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TATA CAPITAL FINANCIAL SERVICES LIMITED

J. N. Subedar

Director

HIGH COURT, BOMBAY 43.12-ca

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO.43 OF 2012
IN
COMPANY SCHEME PETITION NO.532 OF 2011
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO.381 OF 2011

Tata Capital Financial Services Ltd.

.. Applicant Co.

Mr.Rohan Rajadhyaksha with Mr.Kunal Doshi i/b. AZB & Partners for the Applicant.

Mr.M.S.Bharadwaj for R.D.

CORAM :- S.J.KATHAWALLA,J.

DATE :- MARCH 12, 2012

RC.

1. This is an application for speaking to the minutes of order dated 24th February 2012.

i) In paragraph Nos.3 and 4 the date "4th October 2011" be read as "14th October 2011".

ii) In paragraph No.11, line 4, delete the words "and the Official Liquidator, High Court, Bombay".

Paragraph No.11 of the said order shall now read as under:

"11. The Company Application is allowed in terms of the said modification to the Scheme in the Company Scheme Petition No.531 of 2011. Copies of the modified Scheme to be served upon the Regional Director and filed with the Registrar of Companies within 30 days from the date of issuance of this order by the Registry."

Delete paragraph No.12 and paragraph No.13 be numbered as paragraph No.12.

2. Application for speaking to the Minutes of order is accordingly disposed of.

(S.J.KATHAWALLA,J.)

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Done
12/03/2012
Mrs. K. M. RANE

COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

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[Signature]
12/3/2012
Section Officer
High Court, Appellate Side
Bombay

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HIGH COURT, BOMBAY

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY ORDINARY ORIGINAL CIVIL JURISDICTION

jml

COMPANY APPLICATION NO. 43 OF 2012
IN
COMPANY SCHEME PETITION NO. 532 OF 2011
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 381 OF 2011.

In the matter of Scheme of Arrangement
of Tata Capital Limited and Tata
Capital Financial Services Ltd. &
their respective members & creditors.

Tata Capital Financial Services Limited. ..Applicant.

....

Mr. Nikhil Sakhardande, a/w. Navyas, i/b. AZB & Partners, for
Applicant.

Mr. M.S. Bharadwaj, Regional Director.

....

CORAM :- S.J.KATHAWALLA, J.
DATE :- 24TH FEBRUARY, 2012.

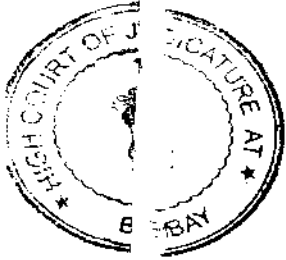
PC.

Heard the Learned Advocates appearing for the parties.

2. This Company Application is made by Tata Capital Financial Services limited (the Applicant), a Company incorporated under the provisions of the Companies Act, 1956, seeking a modification in the Scheme of Arrangement being deletion of Clause 17.1.4 to the Scheme sanctioned by an Order of this Court dated 14th October 2011.

3. One Ms. Doomasia, the Authorised Signatory of the Applicant has in her Affidavit in support of the above Application stated that

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HIGH COURT, BOMBAY

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the Company Scheme Petition No. 532 of 2011 was filed in this Court on 23rd August 2011, seeking sanction of the Scheme of Arrangement being a restructuring of Tata Capital Limited by transfer of its financial services activity to the Applicant, a wholly owned subsidiary of the Tata Capital Limited. Pursuant to the requisite statutory compliances having been fulfilled, the Company Scheme Petition No. 532 of 2011 was made absolute in terms of prayer clauses (a) to (c) by an Order of this Court dated 4th October 2011 and the said Scheme was sanctioned.

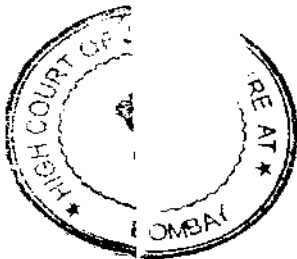
4. At the time of final hearing of the said Company Scheme Petition, the Learned Senior Counsel appearing on behalf of the Applicant, on instructions had stated that as far as Clause 19.1 under the heading 'Modification of the Scheme' is concerned, the Board of Directors would not take any steps to modify the Scheme on their own, but would apply to the appropriate Court/Authority, in case they desire to modify the said Scheme. The statement was accepted as an undertaking by a separate Order of this Court dated 4th October 2011.

5. The Learned Advocate appearing for the Applicant states that Clause 18 of the said Scheme dealing with 'Operationalization of the Scheme' reads as under :-

"18.1. This scheme although to have legal effect and force from the Appointed Date shall not become effective (irrespective of whether any of the individual actions under Clause 17 or this Clause 18 have been completed) until the last of the following dates, namely:

18.1.1 the date on which the last of the consents, approvals, permissions, resolutions and orders as mentioned in Clause 17.1 shall have been

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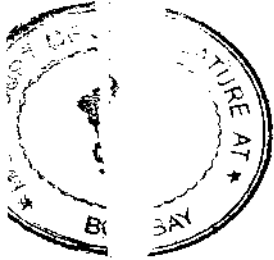
obtained or passed; or

18.1.2 the date on which all necessary certified copies of orders under Sections 391 to 394 of the Act shall be duly filed with the Registrar of Companies, Mumbai, Maharashtra.

18.2. The last of such dates shall be the "Effective Date" for the purpose of this Scheme."

Clause 17.1.4 of the said Scheme makes the Scheme conditional upon and subject to the Transferor Company (Tata Capital Limited) being granted a certificate of registration by RBI to commence/ carry on the business of CIC-ND-SI under sub-section (1) of Section 45-IA of the RBI Act read with the CIC Guidelines.

