the website of BSE Limited ('**BSE**') and National Stock Exchange of India Limited ('**NSE**') at www.bseindia.com and www.nseindia.com respectively and also on the website of National Securities Depository Limited ('**NSDL**') at www.evoting.nsdl.com. The Company will furnish a copy of the Scheme together

with a copy of the Explanatory Statement, free of charge, within one day of any requisition in this regard being made by any secured creditor, to the Company by email at inv_rel@tatamotors.com. The Scheme and the said Explanatory Statement can also be obtained on any day (except Saturday, Sunday and public holidays) from the Registered Office of the Company at Bombay House, 24 Homi Mody Street, Mumbai 400001 between 11:00 a.m. to 1:00 p.m.

The Hon'ble Tribunal has appointed Mr N. Chandrasekaran (DIN: 00121863), Non-Executive Chairman of the Company or failing him, Ms Vedika Bhandarkar (DIN: 00033808), Independent Director of the Company to be the Chairperson of the Meeting.

The voting rights of the secured creditors shall be in proportion to their outstanding amount in the Company as on September 30, 2020. In accordance with the applicable regulatory provisions, the Company has provided secured creditors with the facility of casting their vote electronically during the Meeting using facility offered by NSDL. The Creditors may refer to the 'Notes' to this Notice for further details on remote e-voting during the Meeting.

The facility of appointment of proxies by secured creditors will not be available for the Meeting. However, a body corporate which is a secured creditor is entitled to appoint a representative for the purposes of participating and/or voting during the Meeting.

Secured creditors are requested to consider, and if thought fit, to pass with requisite majority, the following resolution:

"RESOLVED that pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time, the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Mumbai Bench (hereinafter referred to as '**the Tribunal**') and subject to such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the '**Board**', which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the proposed Scheme of Arrangement between Tata Motors Limited ('**Transferor Company**') and TML Business Analytics Services Limited ('**Transferee Company**') and their respective shareholders ('**Scheme**') enclosed with the Notice of the Meeting, be and is hereby approved.

RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

N. Chandrasekaran
DIN: 00121863

Chairman appointed for the Meeting

Dated this 22nd day of January 2021

Registered Office:

Bombay House, 24 Homi Mody Street,
Mumbai 400 001

Tel: +91 22 6665 8282

Email: inv_rel@tatamotors.com; Website: www.tatamotors.com

CIN: L28920MH1945PLC004520

Notes:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 read with rules made thereunder on account of COVID-19 - Extension of time-reg' (collectively referred to as '**MCA Circulars**') permitted the holding of the General Meetings through video conferencing ('**VC**')/other audio visual means ('**OAVM**'), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('**Act**'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**'), SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India and the MCA Circulars and in pursuance of the order dated January 4, 2021 and corrigendum dated January 13, 2021 to the said order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ('**Hon'ble Tribunal**' or '**NCLT**') in the Company Scheme Application CA (CAA) 1142/MB/2020 ('**Order**'), the meeting of the secured creditors of the Company is being held on Friday, March 5, 2021 at 2:30 p.m. IST ('**Meeting**') through VC/OAVM, without the physical presence of the secured creditors at a common venue.
2. The Explanatory Statement pursuant to Sections 102, 230(3), 232(1), 232(2) of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, in respect of the business set out above is annexed hereto.
3. **SINCE THIS MEETING IS BEING HELD PURSUANT TO THE ORDER THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF SECURED CREDITORS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE SECURED CREDITORS WILL NOT BE AVAILABLE FOR THIS MEETING AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE MEETING ARE NOT ANNEXED TO THIS NOTICE.**
4. The Authorised Representative of a body corporate, which is a secured creditor of the Company, may attend the Meeting provided that a certified true copy of the resolution or the authority letter or power of attorney of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the Meeting is emailed to the Scrutinizer at tml.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
5. Pursuant to the Order, the quorum for the Meeting shall be 3 persons present in person or through authorised representative through VC/OAVM. In case the required quorum as stated above is not present at the commencement of the Meeting, the Meeting shall be adjourned by 30 minutes and thereafter the persons present shall be deemed to constitute the quorum.
6. Secured creditors can join the Meeting through VC/OAVM 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Secured creditors will be able to view the proceedings on e-voting website of National Securities Depository Limited ('**NSDL**') at www.evoting.nsdl.com.
7. As directed in the Order, Notice of the Meeting along with the Explanatory Statement and other documents mentioned in the Index (collectively referred to as '**Notice**') is being delivered to the Secured Creditors of the Transferor Company as on September 30, 2020, at their last known addresses as per the records of the Transferor Company. The Notice is also being sent to these creditors through electronic mode at their email addresses registered with the Transferor Company. The Notice will be available on the Company's website at <https://www.tatamotors.com/investors/scheme-of-arrangement-between-tml-and-tbasl/> and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Notice will also be available on the website of NSDL at www.evoting.nsdl.com.
8. Electronic copies of all the documents referred to in the Notice shall be made available for inspection. Secured creditors desiring inspection of such documents may send their request in writing to the Company at inv_rel@tatamotors.com.
9. **VOTING BY SECURED CREDITORS**
 - A. As directed in the Order, the Company is providing secured creditors the facility to exercise their right to vote on the resolution proposed to be considered at the Meeting by remote e-voting by using the electronic voting system provided by NSDL as explained at para 'E' below. Instructions for secured creditors for attending the Meeting through VC/OAVM are explained at para 'F' below.
 - B. The voting rights of the secured creditors shall be in the same proportion to the amount outstanding in the Transferor Company as on September 30, 2020.
 - C. As directed by the Hon'ble Tribunal, Mr P N Parikh (FCS 327) or failing him, Ms Jigyasa Ved (FCS 6488) or failing her, Mr Mitesh Dhahliwala (FCS 8331) of M/s Parikh & Associates, Practising Company Secretaries, shall act as Scrutinizer to scrutinize the remote e-voting process during the Meeting, in a fair and transparent manner.
 - D. The Notice convening the Meeting will be published through an advertisement in the 'Free Press Journal' in english language and 'Navshakti' in the marathi language, both having circulation in Mumbai.
 - E. **INSTRUCTIONS FOR E-VOTING DURING THE MEETING:**

The login ID and Password for joining the Meeting through VC/OAVM and casting votes by e-voting is being sent by NSDL at the e-mail address of the secured creditor(s).

The way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below:

Step 1: Log-in to NSDL e-voting system

 - (i) Visit the e-voting website of NSDL. Open web browser by typing the URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
 - (ii) Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section.
 - (iii) A new screen will open. Enter details of your Login ID and Password, as sent on your e-mail address and Verification Code, as shown on the screen.
 - (iv) After entering your password, tick on 'I hereby agree to all Terms and Conditions'.
 - (v) Click on 'Login' button.
 - (vi) After you click on the 'Login' button, Home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system

 - (i) After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting.
 - (ii) Click on Active Voting Cycles.
 - (iii) Select 'EVEN' of the Company: 115637
 - (iv) Now you are ready for e-voting as the Voting page opens.
 - (v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
 - (vi) Upon confirmation, the message 'Vote cast successfully' will be displayed.
 - (vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

(viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

The Chairman shall, at the Meeting, allow voting, by use of e-voting system for all those secured creditors who will be present in the Meeting through VC/OAVM facility. The e-voting module during the Meeting shall be disabled by NSDL for voting after 15 minutes of the conclusion of the Meeting.

