



BSE Limited
First Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai 400 001
Kind Attn: Mr Khushro A. Bulsara
General Manager & Head
Listing Compliance & Legal Regulatory

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051
Kind Attn: Mr Lokesh Bhandari
Senior Manager
Listing & Compliance

July 31, 2020
Sc no. - 16071

Dear Sirs,

Sub: Outcome of the Board meeting – Subsidiarization of Company’s Passenger Vehicles business including electric vehicle business (“PV Undertaking”) by way of a slump sale effected through a Scheme of Arrangement

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and further to our letter dated March 27, 2020 *vide* Sc No. 15971, please be informed that pursuant to the provisions of Sections 230 to 232 and other relevant provisions of Companies Act, 2013 and the rules made thereunder, the Board of Directors has, at its meeting held today, approved (subject to the requisite regulatory and other approvals) a 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 (“Schesme”), *inter alia* for:

- (a) Transfer of the PV Undertaking 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 the Transferee Company; and
- (b) Reduction of Company’s share capital without extinguishing or reducing its liability on any of its shares by writing down a portion of its securities premium account amounting to ₹11,173.59 crores, with a corresponding adjustment to the accumulated losses of the 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’.

The details as required under Regulation 30 of the SEBI LODR read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 for the proposed Scheme are annexed as Annexure A.

This is for the information of the exchange and the members.

Yours faithfully,
Tata Motors Limited

Hoshang K Sethna
Company Secretary
Encl: Annexure A

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



Details for the proposed Scheme:

Sr. No.	Particulars	Description
1.	Amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year	Revenue of Company's Passenger Vehicles Undertaking for FY 2019-20 is ₹10,297 crores which is 4% of the consolidated turnover of the Company. Net worth of Company's Passenger Vehicles Undertaking for FY 2019-20 is ₹8,109 crores which is 13% of the consolidated net worth of the Company.
2.	Date on which the agreement for sale has been entered into	The Scheme of Arrangement has been approved by the Board of Directors of the Company in its meeting held today i.e. July 31, 2020, and will be effective upon approval of the same by the Hon'ble National Company Law Tribunal, Mumbai ("NCLT") and upon satisfaction of all the conditions precedent.
3.	The expected date of completion of sale / disposal	The completion of the transaction is subject to certain conditions precedent including shareholders' approval, approvals of the Hon'ble NCLT, necessary clearances from Stock Exchanges and SEBI and other approvals including consent of any Government Authority, if required. We expect that the completion is likely to take place by March 31, 2021.
4.	Consideration to be received from such sale / disposal	The Company/TML ("Transferor Company") to transfer its 'PV Undertaking' as a going concern, on a slump sale basis as defined under Section 2(42C) of the Income-tax Act, 1961 to Transferee Company for a lump sum consideration of ₹9,417 crores. This consideration shall be settled by the Transferee Company through issuance of 941,70,00,000 equity shares of the Transferee Company of ₹10 each.
5.	Brief details of the buyer and whether the buyer belongs to the promoter group / group companies. If yes, details thereof	Transferee Company is a wholly owned subsidiary of TML Business Services Limited (Formerly Concorde Motors (India) Limited) and the Company, directly and indirectly, holds 100% equity interest in TML Business Services Limited and the Transferee Company.
6.	Whether this transaction would fall within related party transactions? If yes, whether the same is done at "arm's length".	Yes. The transaction is a related party transaction and is on arm's length basis.
7.	Additional indicative disclosures to be disclosed by the listed entity with respect to the scheme.	In addition and as part of the said scheme of arrangement, the Board of the Company also considered it prudent to approve 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 amounting to ₹11,173.59 crores, with a corresponding adjustment to the accumulated losses of the Company. The adjustment to the securities premium account does not involve any financial outlay and will be effected without extinguishing or reducing liability on any of its shares.



8.		
a)	Name and areas of business of the entity(ies) forming part of the arrangement, details in brief such as, size, turnover, etc.	<p><u>Tata Motors Limited – Transferor Company</u> The Transferor Company is engaged <i>inter alia</i> 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. In FY 2019-20, the Company, at a consolidated level, had revenues of ₹261,068 crores with EBIDTA of ₹21,870 crores.</p> <p><u>TML Business Analytics Services Limited – Transferee Company</u> The Transferee Company has been incorporated on April 4, 2020. 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. Upon the Scheme becoming effective, the name of the Transferee Company shall be changed to 'Tata Motors Passenger Vehicles Limited' with consequential changes in its Objects clause in its Memorandum of Association pursuant to the Scheme.</p>
b)	Rationale for arrangement / Quantitative and/or qualitative effect of restructurings	<p>As a part of overall business reorganisation plan and in order to provide for the optimum running, growth and development of the PV Undertaking, the Board of Directors deemed it desirable to transfer the PV Undertaking to the Transferee Company. 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. Further, this restructuring would facilitate mutually beneficial strategic alliances for the PV Undertaking in the future.</p> <p>As mentioned above, the scheme also provides for 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 to the extent of ₹11,173.59 crores, with a corresponding adjustment to the accumulated losses of the Company.</p> <p>The adjustment to the securities premium account does not involve cash outflow and would not affect the ability or liquidity of the Transferor Company to meet its obligations/ commitments.</p>
c)	In case of cash consideration – amount or otherwise share exchange ratio	<p>The consideration to be paid to the Company for the slump sale is ₹9,417 crores.</p> <p>The mode of settlement of consideration under the Scheme for the transfer of Passenger Vehicles Undertaking would be through issuance of 941,70,00,000 equity shares of the Transferee Company of ₹10 each (i.e. fair value) to the Company.</p>
d)	Brief details of change in shareholding pattern (if any) of listed entity / all entities	<p>There will be no change in the shareholding of the Company consequent to the proposed Scheme.</p> <p>The Transferee Company will settle the purchase consideration through issuance of the equity shares as set out above.</p>
e)	Details of benefit, if any, to the promoter/promoter group/group companies from such proposed restructuring	Nil.

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