6. It is stated on Affidavit that thus to comply with the above-mentioned clauses of the said Scheme, the Tata Capital Limited filed an Application with the Reserve Bank of India for grant of a Certificate of Registration of Core Investment Company (CIC). Pursuant thereto, it received a reply dated 19th December 2011, from one Ms. Bina Chopla, Assistant General Manager of the Reserve Bank of India advising Tata Capital Limited to effect the transfer of its retail assets of investments in non-group companies to the group NBFC Applicant Company, as proposed in the said Scheme and comply with the CIC regulations to enable the Reserve Bank of India to grant a CIC registration. Further, by the said letter dated 19th December 2011, Tata Capital Limited was also informed to submit a Chartered Accountant Certificate confirming that the Company is fully compliant with all the norms of CIC-ND-SI as on the date of certification.



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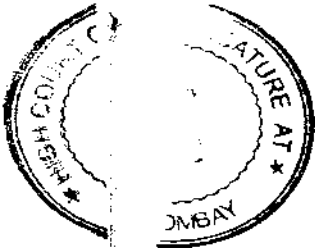
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7. Thus, it is submitted on Affidavit, that due to the letter dated 19th December 2011 by the Reserve Bank of India, a transfer of retail assets and investments in non-group companies of Tata Capital Limited to the group NBFC Applicant Company is to be undertaken first and only then, if all the compliances are fulfilled, will the Reserve Bank of India be enabled to issue a certificate of registration to Tata Capital Limited. However, as per the current Clauses 17 and 18 in the said Scheme, no such transfer can be effected unless the conditions laid down in Clauses 17 and 18, including obtaining a certificate of registration of CIC by the Reserve Bank of India to Tata Capital Limited are first fulfilled. It is in these circumstances that the instant Company Application has been filed seeking a modification of the said Scheme being deletion of the said Clause 17.1.4.

8. It is further stated on Affidavit that in lieu of the pendency of the approval of the Reserve Bank of India, the Applicant has not filed a certified copy of the Order dated 14th October 2011 along with the said Scheme with the Registrar of Companies and therefore, till date the Scheme has not become effective. Further, it is submitted that should the Reserve Bank of India not issue the certificate of registration of CIC to Tata Capital Limited, the Applicant reserves its right to apply for appropriate orders including recall of the Order dated 14th October 2011 sanctioning the Scheme, as the circumstances may require.

9. The Learned Advocate appearing on behalf of the Regional Director states and submits that the Regional Director has no



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objection if this Company Application is allowed and the said modification is carried out and Clause 17.1.4 to the Company Scheme Petition No. 532 of 2011 is deleted.

10. Thus, in view of the fact that the Applicant has approached this Court and pointed out that due to regulations of the Reserve Bank of India, Tata Capital Limited (the Transferor Company) cannot first obtain a certificate of registration of CIC from the Reserve Bank of India and only then transfer its retail assets and investments in non-group to the group NBFC Applicant Company, the request as made can be granted.

11. The Company Application is allowed in terms of the said modification to the Scheme in the Company Scheme Petition No. 532 of 2011. Copies of the modified Scheme to be served upon the Regional Director and the Official Liquidator, High Court, Bombay and filed with the Registrar of Companies within 30 days from the date of issuance of this order by the Registry.

12. Returnable date is extended by a period of six weeks from the date of this Order.

13. No Order as to costs.

[S.J.KATHAWALLA, J.]

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19/03/2012
Mrs. K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

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27-3-2012
Section Officer
High Court, Appellate Side
Bombay

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HIGH COURT, BOMBAY

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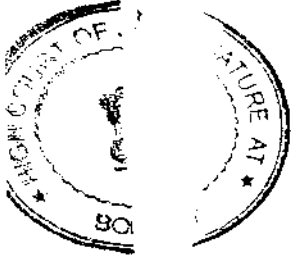
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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO.531 OF 2011
WITH
COMPANY SUMMONS FOR DIRECTION NO.380 OF 2011

In the matter of the Companies Act, 1956;
and
In the matter of Sections 391 to 394 of the
Companies Act, 1956;
and
In the matter of Tata Capital Ltd.
And
In the matter of:

The Scheme of Arrangement between

Tata Catipal Limited (Transferor company)
and Tata Capital Financial Services Ltd.
(Transferee Company) and their
respective shareholders



Tata Capital Limited .. Petitioner company

Mr.Janak Dwarkadas, Senior Advocate with Mr.Sharan Jagtiani
i/b. AZB Partners for petitioners
Mr.Avasia, J.P. With Mr.M.S.Bharadwaj for respondent

CORAM : S.C.DHARMADHIKARI, J.
14th October 2011.

P.C.:

1] Mr.Dwarkadas, learned Senior Counsel appearing for

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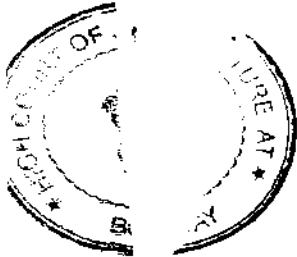
HIGH COURT, BOMBAY

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petitioners, on instructions, states that as far as the clause No. 19.1 under the heading "Modification of the Scheme" is concerned, the Board of Directors will not take any steps to modify the scheme on their own but would apply to the appropriate Court/ Authority in case, they desire to have the scheme modified. The statement is accepted as undertaking to Court. In addition, Judge's Order is signed separately.

(S.C.DHARMADHIKARI, J)



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Sone Talozkar
Mrs K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

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[Signature]
23/01/12
Section Officer
High Court, Appellate Side
Bombay

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HIGH COURT, BOMBAY

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 531 OF 2011

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 380 OF 2011

TATA CAPITAL LIMITEDPetitioner / Transferor Company

WITH

COMPANY SCHEME PETITION NO. 532 OF 2011

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 381 OF 2011

TATA CAPITAL FINANCIAL SERVICES LIMITED ..Petitioner / Transferee Company

In the matter of:

The Companies Act, 1956;

AND

In the matter of:

Sections 391 to 394 of the Companies Act, 1956;

In the matter of:

The Scheme of Arrangement between:

(i) Tata Capital Limited ("Transferor Company");

and

(ii) Tata Capital Financial Services Limited ("Transferee Company") and their respective shareholders.