General Guidelines for secured creditors

- (i) Body corporates which are secured creditors are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to tml.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
- (ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon 5 unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
- (iii) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the 'Downloads' section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

F. INSTRUCTIONS FOR SECURED CREDITORS FOR ATTENDING THE MEETING THROUGH VC/OAVM

- (i) Secured creditors will be provided with a facility to attend the Meeting through VC/OAVM through the NSDL e-voting system and they may access the same at <https://www.evoting.nsdl.com> under the shareholders/members login by using the e-voting credentials, where the EVEN of the Company will be displayed. On clicking this link, the secured creditors will be able to attend and participate in the proceedings of the Meeting.
- (ii) Secured creditors may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, secured creditors will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Secured creditors

will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

- (iii) Secured creditors are encouraged to submit their questions in advance from their registered email address, mentioning their name and mobile number, to reach the Company's email address inv_rel@tatamotors.com on or before 5:00 p.m. (IST) on Monday, March 1, 2021. Queries that remain unanswered at the Meeting will be appropriately responded by the Company at the earliest, post the conclusion of the Meeting.
- (iv) Secured creditors who would like to express their views/ ask questions at the Meeting are required to pre-register themselves by sending a request from their registered email address mentioning their name and mobile number at inv_rel@tatamotors.com between Friday, February 26, 2021 9:00 a.m. IST and Monday, March 1, 2021 5:00 p.m. IST. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Meeting.
- (v) Secured creditors who need assistance before or during the meeting may contact NSDL on evoting@nsdl.co.in or 1800 1020 990 and 1800 22 44 30.

10. DECLARATION OF RESULTS ON THE RESOLUTION

- (i) The Scrutinizer shall, immediately after and not later than 48 hours from conclusion of the Meeting, make a consolidated Scrutinizer's report of the total votes cast in favour and against the resolution and invalid votes, if any, to the Chairman of the Meeting or a person authorized by him in writing who shall countersign the same.
- (ii) The result of the voting shall be announced by the Chairman of the Meeting or a person authorized by him in writing within 48 hours from the conclusion of the Meeting, upon receipt of the Scrutinizer's Report. The results declared, alongwith the Scrutinizer's Report, shall be placed on the Company's website viz. www.tatamotors.com and on the website of NSDL viz. www.evoting.nsdl.com immediately after the result is declared. The Company shall also immediately forward the results along with the Scrutinizer's Report to BSE Limited and National Stock Exchange of India Limited, the stock exchanges where the Company's equity shares are listed.
- (iii) Subject to the receipt of requisite majority (being majority of persons representing three-fourths in value of the secured creditors), the resolution shall be deemed to be passed on the date of the Meeting i.e. on March 5,

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH AT MUMBAI**

COMPANY SCHEME APPLICATION CA (CAA) 1142/MB/2020

In the matter of the Companies Act, 2013;

And

In the matter of Application under Sections 230 - 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of Scheme of Arrangement between Tata Motors Limited ('**Transferor Company**') or '**Applicant Company 1**' or '**Company**') and TML Business Analytics Services Limited ('**Transferee Company**' or '**Applicant Company 2**') and their respective shareholders.

Tata Motors Limited [CIN: L28920MH1945PLC004520],)
a company incorporated under the Indian Companies)
Act, 1913 and having its registered office at Bombay)... Applicant Company 1/
House, 24 Homi Mody Street, Mumbai 400001) Transferor Company

**EXPLANATORY STATEMENT TO THE NOTICE CONVENING MEETING OF THE
SECURED CREDITORS OF TATA MOTORS LIMITED**

1. This is a statement accompanying the Notice convening the meeting of the secured creditors of the Company, pursuant to the order dated January 4, 2021 and corrigendum dated January 13, 2021 to the said order ('**Order**') passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ('**Hon'ble Tribunal**' / '**NCLT**') in the Company Scheme Application referred to hereinabove. A meeting is being called, convened and conducted through video conferencing ('**VC**')/other audio visual means ('**OAVM**') on Friday, March 5, 2021 at 2:30 p.m. IST for the purpose of considering, and if thought fit, approving the arrangement embodied in the Scheme of Arrangement between the Company and TML Business Analytics Services Limited and their respective shareholders ('**Scheme**').
2. A copy of the Scheme is enclosed herewith as **Annexure A**. The proposed Scheme is envisaged to be effective from the Appointed Date. The Appointed Date is the same as the Effective Date which is as defined in the Scheme. Capitalized terms which are used in this Explanatory Statement but which are not defined herein shall have the meaning assigned to them in the Scheme, unless otherwise stated.
3. The Scheme provides for the transfer and vesting of the Passenger Vehicles Undertaking of the Transferor Company to the Transferee Company with effect from the Appointed Date, as a going concern on a slump sale basis (as defined under section 2(42C) of the Income-tax Act, 1961) pursuant to the provisions of Sections 230 to 232, Sections 13, 14, 42, 61, 62, 186 and 188 and other relevant provisions of the Companies Act 2013 ('**Act**'), reduction of the Securities Premium Account of the Transferor Company and also increase in authorised share capital of the Transferee Company, modification to Tata Motors Limited Employee Stock Option Scheme 2018 pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014 and various other matters incidental to, consequential to and/or otherwise connected with the above in the manner provided for in the Scheme.
4. **Details of Tata Motors Limited ('Transferor Company')**
 - 4.1. Tata Motors Limited, the Transferor Company, was incorporated on September 1, 1945 under the provisions of the Indian Companies Act, 1913 originally as 'Tata Locomotive and Engineering Company Limited'. The name of the Company was changed to 'Tata Engineering and Locomotive Company Limited' on September 24, 1960 and thereafter to 'Tata Motors Limited' on July 29, 2003. Corporate Identification Number ('**CIN**') is L28920MH1945PLC004520, Permanent Account Number ('**PAN**') is AACT2727Q, registered office address is Bombay House, 24 Homi Mody Street, Mumbai - 400 001 and the email address is inv_rel@tatamotors.com.
 - 4.2. The Transferor Company is a public limited company, primarily engaged in the business of design, development, manufacturing and sale of a wide range of commercial, passenger and electric vehicles

and parts thereof within India and abroad. The relevant objects of the Transferor Company as set out in clause III of its Memorandum of Association are as under:

"1. To carry on the business of manufacturing, assembling, buying, selling, re-selling, exchanging, altering, importing, exporting, hiring, letting on hire, or distributing or dealing in locomotives, boilers, engines steam gas electrical or otherwise, turbines, tanks, motor vehicles, trucks, lorries, omnibuses, buses, motorcycles, cycle cars, scooters, bicycles, tricycles, cycles, tractors, bulldozers and steam rollers of every description and kind and all component parts, spare parts, accessories, equipment and apparatus for use in connection therewith."

