

Merger of Tata Motors Finance Limited with Tata Capital Limited

Mumbai, June 4, 2024:

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

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

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

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

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

About Tata Capital Limited: Tata Capital Limited, a holistic financial services provider, caters to the diverse needs of retail, housing, SME and corporate customers with a pan-India network of 750+ branches. Its range of offerings include Consumer Finance, Housing Finance, Commercial Finance, Cleantech Finance, Microfinance, Debt Syndication, Private Equity and Credit Cards. For more information about Tata Capital, please visit www.tatacapital.com

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¹ To be held indirectly through its 100% subsidiary Tata Motors Finance Holdings Limited an RBI registered NBFC-CIC