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HIGH COURT, BOMBAY

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CORAM: S.C. Dharmadhikari J.

DATE: 14th October, 2011

Mr. Janak Dwarkadas, Senior Advocate, along with Mr. Sharan Jagtiani and Mr. Molla Hasan, i/b. AZB & Partners, Advocates for the Petitioners in both Petitions.

Mr. M. S. Bhardwaj i/b Mr. H. P. Chaturvedi for Regional Director in both Petitions.

PC:

1. Heard learned counsel for the parties.
2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956 to a Scheme of Arrangement between Tata Capital Limited, the "**Transferor Company**" and Tata Capital Financial Services Limited, the "**Transferee Company**" and their respective shareholders.
3. Counsel appearing on behalf of the Petitioners has stated that the Petitioners have complied with all requirements as per directions of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956 and the rules made there under. The undertaking is accepted.
4. The Regional Director has filed an affidavit stating therein that save and except what is stated in paragraphs 6 thereof, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraphs 6 of the said Affidavit the Regional Director has stated that:-

"(6) That the Deponent further submits that, the Transferor Company is a Non Banking Financial Company. Hence the Transferor Company maybe directed to file a copy of the scheme along with the copy of this

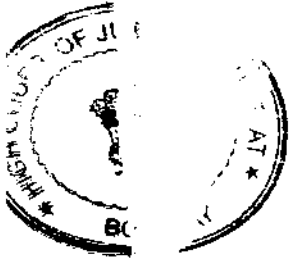
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HIGH COURT, BOMBAY

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Hon'ble Court's order within 30 day's from the date of the order, with the RBI."

5. In response to the issue raised by the Regional Director in paragraph 6 of his Affidavit, the Petitioners through their counsel undertake to file a copy of the Scheme along with a copy of this Court's order within 30 days' from the date of the order, with the Reserve Bank of India. The undertaking is accepted.
6. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. None of the parties concerned have come forward to oppose the Scheme.
7. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 531 of 2011 filed by the Transferor Company is made absolute in terms of the prayer made under clauses (a) to (l) and Company Scheme Petition No. 532 of 2011 filed by the Transferee Company is made absolute in terms of the prayer made under clauses (a) to (l).
8. The Petitioner Companies to lodge a copy of this order and the Scheme duly authenticated by the Company Registrar, High Court (O. S.), Bombay, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the order.
9. Petitioners to file a copy of this order alongwith a copy of the Scheme of Arrangement with the concerned Registrar of Companies, electronically, along with E-Form 21 in addition to the physical copy, within 30 days from the date of issuance of the order by the Registry.



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HIGH COURT, BOMBAY

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10. The Petitioners in Company Scheme Petitions No. 531 of 2011 and 532 of 2011 to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai. Costs to be paid within four weeks from today.
11. Filing and issuance of the drawn up order is dispensed with.
12. All authorities concerned to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(S.C. Dharmadhikari J.)

TRUE-COPY

Done
19/03/2012
Mrs. K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

TRUE COPY

[Signature]
23/3/2012
Section Officer
High Court, Appellate Side
Bombay



**SCHEME OF ARRANGEMENT
UNDER SECTION 391 READ WITH SECTION 394
OF THE COMPANIES ACT, 1956**

BETWEEN

TATA CAPITAL LIMITED

...The Transferor Company

And

TATA CAPITAL FINANCIAL SERVICES LIMITED

...The Transferee Company

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**In respect of the transfer of an Undertaking of Tata Capital Limited to Tata Capital
Financial Services Limited**



SCHEME OF ARRANGEMENT

BETWEEN

TATA CAPITAL LIMITED

AND

TATA CAPITAL FINANCIAL SERVICES LIMITED

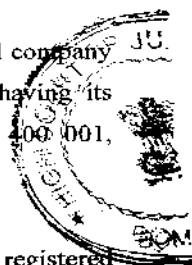
AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**UNDER SECTION 391 READ WITH SECTION 394
OF THE COMPANIES ACT, 1956**

A: PREAMBLE

1. Tata Capital Limited ("TCL" or "Transferor Company"), is a public limited company incorporated under the provisions of the Act (as defined hereinafter) and having its registered office at One Forbes, Dr. V B Gandhi Marg, Fort, Mumbai - 400 001, Maharashtra.
2. The Transferor Company is a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India ("RBI") as a Systemically Important Non Deposit Accepting NBFC ("NBFC-ND-SI") and offers fund and fee-based financial services to its customers which includes retail, corporate and institutional customers, directly or indirectly through its subsidiaries, across various areas of business namely corporate finance (which includes commercial and infrastructure finance), consumer finance and advisory business, housing finance, securities business, investment banking business, private equity, marketing and distribution of credit cards, foreign exchange business and travel related services and also holds various investments.
3. The Transferor Company is proposed to be registered with RBI as a Systemically Important Core Investment Company ("CIC-ND-SI") as defined by the CIC Guidelines (as defined hereinafter) and will be engaged in the business of investments in securities of Group Companies and investment in other group entities as permitted under the CIC Guidelines, investment advisory business, portfolio management services and management of private equity funds.