- 4.3. There has been no change in the name, registered office and objects of the Transferor Company during the last five years.
- 4.4. Please refer point A of **Annexure I1** for the capital structure of the Transferor Company as on September 30, 2020. There is no change in the capital structure of the Transferor Company after the aforesaid date.
- 4.5. The equity shares (Ordinary and 'A' Ordinary shares) of the Transferor Company are listed on BSE Limited ('**BSE**') and the National Stock Exchange of India Limited ('**NSE**'). The Company's ADRs represented by underlying Ordinary shares of the Company are listed on New York Stock Exchange. The senior unsecured notes issued by the Company are listed on the Singapore Stock Exchange and the various series of non-convertible debentures issued by the Company are listed on NSE and/or BSE under the debt market segment.
- 4.6. Please refer point C of **Annexure I1** for the shareholding pattern of the Transferor Company as on September 30, 2020.
- 4.7. The details of the Promoters (including Promoter Group) of the Transferor Company are as under:

Name of Promoter / Promoter Group	Category	Address
Tata Sons Private Limited	Promoter	Bombay House, 24, Homi Mody Street, Mumbai - 400001.
Tata Industries Limited	Promoter Group	Bombay House, 24, Homi Mody Street, Mumbai - 400001.
Tata Investment Corporation Limited	Promoter Group	Elphinstone Building, 10, Veer Nariman Road, Mumbai - 400001.
Ewart Investments Limited	Promoter Group	Elphinstone Building, 1 st Floor, 10, Veer Nariman Road, Fort, Mumbai - 400001.
Tata Chemicals Limited	Promoter Group	Bombay House, 24, Homi Mody Street, Mumbai - 400001.
Af-Taab Investment Company Limited	Promoter Group	Corporate Centre B Block, 34 Sant Tukaram Road, Carnac Bunder, Mumbai - 400009.
Tata Steel Limited	Promoter Group	Bombay House, 24, Homi Mody Street, Fort, Mumbai - 400001.
Simto Investment Company Limited	Promoter Group	Elphinstone Building, 10, Veer Nariman Road, Mumbai - 400001.
Sir Ratan Tata Trust*	Promoter Group	Bombay House, 24, Homi Modi Street, Mumbai - 400001.
Sir Dorabji Tata Trust*	Promoter Group	Bombay House, 24, Homi Mody Street, Mumbai - 400001.
J R D Tata Trust*	Promoter Group	Bombay House, 24, Homi Mody Street, Mumbai - 400001.
Lady Tata Memorial Trust*	Promoter Group	Bombay House, 24, Homi Mody Street, Mumbai - 400001.

*Not holding any shares in the Transferor Company.

- 4.8. The details of the directors of the Transferor Company as on the date of this Notice are mentioned herein below:

Name of Directors	Category	Address
Mr N. Chandrasekaran (DIN: 00121863)	Non-Executive Chairman	21 st Floor, 33 South Condominium, Pedder Road, Mumbai - 400026.
Mr Om Prakash Bhatt (DIN: 00548091)	Non-Executive, Independent Director	3, Seagull, Carmichael Road, Mumbai - 400026.
Ms Hanne Sorensen (DIN: 08035439)	Non-Executive, Independent Director	Kristianiagade 6, 2 TV, Copenhagen Denmark - 2100.
Ms Vedika Bhandarkar (DIN: 00033808)	Non-Executive, Independent Director	B-8, Sea Face Park, 50, Bhulabhai Desai Road, Breach Candy, Mumbai - 400026.
Mr Kosaraju Veerayya Chowdary (DIN : 08485334)	Non-Executive, Independent Director	Flat No-Teja 511, My Home Navadweepee, Madhapur, K.V.Rangareddy, Hyderabad -500081.
Mr Mitsuhiko Yamashita (DIN: 08871753)	Non-Executive Director	4-6-5 Takamori, Isehara City Kanagawa, Japan - 2591114.
Mr Thierry Bolloré (DIN: 08935293)	Non-Executive Director	1, Square Perronet, 92200, Nevelly Sur Seine, Paris, France - 92200.
Mr Guenter Butschek (DIN: 07427375)	Chief Executive Officer and Managing Director	Flat No. 801, Wing 1, Urmi Aangan, CS No-734,1/735/745, Malbar & Camballa Hill Division 13-A Pedder Road, Mumbai - 400026.

- 4.9. As on September 30, 2020, the Transferor Company has 5,777 unsecured creditors (including 152 debenture holders). The total amount due and payable by the Transferor Company to the aforementioned unsecured creditors is ₹276,058,823,141 (including non-convertible debentures of ₹5,600 Crores).
- 4.10. As on the date of the Notice, there are no investigations or proceedings pending against the Transferor Company under the provisions of the Act.

5. Details of TML Business Analytics Services Limited ('Transferee Company')

- 5.1. The Transferee Company was incorporated on April 04, 2020 under the provisions of the Act as 'TML Business Analytics Services Limited'. CIN is U72900MH2020PLC339230, PAN is AAHCT8301P, the registered office address is Floor 3, 4, Plot-18, Nanavati Mahalaya, Mudhana Shetty Marg, BSE, Fort, Mumbai, Mumbai City, Maharashtra, India 400001 and the email address is tmpvl@tatamotors.com.
- 5.2. The Transferee Company is a public limited company, authorised by its Memorandum of Association to carry on the business of *inter alia* providing outsourcing services for all processes, sub processes, transactions and activities including technical support, managed data centre, managed technical centre, business or financial analysis, customer relationship management for work performed by businesses within India and abroad. The main objects of the Transferee Company as set out in clause III of its Memorandum of Association are as under:

"1. To carry on the business of providing outsourcing services for all processes, sub processes, transactions, activities and all other work performed by businesses in various industries within India and across the world. This includes those process or sub processes that are enabled by information technology. Such services also includes technical support, managed data centre, managed technical centre, training centre, business or financial analysis, scientific analysis, research work and analysis, storage, disaster recovery, customer relationship management, enterprises resources planning and to develop software, provide consultancy, software solution and services that are normally offered by the outsourcing business and information technology services providers, knowledge service providers, software development houses and application services providers."

- 5.3. There has been no change in the name, registered office and the objects of the Transferee Company since incorporation.
- 5.4. Please refer point A of **Annexure 12** for the capital structure of the Transferee Company as on September 30, 2020. There is no change in the capital structure of the Transferee Company after the aforesaid date.
- 5.5. The equity shares of the Transferee Company are not listed on any Stock Exchange.
- 5.6. Please refer point C of **Annexure 12** for the shareholding pattern of the Transferee Company as on September 30, 2020.
- 5.7. The details of the Promoter of the Transferee Company is as under:

Name of Promoter	Address
TML Business Services Limited (formerly known as Concorde Motors (India) Limited)	3 rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai 400 001.

- 5.8. The details of the directors of the Transferee Company as on date of Notice are as under:

Name of Directors	Category	Address
Mr Shyam Mani (DIN: 00273598)	Non-Executive Director	Flat No 131, Ravi Kirtan Co-Operative Housing Society, Sunflower 99, Cuffe Parade, Mumbai - 400005.
Mr Vijay Somaiya (DIN: 03185227)	Non-Executive Director	D-205, Palm Court Complex, Link Road, Malad - W, Mumbai - 400064.
Ms Smriti Goyal (DIN: 08488684)	Non-Executive Director	2309/10, Canary, Hiranandani Estate, Patlipada, Ghodbunder Road, Thane - 400067.

- 5.9. As on September 30, 2020, the Transferee Company has no unsecured creditors.
- 5.10. As on the date of the Notice, there are no investigations or proceedings pending against the Transferee Company under the provisions of the Act.

6. Relationship subsisting between the Transferor Company and the Transferee Company

- 6.1. The Transferee Company is a wholly owned subsidiary of TML Business Services Limited. The Transferor Company, directly and indirectly, holds 100% equity interest in TML Business Services Limited and the Transferee Company. There are no common directors on the Board of the Transferor Company and the Transferee Company.
- 6.2. Apart from the above, there is no other relationship between the Transferor Company and the Transferee Company.