4. Tata Capital Financial Services Limited ("TCFSL" or "Transferee Company"), is an unlisted public limited company incorporated under the provisions of the Act and having its registered office at One Forbes, Dr. V B Gandhi Marg, Fort, Mumbai – 400 001, Maharashtra.
 5. The Transferee Company is a wholly owned subsidiary of the Transferor Company and is proposed to be registered with RBI as an NBFC and has filed an application in this regard with RBI and will *inter alia* be engaged in the business of offering fund and fee-based financial services to its customers which includes retail, corporate and institutional customers, across various areas of business namely corporate finance (which includes commercial and infrastructure finance), consumer finance, marketing and distribution of credit cards and also hold investments in various entities.
 6. This Scheme of Arrangement provides for the transfer of the Transferred Undertaking (as defined hereinafter) of the Transferor Company as a going concern to the Transferee Company and the consequent payment of a pre-agreed cash Consideration (as defined hereinafter) by the Transferee Company to the Transferor Company, pursuant to the relevant provisions of the Act.
 7. Both the Transferor Company and the Transferee Company have their registered office within the jurisdiction of the Hon'ble High Court of Bombay. The Transferor Company and the Transferee Company shall therefore make appropriate applications before the Hon'ble High Court of Bombay under Section 391 read with section 394 of the Act for appropriate orders.
- Upon the sanction of the Scheme by the Hon'ble High Court of Bombay and the Scheme becoming effective on the Effective Date as set out in Clause 18.2 of the Scheme, the Transferred Undertaking shall stand transferred to and be vested in the Transferee Company on and from the Appointed Date for all intent and purposes.
9. This Scheme also makes provision for various other matters consequential or related thereto and otherwise integrally connected therewith.

B: PARTS OF THE SCHEME

- (i) **Part I** deals with the Definitions and Share Capital;
- (ii) **Part II** deals with the mechanics of the transfer of the Transferred Undertaking by way of a sale of business on a going concern basis for consideration being discharged in cash.

PART I- DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- (a) **"Act"** means the Companies Act, 1956 or any statutory modification or re-enactment thereof;
- (b) **"Arrangement"** means the term "arrangement" as referred to and understood under the provisions of sections 391 to 394 of the Act;
- (c) **"Appointed Date"** means start of business hours on April 1, 2011 or any other day as may be determined by the respective boards of the Transferor Company and the Transferee Company or their delegates;
- (d) **"CIC Guidelines"** shall mean the RBI Circular No. RBI/2010-11/168 DNBS (PD) CC. No. 197/03.10.001/2010-11 dated August 12, 2010 and RBI Notification No. RBI 2010-11/354 DNBS (PD) CC. No. 206/03.10.001/2010-11 dated January 5, 2011 and any other regulations/ guidelines/ notifications/ clarifications as may be issued by the RBI from time to time in relation to Systemically Important Core Investment Companies (CIC-ND-SI);
- (e) **"Consideration"** shall have the meaning ascribed to it in Clause 14 hereof;
- (f) **"Effective Date"** shall have the meaning ascribed to it in Clause 18.2 hereof;
- (g) **"Group Companies"** shall mean the term "Companies in the Group" as defined by the RBI Notification No. RBI 2010-11/354 DNBS (PD) CC. No. 206/03.10.001/2010-11 dated January 5, 2011, as may be amended from time to time;
- (h) **"High Court of Bombay / Court"** shall mean the Hon'ble High Court of Judicature at Bombay or such other succeeding authorities / Court/ tribunal as may be constituted under law;
- (i) **"Proceedings"** shall have the meaning ascribed to it in Clause 12 hereof;
- (j) **"RBI"** shall mean the Reserve Bank of India;
- (k) **"RBI Act"** shall mean the Reserve Bank of India Act, 1934;



- (l) **"Remaining Business"** shall mean the business of investment advisory business, portfolio management services, and management of private equity funds and investments as permitted under the CIC guidelines;
- (m) **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form submitted to the High Court of Judicature at Bombay or with any modification(s) made under Clause 19 of this Scheme or with such other modifications / amendments as the High Court of Judicature at Bombay may direct;
- (n) **"Transferred Undertaking"** means the businesses of the Transferor Company other than the Remaining Business of the Transferor Company, which is carried on as a going concern basis by the Transferor Company including its business relating to providing financing and credit facilities to retail, corporate and institutional clients and certain other investments (which do not qualify as investments in "Group Companies" for the purpose of the CIC Guidelines) and in relation to the above mentioned businesses all Assets and Liabilities (as hereinafter defined) of whatsoever nature, as on the Appointed Date, it being clarified that the debenture redemption reserve as currently existing in the Transferor Company shall form part of the Transferred Undertaking.

Without prejudice to the above, the Transferred Undertaking shall also include:

- (i) All assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to all fixed assets, capital work in progress, current assets, reserves, provisions, funds, deferred tax asset, allocable miscellaneous expenditure, all the plant, machinery, equipment, computer, fixtures, fittings, furniture, vehicles, goodwill in relation to the acquisition of construction equipment business and distribution business and other goods, or the provision of services, in respect of the Transferred Undertaking, all assets and facilities, rights (including, *inter alia*, rights under any contracts, government contracts, memoranda of understanding), leases or licenses in relation to office properties, and/or business properties (including tenancies, leases and licenses) and/or residential properties for the employees, offices and depots, financial assets (including but not limited to investments in companies other than Group Companies), privileges, all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, Contracts and arrangements, earnest moneys,

advances and/or security deposits paid, VAT credits and service tax credits; and all necessary records (whether in physical or electronic form), including records relating to recovery of moneys and all other interests of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company in connection with or pertaining to or relating to the Transferred Undertaking ("**Assets**");