7. Rationale of the Scheme

- 7.1. The Transferor Company is *inter alia*: (a) engaged in design, development, manufacturing and sale of commercial vehicles and parts thereof in India and abroad; and (b) engaged in design, development, manufacturing and sale of passenger vehicles (including electric vehicles) and parts thereof in India and abroad.
- 7.2. As part of an overall business reorganisation plan and in order to provide for the optimum running, growth and development of the Passenger Vehicles Undertaking and interests of the Transferor Company, it is necessary to realign the PV Business. In the circumstances it is considered desirable and expedient to reconstruct the Transferor Company by transferring the Passenger Vehicles Undertaking as a going concern to the Transferee Company in the manner and on the terms and conditions stated in the Scheme. This shall help in: (a) providing differentiated focus for the said passenger vehicle business and commercial vehicle business and help each of them realise their potential; and (b) unlocking business value and enhanced management focus and operational flexibility in each of the businesses.

- 7.3 The passenger vehicle business (which also includes the passenger electric vehicle business) landscape is seeing rapid transformation in the form of tightening emission norms and safety norms, push towards electrification, enhanced disruptions from autonomous and connected technologies. Additionally, India continues to remain an attractive market for global OEMs while the aspiration levels of the Indian consumer continues to rise requiring stepped up investments in contemporary products in a competitive market. Over the last few years, the PV Business has implemented a strong turnaround and has earned its right to grow by launching a slew of successful products. A fully refreshed BS VI ready product portfolio based on the Impact 2.0 design philosophy, consistently improving Net Promoter Scores, improved retail market shares and an exciting entry into the electric vehicle space makes the business ready to realise its potential. Further, this restructuring would facilitate mutually beneficial strategic alliances for the PV Business in the future.
- 7.4 The Transferor Company has Accumulated Losses amounting to ₹11,173.59 Crores and also has balance in the Securities Premium Account amounting to ₹22,194.89 Crores as on June 30, 2020. Accordingly, for a better presentation of the financial position of the Transferor Company, the Board of the Transferor Company considered it prudent to consider a reduction of its share capital without extinguishing or reducing its liability on any of its shares by writing down a portion of its Securities Premium Account, which is lost or is unrepresented by available assets, with a corresponding adjustment to the Accumulated Losses of the Transferor Company. Further, the adjustment to the Securities Premium Account does not involve any financial outlay and therefore, would not affect the ability or liquidity of the Transferor Company to meet its obligations/commitments or have any adverse impact on the creditors.
- 7.5 The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.
- 7.6 The Scheme will be in the best interest of the concerned stakeholders of both the companies.

8. Salient features of the Scheme

The salient features of the Scheme are as under:

- (a) **Appointed Date:** Appointed Date under the Scheme means the Effective Date.
- (b) **Effective Date:** Effective Date under the Scheme means the last of the dates on which all the conditions and matters referred to in Clause 24 of the Scheme have been fulfilled or waived in accordance of the Scheme.
- (c) **Passenger Vehicles Undertaking:** Passenger Vehicles Undertaking (more particularly defined in the Scheme) means all the undertakings, activities, operations and business of the Transferor Company, as a going concern, as on the Appointed Date, in relation to and pertaining to the PV Business. PV Business under the Scheme means all activities relating to development, design, manufacture, procurement, assembly, sale, services, annual maintenance contracts and distribution of passenger vehicles and electric vehicles (including new and/or refurbished vehicles) and sale of related parts and accessories, directly or indirectly by the Transferor Company, in each case under the brand name 'TATA' in India and/or abroad; and contract manufacturing of passenger vehicles and parts carried out by the Transferor Company under any subsisting arrangement.
- (d) **Transfer and vesting of the Passenger Vehicles Undertaking of the Transferor Company into the Transferee Company:** Upon the coming into effect of the Scheme and with effect from the Appointed Date, pursuant to the sanction of the Scheme by the NCLT and pursuant to the provisions of Sections 230 - 232 and other applicable provisions, if any, of the Act, the Passenger Vehicles Undertaking shall be and shall stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company, as a going concern on a slump sale basis (as defined under Section 2(42C) of the Income-tax Act, 1961), for a lump sum consideration as set out hereinafter,
- without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme.
- (e) **Consideration:** Upon the coming into effect of the Scheme and upon transfer and vesting of the Passenger Vehicles Undertaking in the Transferee Company, the total lump sum consideration payable by the Transferee Company to the Transferor Company for purchase of the Passenger Vehicles Undertaking shall be the Purchase Consideration i.e. ₹9417 Crores, subject to withholding taxes under Applicable Law, settled by way of issuance and allotment of 941,70,00,000 equity shares of the Transferee Company at ₹10 each, being the fair value of equity share of the Transferee Company.
- (f) **Reduction of the Securities Premium Account of the Transferor Company:** Upon the Scheme becoming effective, the Securities Premium Account of the Transferor Company shall be written down in part with a corresponding adjustment to the Accumulated Losses appearing in Retained Earnings amounting to ₹11,173.59 Crores in the following manner:

(₹ in Crores)

Particulars	Amount as on June 30, 2020	Proposed Reduction	Pro-forma Amount on Effective Date*
Securities Premium	22,194.89	11,173.59	11,021.30
Accumulated Losses	11,173.59	11,173.59	Nil

*The amounts in respect of the Securities Premium Account and Accumulated Losses on the Effective Date are presented on a pro-forma basis assuming the said reduction in the Securities Premium Account had been affected as at June 30, 2020.

The reduction in the Securities Premium Account of the Transferor Company shall be effected as an integral part of the Scheme (without having to follow the process under Section 66 of the Act separately) and the same does not involve either a diminution of liability, or payment to any shareholder of any paid up share capital. The order of the NCLT sanctioning the Scheme shall be deemed to be an order under Sections 52, 66 and other applicable provisions of the Act confirming the reduction of the Securities Premium Account. The adjustment of the Securities Premium Account would not have any impact on the shareholding pattern of the Transferor Company nor would it have any adverse impact on the creditors of the Transferor Company. There will be no change in the General Reserves of the Transferor Company pursuant to Clause 19 (providing for the aforementioned reduction) of the Scheme.

- (g) **Modification to Tata Motors Limited Employee Stock Option Scheme 2018 ('ESOP Scheme 2018') pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014:**
- (i) Upon the effectiveness of the Scheme, notwithstanding anything contained in Clause 15 or any other clause of the ESOP Scheme 2018, all the stock options granted by Transferor Company under the ESOP Scheme 2018, if existing as of the Effective Date, to the PV Employees, shall continue to be in full force and shall vest, without pro rating the service at the Transferor Company, in accordance with the timelines set out in the ESOP Scheme 2018 and the PV Employees shall continue to get the benefits under the provisions of the ESOP Scheme 2018, as if they were the employees of the Transferor Company and shall have the right to exercise such stock options in the manner contemplated under the ESOP Scheme 2018. Upon exercise of the aforesaid options by the said employees from time to time in accordance with the ESOP Scheme 2018, the Transferor Company shall continue to honour its obligations under the ESOP Scheme 2018 with respect to such employees in accordance with the provisions of the ESOP Scheme 2018.
- (ii) The modifications, if any, to the ESOP Scheme 2018 required to effect the treatment set out at Clause 9(e)(i) of the Scheme shall be effected as an integral part of the Scheme and the approval

granted to the Scheme by the shareholders of the Transferor Company shall also be deemed to be their approval to such amendments pertaining to the ESOP Scheme 2018 required under Applicable Law, including under Section 62 of the Act, Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and any guidelines/regulations issued by SEBI and no further approval of the shareholders of the Transferor Company or any other Person would be required to be separately obtained in this connection. The ESOP Scheme 2018 shall be deemed to be amended to give effect to all matters pertaining to the ESOP Scheme 2018 as described in the Scheme. It is hereby clarified that the modification to ESOP Scheme 2018 under Clause 9(e)(ii) of the Scheme shall be applicable to all eligible employees classified or to be classified under the ESOP Scheme 2018.

- (iii) Clause 3.14 of the ESOP Scheme 2018 containing definition of the term 'Employee' shall be modified by replacing the sub clause (a) of the definition with the following:

"Employee means

(a) a permanent employee of the Company or Tata Motors Passenger Vehicles Limited (or such name as may be approved by Registrar of Companies, Ministry of Corporate Affairs, pursuant to the Scheme) who has been working in India or outside India.

- (iv) Without prejudice to the generality of the above, upon the Scheme coming into effect, the Board of the Transferor Company may take such actions and execute such documents as may be necessary or desirable for the purpose of giving effect to the provisions of Clause 9(e) of the Scheme, including carrying out necessary amendments to the ESOP Scheme 2018 without any further approval of the shareholders of the Transferor Company and/ or any other Person."

- (h) Change of name of the Transferee Company: Upon the Scheme becoming effective, with effect from the Appointed Date, the name of the Transferee Company shall be changed to 'Tata Motors Passenger Vehicles Limited' or such other name as may be approved by the Registrar of Companies, Ministry of Corporate Affairs, subject to the Transferee Company filing all necessary forms and applications with the Ministry of Corporate Affairs in this regard.

- (i) Change in object clause of Transferee Company: Upon the Scheme becoming effective, with effect from the Appointed Date, the main object clause of the Memorandum of Association of the Transferee Company shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of Passenger Vehicles Undertaking, pursuant to the provisions of Section 13 and other applicable provisions of the Act. Accordingly, the Memorandum of Association of the Transferee Company shall be altered and amended and necessary revisions shall be carried out. The following clause shall be substituted in place of clause 3(a) of the Memorandum of Association of the Transferee Company and shall read as under:

"To carry on the business of designing, developing, manufacturing, producing, assembling, altering, improving, repairing, installing, importing, exporting, buying, selling, re-selling, marketing, financing, leasing, letting on hire, distributing, consulting, servicing, provision of engineering and all kinds of services related thereto or otherwise dealing in any manner with passenger vehicles of all kinds (including motor vehicles, motor cars, motor jeeps, motor wagons, motor vans, utility vehicles and conveyance of all types and description for propulsion on land, whether propelled, moved, drawn or assisted by means of motor, petrol, diesel oil, power oil, spirit, steam, gas, vapour, electricity, battery, solar energy, atomic energy, or any other mechanical or power devices whatsoever); engines (including internal combustion engines), motors, parts, components, accessories and related equipment thereof, as well as activities required for

establishing and undertaking the assembly, manufacture, sales, after-sales and/or servicing facilities; and all machinery equipment, utensils, appliances, apparatus, lubricants, enamels and all things capable of being used therewith or in the manufacture, maintenance and working thereof."

The existing clauses 3(b)1 to 3(b)3 of the Memorandum of Association of the Transferee Company shall be deleted in its entirety and the remaining clauses from 4 to 39 shall be accordingly be renumbered as 1 to 36.

- (j) Increase in authorised share capital of Transferee Company: Upon the Scheme coming into effect, with effect from the Appointed Date, the authorized share capital of the Transferee Company shall stand automatically increased from ₹15,00,000 (Rupees Fifteen Lakhs) to ₹200,00,00,00,000 (Rupees Twenty Thousand Crores) without any further act or deed.

The capital clause of the Memorandum of Association of the Transferee Company shall, as a part of and, upon the coming into effect of the Scheme and without any further act, deed, instrument, resolution or writing, be replaced by the following clause:

"V. The Authorised Share Capital of the Company is ₹200,00,00,00,000 (Rupees Twenty Thousand Crores) divided into 20,00,00,00,000 (Two Thousand Crores) equity shares of ₹10 (Rupees Ten) each."

- (k) Conditions Precedent:

The effectiveness of the Scheme is conditional upon and subject to:

- (i) receipt of the observation letter or the no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulations 11, 37 and 94 of the SEBI Listing Regulations read with the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time ('SEBI Circular') and the terms of such observation letter being acceptable to the Boards;
- (ii) the Scheme being approved by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Transferor Company and the Transferee Company, as required under the Act and SEBI Circular, subject to any dispensation that may be granted by the NCLT;
- (iii) the Transferee Company having received such approvals and sanctions, including consent of any Government Authority as may be required by Applicable Law in respect of the Scheme and on terms and conditions acceptable to the Boards of the Companies;
- (iv) the Transferor Company having obtained necessary approvals for the transfer of the rights, benefits, interest and title of PV Real Estate, including Sanand Property and the Pune Properties, and the conditions, if any, prescribed as part of such approvals, are not adverse to the Transferor Company or the Transferee Company nor cast material financial cost on the Transferor Company or the Transferee Company, determined in the sole discretion of the respective Boards of the Companies;
- (v) the Transferor Company having received necessary confirmations from the Governmental Authorities, including from Government of Maharashtra under the Package Scheme of Incentives, 2007 to the effect that the Transferee Company shall continue to be entitled to the benefits/ incentives under the incentive scheme and/or grants issued by Governmental Authorities and relating to the PV Business, and such confirmations shall be in a form satisfactory to and on the conditions acceptable to the respective Boards of the Companies;
- (vi) receipt of the NCLT order approving the Scheme; and
- (vii) the certified copies of the NCLT order approving the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company.

2001. Any of the conditions precedent set out in clause 24(a) (iii), (iv) and (v) of the Scheme may be waived wholly or partly by the Board of Directors of the Transferor Company and the Transferee Company, at their sole discretion and without any further approvals from any Person or without any amendment to the Scheme. Upon such waiver, the Scheme shall become effective on the Appointed Date.

- (m) It is hereby clarified that submission of the Scheme to NCLT and to the Governmental Authorities for their respective approval is without prejudice to all rights, interests, titles or defenses that the Transferor Company and/or the Transferee Company may have under or pursuant to all Applicable Laws.
- (n) On the approval of the Scheme by the shareholders of the Transferor Company and the Transferee Company, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or SEBI Listing Regulations or otherwise to the same extent applicable in relation to the slump sale set out in the Scheme, related matters including those set out therein and the Scheme itself.

Note: The above are only the salient features of the Scheme. Secured creditors are requested to read the entire text of the Scheme annexed hereto as Annexure A to fully acquaint themselves with the provisions thereof.