- (ii) All business contracts, agreement, understanding whether oral or written in connection with or pertaining to or relating to the Transferred Undertaking as may be determined by the board of directors of the Transferor Company ("**Contracts**");
- (iii) All insurance policies in respect of the Assets of the Transferred Undertaking ("**Insurance Policies**");
- (iv) All permits, licenses, certificates, entitlements, industrial and other licenses, municipal permissions, approvals, consents pertaining to the Transferred Undertaking other than the licence of the Transferor Company to carry on the business of an NBFC ("**Approvals**");
- (v) All secured and unsecured debts, liabilities (including contingent liabilities and provisions), deferred tax liability, if any, and obligations of the Transferor Company under or in relation to the business contracts and other obligations, liabilities, duties and sums owing (including without limitation, outstanding liabilities arising in relation to indirect tax, liabilities arising under any contract, or out of the supply of products or services, whether actual or, in the case of periodical payments, accrued, due, or contingent or otherwise payable to any person by the Transferor Company) to the extent that any of the above relate to and/or arise out of the operation of the Transferred Undertaking ("**Liabilities**");
- (vi) All employees of the Transferor Company, who are employed in relation to or in connection with the Transferred Undertaking as may be mutually confirmed by the board of directors of the Transferor Company and the Transferee Company or their delegates prior to the Effective Date ("**Employees**").

2. **DATE OF COMING INTO EFFECT**

- 2.1. The Scheme set out herein in its present form shall have legal effect and force from the Appointed Date but shall be effective from the Effective Date.
- 2.2. Any reference in this Scheme to "upon the Scheme becoming effective" or "effectiveness

of the Scheme” or “upon the coming into effect of the Scheme” shall mean the Effective Date.

3. SHARE CAPITAL

3.1. The authorized, issued, subscribed and paid up share capital of the Transferor Company as on March 31, 2011 is as under:

Authorized Share Capital	
475,00,00,000 Equity Shares of Rs. 10/- each	475,000
25,00,000 Redeemable Non-Cumulative Preference Shares of Rs. 1000/- each	25,000
300,00,00,000 Compulsorily Convertible Preference Shares of Rs. 10/- each	300,000
Total	800,000
Issued Share Capital	
255,10,92,570 Equity Shares of Rs. 10/- each	2,55,110
Total	255,110
Subscribed Share Capital	
255,10,18,170 Equity Shares of Rs. 10/- each	255,102
Total	255,102
Paid-Up Share Capital	
255,10,18,170 Equity Shares of Rs. 10/- each fully paid up	255,102
Total	255,102

3.2. The authorized, issued, subscribed and paid up share capital of the Transferee Company as on March 31, 2011 is as under:

Authorized Capital	
50,00,000 Equity Shares of Rs. 10/- each	500
Total	500
Issued, Subscribed and Paid-up	
25,50,000 Equity shares of Rs. 10/- each fully paid up	255
Total	255

PART - II- TRANSFER OF THE TRANSFERRED UNDERTAKING

4. TRANSFER OF TRANSFERRED UNDERTAKING

- 4.1. With effect from the Appointed Date and upon the Scheme becoming effective, the Transferred Undertaking (along with all the assets and debts, outstandings, credits, liabilities, duties and obligations whatsoever relating thereto) shall, pursuant to the provisions contained in Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, and without any further act, deed, matter or thing, be and the same shall stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company, on a going concern basis, so as to become as and from the Appointed Date, the estate, assets, rights, title, interest and authorities including accretions and appurtenances, of the Transferee Company, free from all encumbrances, but subject to such charges as have been created on the Assets of the Transferred Undertaking, in respect of the loans and advances availed of by the Transferor Company in relation to the Transferred Undertaking transferred to the Transferee Company and identified in this Scheme.
- 4.2. The Transferred Undertaking shall be transferred for the Consideration, as detailed in Clause 14 of the Scheme. It is hereby clarified that the Remaining Business shall continue to vest in the Transferor Company.
- 4.3. With effect from the Appointed Date and upon the Scheme becoming effective, all Approvals to operate the Transferred Undertaking, shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favor of the Transferee Company. The benefit of any rights, entitlements, any other licenses including those relating to, tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferred Undertaking, to which the Transferor Company is a party to or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Appointed Date, shall stand vested in or transferred to the Transferee Company pursuant to this Scheme. Further, the Transferor Company shall execute such further deeds, documents, etc. as may be required to give effect to this Clause 4.3.

5. ASSETS

- 5.1. The assets of the Transferred Undertaking shall stand transferred and vested in the following manner:-
- 5.1.1 In respect of Assets that are movable in nature or incorporeal property or are

otherwise capable of transfer by physical delivery, by paying over or by endorsement and delivery the same shall be so transferred by the Transferor Company without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company.

5.1.2 In respect of any intangible assets of the Transferred Undertaking and movable assets other than those mentioned in Clause 5.1.1 above, including VAT credits, service tax credits, actionable claims, sundry debtors, goodwill in relation to the acquisition of construction equipment business and distribution business, deferred tax asset, allocable miscellaneous expenditure outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company shall if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Court having sanctioned this Scheme under Section 394 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize the same stands transferred to the Transferee Company and that appropriate entries should be made in their respective books to record the aforesaid changes.

5.1.3 In relation to the assets belonging to the Transferred Undertaking that require execution of separate documents to effect transfer, the Parties will execute the necessary documents in an expeditious way for effective implementation of the transfer. For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that, in so far as the immovable properties comprised in the Transferred Undertaking are concerned, the parties shall register the true copy of the order of the Hon'ble High Court of Judicature at Bombay approving the Scheme with the offices of the relevant sub-registrar of assurance or similar registering authority, having jurisdiction over the territory within which such immovable property is located and shall also execute and register, as required, such other documents which may be necessary in this regard.

5.1.4 If any Asset relating to the Transferred Undertaking (including but not limited to any estate, rights, title, interest in or authorities relating to such asset) which the Transferor Company owns, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall (i) hold such asset in trust for the sole benefit of the Transferee Company till the same is transferred; and (ii) make best efforts to transfer such asset to the Transferee Company within the earliest possible period after the Scheme becomes effective.