9. The shareholding of the present directors and key managerial personnel ('KMPs') of the Transferor Company, either individually, jointly or as a nominee, in the Transferor Company and the Transferee company as on the date of this Notice is as under:

Name of the Directors and KMPs of the Transferor Company	No. of Shares held in the Transferor Company of face value ₹2/- each (Ordinary Shares unless explicitly stated as AOS for 'A' Ordinary Shares)	No. of Shares held in the Transferee Company of face value of ₹10/- each
Mr N. Chandrasekaran <i>Non-Executive Chairman</i>	2,00,000	Nil
Mr Om Prakash Bhatt <i>Non-Executive, Independent Director</i>	Nil	Nil
Ms Hanne Sorensen <i>Non-Executive, Independent Director</i>	Nil	Nil
Ms Vedika Bhandarkar <i>Non-Executive, Independent Director</i>	Nil	Nil
Mr Kosaraju Veerayya Chowdary <i>Non-Executive, Independent Director</i>	Nil	Nil
Mr Mitsuhiro Yamashita <i>Non-Executive Director</i>	Nil	Nil
Mr Thierry Bolloré <i>Non-Executive Director</i>	Nil	Nil
Mr Guenter Butschek, <i>Chief Executive Officer & Managing Director</i>	Nil	Nil
Mr Pathamadai Balachandran Balaji <i>Group Chief Financial Officer</i>	20,000	Nil
Mr Hoshang K Sethna <i>Company Secretary</i>	2,953 (AOS) 813	Nil

10. The shareholding of the present Directors of the Transferee Company, either individually, jointly or as a nominee, in the Transferee Company and Transferor Company as on the date of this Notice is as under:

Name of the Directors and Key Managerial Personnel of the Transferee Company	No. of Shares held in the Transferor Company of face value ₹2/- each (Ordinary Shares unless explicitly stated as AOS for 'A' Ordinary Shares)	No. of Shares held in the Transferee Company of face value of ₹10/- each
Mr Shyam Mani <i>Non-Executive Director</i>	18,067	Nil
Mr Vijay B. Somaiya <i>Non-Executive Director</i>	2,215 (AOS) 532	Nil
Ms Smriti Goyal <i>Non-Executive Director</i>	Nil	Nil

There are no KMPs in the Transferee Company as on the date of this Notice.

11. Required approvals, documents and disclosures:

11.1. Valuation Reports both dated July 31, 2020 issued by Mr Vikrant Jain, Independent Chartered Accountant, Registered Valuer and M/s. S R B C & Co. LLP, Independent Chartered Accountants (collectively hereinafter referred to as 'Valuers'), setting out valuation of the Passenger Vehicles Undertaking of the Transferor Company being transferred to the Transferee Company are enclosed herewith as **Annexures B1 and B2**.

The total lump sum consideration payable by the Transferee Company to the Transferor Company for purchase of the Passenger Vehicles Undertaking of ₹9417 Crores has been valued based on the valuation approaches and other major factors as outlined in the valuation reports.

The Transferee Company being a newly incorporated entity with no business operations at present, none of the valuation approaches mentioned in the valuation reports have been considered relevant by the Valuers and the fair value per share would be the par value, i.e. ₹10/- per share. Further, since this is not a case of merger/demerger, consideration is being paid to the Transferor Company and not to the shareholders of the Transferor Company. Hence there is no share entitlement ratio being computed.

In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined in the valuation reports, the Valuers have determined the fair value of the Passenger Vehicles Undertaking of the Transferor Company to ₹9,417 Crores, to be settled by issuance of 941,70,00,000 equity shares of the Transferee Company of ₹10/- each fully paid up to the Transferor Company. Electronic copies of **Annexures B1 and B2** are also available for inspection. Secured creditors desiring inspection may send their request in writing to the Company at inv_rel@tatamotors.com.

11.2. Fairness Opinion of Kotak Mahindra Capital Company Limited, a Category-I Merchant Banker, dated July 31, 2020 issued to the Transferor Company opining that the consideration value to be settled by way of issuance of equity shares of Transferee Company of ₹10 each fully paid up, as determined by the Valuers for the purpose of transfer of the Passenger Vehicles Undertaking as proposed under the Scheme, is fair from a financial point of view to the Transferor Company in terms of the SEBI Circular is enclosed herewith as **Annexure C**.

11.3. The Audit Committee of the Transferor Company, at its meeting held on July 31, 2020 approved the proposed transfer of its Passenger Vehicles Undertaking to the Transferee Company and recommended the Scheme for consideration by its Board of Directors.

11.4. The Board of Directors of the Transferor Company, at its meeting held on July 31, 2020, has by a resolution unanimously approved the Scheme. All the Directors attended the meeting. The voting details of Directors in relation to the Scheme are as under:

Name of Directors as on July 31, 2020	Voting details
Mr N. Chandrasekaran	Voted in favour
Mr Om Prakash Bhatt	Voted in favour
Ms Hanne Sorensen	Voted in favour
Ms Vedika Bhandarkar	Voted in favour
Mr Guenter Butschek	Voted in favour
Dr Ralf Speth*	Voted in favour

* Dr Ralf Speth ceased to be a director w.e.f. October 27, 2020.

11.5. The Board of Directors of the Transferee Company at its meeting held on July 31, 2020, has by resolution unanimously approved the Scheme. All the Directors attended the meeting. The voting details of Directors in relation to the Scheme are as under:

Name of Directors as on July 31, 2020	Voting details
Mr Shyam Mani	Voted in favour
Mr Vijay B. Somaiya	Voted in favour
Ms Smriti Goyal	Voted in favour

- 11.6. A certificate has been issued by the Statutory Auditors of the Transferor Company and of the Transferee Company respectively, stating that the accounting treatment proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act.
- 11.7. Pursuant to the SEBI Circular read with Regulation 37 of the SEBI Listing Regulations, the Transferor Company had applied to BSE and NSE for obtaining their 'no adverse observation' to file the Scheme with NCLT for sanction. BSE and NSE vide their letters dated November 3, 2020 and November 4, 2020 had respectively given their 'no adverse observation' letters to file the Scheme with NCLT. Copies of the said letters are enclosed herewith as **Annexures D1** and **D2** respectively.

Whilst there are no investigations or proceedings pending against the Transferor Company under the provisions of the Act, both BSE and NSE in their respective 'no adverse observation' letters have referred to Securities Exchange Board of India ('SEBI') comments issued to them vide its letter dated November 3, 2020 and advised the Transferor Company to disclose details of the ongoing proceedings under Section 11(1), 11(4) and 11B of SEBI Act, 1992 against erstwhile Tata Finance Limited which merged with the Transferor Company in June 2006, in respect of backdated transaction in the shares of Global Telesystems Limited and Global E-Commerce Services Limited, while seeking requisite approval of the Scheme. Details of the said ongoing proceedings are as under:

SEBI had issued a Show Cause Notice bearing reference no. EFD/DRA3/OW/DSR/BD/35523/2019 dated January 04, 2019 ('SCN') *inter alia* to the Transferor Company, in its capacity as the successor to the erstwhile Tata Finance Limited ('TFL') (merged with the Transferor Company in 2006), and the then directors of TFL. The said SCN was issued in relation to certain alleged backdated transactions carried out by TFL during the period between 2000-01 in the shares of Global Telesystems Limited and Global E-commerce Services Limited and disclosures made in offer documents issued by TFL in relation to the rights issue of 9% Cumulative Convertible Preference Shares in 2000-2001 ('Rights Issue').

The proceedings under the SCN are currently pending. On September 18, 2020, Finsec Law Advisors, the legal representative of the Transferor Company and certain other notices to the SCN had filed a letter seeking an opportunity from SEBI to cross-examine a list of key witnesses whose statements were relied upon by SEBI to issue the SCN. Subsequently, through an email dated November 03, 2020, SEBI has granted the Transferor Company and certain other notices to the SCN an opportunity to cross-examine the key witnesses on November 24, 2020.

It is pertinent to note that at the relevant time, TFL had addressed a letter to each of the shareholders who had subscribed to the Rights Issue *inter alia* stating as under:

- (a) TFL was the victim of the unauthorized transactions carried out by Mr Dilip Pendse, the then Managing Director ('MD') of TFL;
- (b) Misstatements were made in the offer documents by the then MD of TFL in the Rights Issue; and
- (c) every shareholder who had subscribed to the Rights Issue was provided with an opportunity to call back the amount they had contributed.

In view of the above opportunity provided to the concerned shareholders, to the best of our knowledge, none of the shareholders who had subscribed to the Rights Issue had raised any grievances with SEBI.

Considering the current business operations of the Transferor Company, it has been clarified that the outcome of the proceedings under the above SCN would not have any impact whatsoever on the nature of the transactions proposed under the Scheme.

- 11.8. The Scheme alongwith related documents was hosted on the websites of the Transferor Company, BSE and NSE and was open for complaints/comments. The Transferor Company did not

receive any complaint/comment and accordingly a 'Nil' Report on Complaints was filed with BSE on September 30, 2020 and with NSE on October 7, 2020. Copies of the report filed with BSE is enclosed herewith as **Annexure E1** and that filed with NSE is enclosed herewith as **Annexure E2** respectively. Further, as on the date of filing the Company Scheme Application, the Transferor Company has not received any complaints.

- 11.9. Reports adopted by the Board of Directors of the Transferor Company and the Transferee Company, at their respective meetings both dated July 31, 2020, pursuant to the provisions of Section 232(2)(c) of the Act explaining the effect of Scheme on each class of shareholders, KMPs, promoters and non-promoter shareholders and specifying any special valuation difficulties is enclosed herewith as **Annexures F1** and **F2** respectively. The Scheme contemplates payment of lump sum consideration by the Transferee Company to the Transferor Company. The mode of discharge of such consideration would be through issuance to the Transferor Company of 9,41,70,00,000 equity shares of the Transferee Company at ₹10 each being the fair value of the equity share of the Transferee Company. Further, the adjustment to the Securities Premium Account does not involve any financial outlay and therefore, would not affect the ability or liquidity of the Transferor Company to meet its obligations/ commitments or have any adverse impact on the creditors.
- 11.10. The information pertaining to the Transferee Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed herewith as **Annexure G**.
- 11.11. A copy of the Scheme has been filed by the Transferor Company and the Transferee Company respectively with the Registrar of Companies, Maharashtra.
- 11.12. The Scheme does not involve any debt restructuring and therefore the requirement to disclose details of debt restructuring is not applicable. Other than the capital restructuring involving reduction of Securities Premium mentioned in para 8(f) above, the Scheme does not involve any capital restructuring.
- 11.13. The Scheme is conditional and subject to necessary sanctions and approvals as set out in Clause 24 of the Scheme. Approval to the Scheme by requisite majority of equity shareholders and secured creditors respectively of the Transferor Company and equity shareholders of the Transferee Company under Sections 230 to 232 of the Act shall be deemed to be an approval for the various activities to be undertaken as part of the Scheme, including transfer and vesting of the Passenger Vehicles Undertaking as a going concern on a slump sale basis from the Transferor Company to the Transferee Company for a Purchase Consideration, reduction of the Securities Premium Account of the Transferor Company with a corresponding adjustment to the Accumulated Losses of the Transferor Company, modification of the ESOP Scheme 2018 pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, change in the name of the Transferee Company to 'Tata Motors Passenger Vehicles Limited', change in the objects clause of Transferee Company; and increase in the authorized share capital of Transferee Company. It is hereby stated that the conditions prescribed in Paragraph I(A)(9)(a) and Paragraph I(A)(9)(b) of Annexure I to the SEBI Circular is not applicable to the Scheme. In this regard an undertaking in relation to non-applicability of Para 9(a) of Annexure 1 of SEBI Circular has been certified by the statutory auditors of the Company pursuant to Paragraph 9(c) of Annexure 1 of the SEBI Circular dated July 31, 2020 ('Undertaking'). Further a certificate dated July 31, 2020 has been issued by the statutory auditors of the Company in respect of the Undertaking. Electronic copies of the Undertaking and the certificate in respect thereof are available for inspection. Secured creditors desiring inspection may send their request in writing to the Company at inv_rel@tatomotors.com.

11.14. Pursuant to the Order, a meeting of the equity shareholders of the Transferor Company is being convened on March 5, 2021 to approve the Scheme. The Unsecured Creditors are also being given an opportunity to raise any objections to the Scheme as detailed in the Order.

11.15. The Supplementary Accounting statements of the Transferor Company and Transferee Company for the half year ended September 30, 2020 are enclosed as **Annexures H1** and **H2** respectively.

12. Pre and post scheme (expected) capital structure and shareholding pattern of the Transferor Company and the Transferee Company disclosed pursuant to SEBI Circular:

The Scheme contemplates the transfer of the Passenger Vehicles Undertaking of the Transferor Company to the Transferee Company on a slump sale basis. The mode of discharge of such consideration would be through issuance to the Transferor Company of 941,70,00,000 equity shares of the Transferee Company at ₹10 each being the fair value of the equity share of the Transferee Company. Whilst the authorised, issued, subscribed and paid-up capital of the Transferee Company shall stand increased on account of issuance of the above stated equity shares to the Transferor Company, there would be no change in the said capital structure and the shareholding pattern of the Transferor Company solely pursuant to the Scheme coming into effect. The detailed capital structure and the shareholding pattern (pre and post the Scheme) of the Transferor Company and the Transferee Company is enclosed herewith as **Annexures I1** and **I2** respectively.

13. Disclosure about the effect of the Scheme on:

	Transferor Company	Transferee Company
Equity shareholders (promoter and non-promoter shareholders)	There will be no dilution in the shareholding of the equity shareholders (promoter shareholders as well as non-promoter shareholders) of the Company and therefore the equity shareholders of the Company will not be affected upon the Scheme becoming effective.	Upon the issue of 9,41,70,00,000 equity shares of the Transferee Company to the Transferor Company, the equity shareholding of: <ul style="list-style-type: none"> TML Business Services Limited, currently promoter of the Transferee Company will be diluted from 100% to 0.002%; and Transferor Company will also become the promoter of the Transferee Company holding 99.998%.
Creditors	<p>The Scheme would not affect the ability or liquidity of the Transferor Company to meet its obligations/ commitments or have any adverse impact on the creditors.</p> <p>As on September 30, 2020 there are no creditors in the Transferee Company.</p> <p>Please refer clause 7(a) of Part II of the Scheme pertaining to transfer of PV Business Liabilities. As an integral part of the Scheme, post the Scheme becoming effective:</p> <ul style="list-style-type: none"> out of the aggregate value of secured creditors of ₹6,746.52 Crores outstanding as on Sept 30, 2020, Government of Gujarat Loan (with outstanding value of ₹587.08 Crores) is the only secured loan envisaged to be transferred as part of the liabilities of the Passenger Vehicles Undertaking from the Transferor Company to the Transferee Company, subject to receipt of requisite approvals. out of the aggregate value of unsecured creditors having in aggregate value of ₹27,605.90 Crores outstanding as on September 30, 2020, unsecured creditors having in aggregate value of ₹2,757 Crores relating to Passenger Vehicles Undertaking are envisaged to be transferred as part of the liabilities of the Passenger Vehicles Undertaking from Transferor Company to the Transferee Company. <p>The post Scheme networth of the Transferee Company at ~ ₹8,589 Crores is more than adequate to meet the liabilities pertaining to these creditors for the Passenger Vehicles Undertaking of the Transferor Company. Accordingly, the Directors believe that the interest of these Creditors would not be affected.</p>	

Directors and Key Managerial Personnel	The Scheme is not expected to have any effect on the directors and KMP of the Company. Further, no change in the Board of Directors of the Company is envisaged on account of the Scheme.	Whilst the Scheme does not contemplate any change in the Board of Directors of the Transferee Company, appropriate changes in Directors and KMPs will be made pursuant to business and statutory requirements.
Debentureholders / Debenture Trustees	The Scheme is not expected to have any adverse effect on the debenture holders / debenture trustees.	Not Applicable
Depositors/ Deposit Trustees	Not applicable	Not Applicable
Employees	Upon the coming into effect of the Scheme, all PV Employees of the Transferor Company shall become the employees of the Transferee Company, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the transfer of the PV Business from the Transferor Company pursuant to the Scheme.	