5.1.5 In so far as assets comprised in the Transferred Undertaking are concerned, the

security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings of the Transferor Company shall, without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to those liabilities of the Transferor Company which are not transferred to the Transferee Company.

5.1.6 In so far as the assets of the Remaining Business are concerned, the security over such assets, to the extent they relate to the Transferred Liabilities (as defined hereinafter) shall, without any further act, instrument or deed be released and discharged from such security. The absence of any formal amendment which may be required by a lender or third party in order to effect such release shall not affect the operation of the foregoing sentence. Further, in so far as the assets comprised in the Transferred Undertaking are concerned, the security and charge over such assets relating to any liabilities pertaining to the Remaining Business shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to any liabilities of the Remaining Business. Without prejudice to the foregoing and with effect from the Effective Date, the Transferor Company and the Transferee Company shall execute all such instruments or documents or do all such acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies to give formal effect to the above provisions, if required.

5.1.7 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Transferred 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, execute deeds (including deeds of adherence), confirmations or other conveyances or instruments or tripartite arrangements with any party to any contract or arrangements to which the Transferor Company is a party or any instrument as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall 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, compliances referred to above on the part of the Transferee Company, to be carried out or performed in relation to or as a consequence of the Transferred Undertaking being transferred by the Transferor Company.

5.1.8 All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company pertaining to the Transferred Undertaking after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account

of the Transferee Company, if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honour all cheques issued by the Transferor Company pertaining to the Transferred Undertaking for payment after the Effective Date. If required, the Transferor Company shall allow maintaining of banks accounts in the name of Transferor Company by the Transferee Company for such time as may be determined to be necessary by the Transferee Company and the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company in connection with the business of the Transferred Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company pertaining to the Transferred Undertaking shall be instituted, or as the case may be, continued, by or against, the Transferee Company after the coming into effect of the Scheme.

5.1.9 All assets, estate, rights, title, interest and authorities acquired by the Transferor Company after the Appointed Date and prior to the Effective Date for operation of the Transferred Undertaking shall also stand transferred to and vested in the Transferee Company with effect from the Effective Date.

6. LIABILITIES

6.1. It is clarified that, with effect from the Effective Date, liabilities and obligations of the Transferor Company including deferred tax liability which arose out of the activities or operations of the Transferred Undertaking as on the Appointed Date shall be deemed to have been transferred to the Transferee Company and to the extent they are outstanding on the Effective Date shall, without any further act or deed be and stand transferred to the Transferee Company, and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

6.2. In so far as loans and borrowings of the Transferor Company are concerned, the loans and borrowings and such amounts pertaining to the general or multipurpose loans and liabilities which are to be transferred to the Transferee Company (collectively the "Transferred Liabilities") being a part of the Transferred Undertaking shall, without any further act or deed, become loans and borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Transferee Company as if it had entered into such loans and incurred such borrowings.

6.3. Subject to Clause 6.1, from the Effective Date, the Transferee Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities as the borrower/issuer thereof, and the Transferor Company shall not have any obligations in respect of the Transferred Liabilities.

- 6.4. It is expressly provided that, save as mentioned in this Clause 6, no other term or condition of the Transferred Liabilities shall be modified except to the extent that such amendment is required by necessary implication.
- 6.5. Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company, and all loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferred Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 6.6. The provisions of this Clause 6 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

7. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY

7.1. Upon the Scheme becoming effective, the Transferee Company shall account for the Scheme and its effects in its books of account with effect from the Appointed Date as under:

7.1.1. The Transferee Company shall record the Assets and Liabilities of the Transferred Undertaking vested in it in accordance with Clauses 5 and 6, at the carrying amounts as appearing in the books of the Transferor Company.

7.1.2. The excess, if any, on the difference of the aggregate value of the Assets and the aggregate value of the Liabilities of the Transferred Undertaking taken over pursuant to this Scheme over the Consideration as detailed in Clause 14, be recorded as and credited to the capital reserve account in the books of Transferee Company.

7.1.3. The shortfall, if any, on the difference of the aggregate value of the Assets and the aggregate value of the Liabilities of the Transferred Undertaking taken over pursuant to this Scheme over the Consideration as detailed in Clause 14, be recorded as goodwill in the books of Transferee Company.

7.1.4. The stamp duty cost and other expenses in connection with this Scheme and



matters incidental thereto incurred by the Transferee Company shall be accounted as miscellaneous expenditure in the books of the Transferee Company and amortized as per the accounting policy of the Transferee Company.

8. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY

8.1. Upon the Scheme becoming effective, the Transferor Company shall account for the Scheme and its effects in its books of account with effect from the Appointed Date as under:

8.1.1 The accounts representing the Assets and Liabilities of the Transferred Undertaking shall stand closed on transfer to the Transferee Company.

8.1.2 Any difference arising on account of excess book value of Assets and Liabilities transferred over the Consideration detailed under Clause 14 shall be adjusted by the Transferor Company in its general reserve account. Any difference arising on account of excess of the Consideration over the book value of Assets and Liabilities of the Transferred Undertaking shall be adjusted by the Transferor Company in its general reserve account. Further, upon the coming into effect of this Scheme, the Transferor Company shall write-off all expenses incurred by them in connection with this Scheme and matters incidental thereto, if any, in their profit and loss account.

CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

9.1. With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Transferred Undertaking for and on account of and in trust for the Transferee Company.

9.2. All profits accruing to the Transferor Company or losses including tax losses, arising or incurred by the Transferor Company in relation to the Transferred Undertaking for the period commencing from the Appointed Date to the Effective Date shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferee Company.

9.3. Any income or profit accruing or arising to the Transferor Company in relation to the Transferred Undertaking and all costs, charges, expenses, losses or taxes (including but not limited to advance tax, tax deducted at source, etc), arising or incurred by the Transferor Company in relation to the Transferred Undertaking shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the Transferee Company.

9.4. All compliances with respect to advance tax, withholding taxes or tax deduction at source, etc. to be done or done by the Transferor Company in relation to the Transferred

Undertaking shall for all purposes be treated as compliances to be done or done by the Transferee Company.

- 9.5. The Transferor Company hereby confirms that it has, and shall continue upto the Effective Date, to preserve and carry on the Transferred Undertaking with due diligence, prudence and that it will not, without the prior consultation with the Transferee Company, alienate, charge or otherwise deal with or dispose of the Transferred Undertaking or any part thereof or recruit any new employee (in each case except in the ordinary course of business) or employees or undertake substantial expansion of the Transferred Undertaking, other than expansions which have already commenced prior to the Appointed Date.

10. STAFF & EMPLOYEES

- 10.1. On and from the Appointed Date, the Employees who are part of the Transferred Undertaking as may be confirmed by the board of directors of the Transferor Company and the Transferee Company, or their respective delegates, shall be deemed to have ceased to be employees of the Transferor Company, and the Transferee Company shall be deemed to have employed such Employees on the terms and conditions which are not less favorable or on the same terms and conditions on which they are engaged as on the Appointed Date by the Transferor Company without any interruption of service as a result of the transfer.

- 10.2. The services of all such Employees with the Transferor Company prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the said Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, ESOP plans, terminal benefits, gratuity plans, provident fund plans, superannuation plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in the Transferor Company. However, it is hereby clarified that the management of all the employee stock option plans ("ESOP"), superannuation fund, provident fund, gratuity fund and other funds including any surplus in such funds shall continue to remain with the Transferor Company. It is clarified that the services of the staff, workmen and employees of the Transferred Undertaking of the Transferor Company will be treated as having been continuous for the purpose of the said fund or funds or ESOP plans.

- 10.3. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall jointly communicate to the Employees a written notice in a form to be mutually agreed between the Transferee Company and the Transferor Company regarding the terms and conditions of employment with the Transferee Company.

11. CONTRACTS, DEEDS, ETC.

- 11.1. With effect from the Effective Date and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of

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whatsoever nature, as may be determined by the board of directors of the Transferor Company, in relation to the Transferred Undertaking to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

11.2. Without prejudice to the other provisions of the Scheme and notwithstanding that the vesting of the Transferred Undertaking with the Transferee Company 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, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferor Company will, if necessary, also be a party to the above. The Transferee Company shall, 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.

11.3. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that with effect from the Effective Date, all consents, permissions, licenses, certificates, authorities given by, issued to or executed in favour of the Transferor Company in relation to the Transferred Undertaking shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company.

11.4. It is hereby clarified that (i) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Transferred Undertaking to which the Transferor Company is a party to, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company; and (ii) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature relate to the Transferred Undertaking as well as the Transferor Company (pursuant to the transfer of the Transferred Undertaking), the Transferor Company and the Transferee Company shall both be entitled to all rights and benefits and be liable for all obligations under the said arrangements, each to the extent of its respective undertaking only.

12. LEGAL PROCEEDINGS

12.1. From the Effective Date, all legal or other proceedings (including before any statutory or

quasi-judicial authority or tribunal) ("Proceedings") by or against the Transferor Company under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Transferred Undertaking shall be continued and enforced by or against the Transferee Company after the Effective Date, to the extent legally permissible. To the extent, such Proceedings cannot be taken over by the Transferee Company, the Proceedings shall be pursued by the Transferor Company as per the instructions of and entirely at the costs and expenses of the Transferee Company.

- 12.2. If the Proceedings are taken against the Transferor Company in respect of the matters referred to in Clause 12.1 above, it shall defend the same in accordance with the advice and instructions of the Transferee Company and at the cost of the Transferee Company, and the latter shall reimburse and indemnify and hold harmless the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.

13. INTELLECTUAL PROPERTY

- 13.1. It is clarified that notwithstanding anything to the contrary contained herein, all rights relating to patents, designs and drawings, trademarks, service marks, logos, domain names and utility models, copyrights, inventions and brand names which are possessed and/or owned by the Transferor Company including the right to use the "Tata" brand name, or the benefit of the Tata Brand Equity and Business Promotion Agreement entered into between the Transferor Company and Tata Sons Limited, and business names and any similar rights and the benefit of any of the foregoing ("Intellectual Property") shall be retained by the Transferor Company.
- 13.2. Notwithstanding the Scheme coming into effect, the Transferor Company would retain to itself and would not be deemed to have assigned to the Transferee Company, the Intellectual Property along with all the commercial advantages associated with it.

14. CONSIDERATION

- 14.1. Subject to the terms and conditions of this Scheme and as may determined by the board of directors of the Transferor Company and the Transferee Company, in consideration of the transfer of the Transferred Undertaking by the Transferor Company to the Transferee Company in terms of this Scheme, the Transferee Company shall be required to pay a pre-agreed cash Consideration of Rs. 19,90,00,00,000/- (Rupees One Thousand Nine Hundred Ninety crore only) to the Transferor Company. The pre-agreed cash Consideration would be discharged by the Transferee Company within 30 days of the Effective Date or such other date, as may be mutually decided by the board of directors of the Transferor Company and the Transferee Company.

15. REMAINING BUSINESS

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

15.2. Any legal or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company, which shall keep the Transferee Company fully indemnified in that regard. The Transferee Company shall in no event be responsible or liable in relation to any such legal or other proceeding against the Transferor Company.

PART III- GENERAL TERMS AND CONDITIONS

16. APPLICATION TO COURT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications/ petitions to the Hon'ble High Court of Bombay, under whose jurisdiction the registered office of the Transferor Company and the Transferee Company are situated, for sanctioning this Scheme under Sections 391 to 394 of the Act and other applicable provisions of the Act, and for such other orders as the High Court may deem fit for carrying the Scheme into effect and all matters ancillary or incidental thereto.