14. Additional details with respect to variation of the terms of 'Tata Motors Limited Employees Stock Option Scheme 2018' of the Transferor Company (as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, and Regulation 7 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014)

With a view to ring fence and incentivize key talent to drive long term objectives of the Company, to ensure that employee payoff matches the long gestation period of certain key initiatives, to drive ownership behavior and collaboration amongst employees, the Transferor Company, pursuant to the approval of the Board of Directors on May 23, 2018 and of the shareholders on August 3, 2018, had implemented Tata Motors Limited Employees Stock Option Scheme 2018 ('ESOP Scheme 2018') in FY 2018-19. Options were granted to the Eligible Employees of the Transferor Company under the said Scheme. No Option had vested as on the date of this Notice. Given that the grantees include employees who would be transferred to the Transferee Company as part of the Slump Sale as PV Employees, ESOP Scheme 2018 is being modified pursuant to and as an integral part of the Scheme in the manner set out in the Clause 9 (e) of the Scheme, to provide for a fair and equitable opportunity to the said employees to exercise stock options granted to them by the Transferor Company prior to their transfer.

All other terms and conditions of the ESOP Scheme 2018 and the options granted thereunder shall remain unchanged except for the variation as stated above. For the detailed terms of ESOP Scheme 2018, a copy of the Notice of the Annual General Meeting held on August 3, 2018, can be accessed by the secured creditors on the following link: https://www.tatamotors.com/investors/annual-reports/?annual_report_search=annual_report_search&areport_year=2018 and also available for inspection.

As per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, a company may by special resolution vary the terms of employee stock option plan or scheme offered pursuant to an earlier shareholders resolution but not yet exercised by the employee provided such variation is not prejudicial to the interests of the employees.

In light of the foregoing, it is clarified that as set out in the Scheme, the consent to the Scheme by the shareholders of the Transferor Company shall be deemed to be consent for modification of the ESOP Scheme 2018 as per the requirements of the Act, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or any other applicable law. No further approval of the shareholders of the Transferor Company would be required in this connection under any applicable law. The proposed amendment in ESOP Scheme 2018 is not prejudicial to the interest of the Eligible Employees and existing option holders covered under the ESOP Scheme 2018.

The beneficiaries of this amendment will be the Eligible Employees of the Transferor Company and the Transferee Company.

15. Documents available for inspection:

The following documents are open for inspection:

- (i) Order dated January 4, 2021 and corrigendum dated January 13, 2021 passed by the Hon'ble Tribunal, in Company Scheme Application CA (CAA) 1142/MB/2020 ('**Order**'), directing *inter alia* the calling, convening and conducting of the meeting of secured creditors of the Company;
- (ii) Memorandum and Articles of Association of the Transferor Company and the Transferee Company;
- (iii) Audited standalone and consolidated Financial Statements of the Transferor Company for the financial year ended March 31, 2020, March 31, 2019 and March 31, 2018 and supplementary accounting statements (standalone and consolidated) for the period ended September 30, 2020 and Unaudited Financial Statements of the Transferee Company for the quarter ended June 30, 2020 and September 30, 2020;
- (iv) Scheme of Arrangement between the Transferor Company and the Transferee Company and their respective shareholders;
- (v) No adverse Observation letters dated November 3, 2020 and November 4, 2020 issued by BSE and NSE respectively;
- (vi) Report on Complaints dated September 30, 2020 submitted by the Transferor Company with BSE and dated October 7, 2020 with NSE;
- (vii) Resolutions passed by the respective Board of Directors of the Transferor Company and the Transferee Company at its meetings held on July 31, 2020 approving the Scheme;
- (viii) Report of the Audit Committee of the Transferor Company dated July 31, 2020 recommending the Scheme to the Board;
- (ix) Reports adopted by the respective Board of Directors of the Transferor Company and the Transferee Company both dated July 31, 2020 pursuant to the provisions of Section 232(2)(c) of the Act;
- (x) Certificates issued by the Statutory Auditors of the Transferor Company dated July 31, 2020 and of the Transferee Company dated August 1, 2020 respectively, stating that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act;
- (xi) Valuation Reports both dated July 31, 2020 issued by the Valuers setting out the valuation of the Passenger Vehicles Undertaking of the Company being transferred to the Transferee Company;
- (xii) Fairness Opinion dated July 31, 2020 by Kotak Mahindra Capital Company Limited stating that the consideration value to be settled by way of issuance of equity shares of Transferee Company, as determined by the Valuers for the purpose of transfer of the Passenger Vehicles Undertaking as proposed under the Scheme, is fair from a financial point of view to the Transferor Company;

- (xiii) Undertaking in relation to non-applicability of Paragraph 9(a) of Annexure 1 of SEBI Circular, certified by the statutory auditors of the Company pursuant to Paragraph 9(c) of Annexure 1 of the SEBI Circular dated July 31, 2020;
- (xiv) Certificate dated July 31, 2020 issued by the statutory auditors of the Company in respect of the undertaking referred to in (xiii) above;
- (xv) Information pertaining to the Transferee Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (xvi) Certificate dated January 22, 2021, issued by Kotak Mahindra Capital Company Limited - SEBI Registered Merchant Banker certifying the accuracy and adequacy of disclosures mentioned in (xv) above.
- (xvii) Contracts or agreements material to the compromise or arrangement - N.A.
- (xviii) Certified true copy of the Show Cause Notice bearing reference no. EFD/DRA3/OW/DSR/BD/35523/2019 dated January 4, 2019 and related correspondence with SEBI; and
- (xix) Certified true copy of the Notice of the Annual General Meeting held on August 3, 2018, which includes the resolution on 'Tata Motors Limited Employees Stock Option Scheme 2018 and grant of stock options to the Eligible Employees under the Scheme' alongwith Explanatory Statement thereto, as item no. 7 of the said Notice.

Based on the above and considering the rationale and benefits, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Transferor Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Transferor Company recommends the Scheme for approval of the secured creditors.

The Directors and KMPs of the Transferor Company and Directors of the Transferee Company, holding shares in the Transferor Company and the Transferee Company respectively as mentioned above, and their relatives do not have any concern or interest, financially or otherwise, in the Scheme except as shareholders in general. Further, the Debenture Trustee of the Transferor Company is not concerned or interested in the Scheme.

N. Chandrasekaran

DIN: 00121863

Chairman appointed for the meeting

Dated this 22nd day of January 2021

Registered Office:

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Email: inv_rel@tatamotors.com; Website: www.tatamotors.com

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