17. CONDITIONALITY OF THE SCHEME

17.1. This Scheme is and shall be conditional upon and subject to:

17.1.1 the Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and/ or creditors of the Transferor Company and the members and/ or creditors of the Transferee Company as may be directed by the Court or any other competent authority, as may be applicable;

17.1.2 the Scheme being sanctioned by the High Court of Bombay or any other authority under Sections 391 to 394 of the Act and to the necessary orders of the High Court of Bombay or other appropriate authority being obtained;

17.1.3 the Transferee Company being granted a certificate of registration by RBI to commence/ carry on the business of a Non-Banking Financial Institution under sub-section (1) of Section 45-IA of the RBI Act; and

17.1.4 all other sanctions and approvals as may be required by law in relation to the transfer of the Transferred Undertaking, the continuation of the business of the

Transferred Undertaking by the Transferee Company or in relation to any of the provisions of this Scheme being obtained.

18. OPERATIONALIZATION OF THE SCHEME

18.1. This Scheme although to have legal effect and force from the Appointed Date shall not become effective (irrespective of whether any of the individual actions under Clause 17 or this Clause 18 have been completed) until the last of the following dates, namely:

18.1.1 the date on which the last of the consents, approvals, permissions, resolutions and orders as mentioned in Clause 17.1 shall have been obtained or passed; or

18.1.2 the date on which all necessary certified copies of orders under Sections 391 to 394 of the Act shall be duly filed with the Registrar of Companies, Mumbai, Maharashtra.

18.2. The last of such dates shall be the "Effective Date" for the purpose of this Scheme.

19. MODIFICATION OR AMENDMENTS TO THE SCHEME

19.1. Notwithstanding anything to the contrary contained in this Scheme, the Transferor Company and the Transferee Company by their respective board of directors or such other person or persons, as the respective board of directors may authorize including any committee or sub-committee thereof, may make and/or consent to any modifications or amendments (i) to the Scheme (including but not limited to the terms and conditions thereof) or (ii) to any conditions or limitations that the court or any other authority may deem fit to direct or impose; or (iii) which may otherwise be considered necessary, desirable or appropriate by them.

19.2. The Transferor Company and the Transferee Company by their respective board of directors or such other person or persons, as the respective board of directors may authorize including any committee or sub-committee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith, including but not limited to any questions relating to whether any assets or liabilities of the Transferor Company are included in the definition of "Transferred Undertaking".

19.3. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegates of the Transferor Company and the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or

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difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

20. COMPLIANCE WITH TAX LAWS


20.1. Upon the Scheme coming into effect, the Transferee Company may, if it considers necessary or expedient, revise its income tax returns, services tax returns, sales tax returns and other tax returns, and claim refunds and/or credits, etc. pertaining to the Transferred Undertaking pursuant to the provisions of the Scheme.

20.2. Upon the Scheme coming into effect, the Transferor Company is also expressly permitted to revise its income tax returns, services tax returns, sales tax returns and other tax returns, and to claim refunds and /or credits, etc. pertaining to the Remaining Business pursuant to the provisions of the Scheme.

21. COSTS, CHARGES & EXPENSES

21.1. All costs, charges, taxes and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.

REVOCATION AND SEVERABILITY

 22.1. In the event of any of the approvals referred to in Clause 17 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Hon'ble High Court of Judicature at Bombay and/or order or orders not being passed as aforesaid before March 31, 2012 or such other date as may be mutually agreed upon by the respective board of directors of the Transferor Company and the Transferee Company (who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect.

22.2. In the event of revocation under Clause 22.1, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, the Transferor Company shall bear all costs.

22.3. The boards of directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if the boards of directors

are of the view that the coming into effect of the Scheme could have adverse implications on the Transferor Company and/ or the Transferee Company.

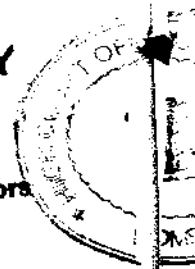
- 22.4. If any part of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

23. SAVING OF CONCLUDED TRANSACTIONS

- 23.1. The transfer and vesting of the assets, liabilities and obligations of the Transferred Undertaking as per this Scheme and the continuance of the legal proceedings by or against the Transferee Company shall not affect any transaction or proceedings already completed by the Transferor Company on or before the Appointed Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts deeds and things done and executed by and on behalf of the Transferee Company.

TRUE-COPY
Done
19/03/02
Mrs. K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

TRUE COPY
N. M. Ram
AZB & PARTNERS
Advocates & Solicitors
Mumbai.



HIGH COURT, BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 43 OF 2012
IN
COMPANY SCHEME PETITION NO. 532 OF 2011
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 381 OF 2011

In the matter of:

The Companies Act, 1956

And

In the matter of:

Sections 392 of the Companies Act, 1956 read with Rule 9 of the Companies (Court) Rules, 1959

And

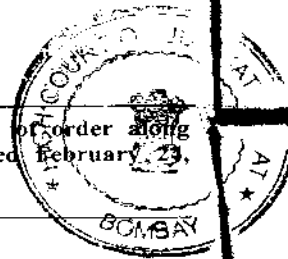
In the matter of:

The Scheme of Arrangement pursuant to Sections 391 to 394 Companies Act, 1956 in respect of the transfer of an undertaking of Tata Capital Limited (the "Transferor Company") to Tata Capital Financial Services Limited (the "Transferee Company")

Tata Capital Financial Services Limited

... Applicant Company

Authenticated copy of the minutes of order along with Scheme of Arrangement dated February 29, 2012



Applied on 02/03/2012
Dressed on 12/03/2012
Section Writer _____
Police _____
Examined by [Signature]
Compared with [Signature]
Ready on 19/03/2012
Withdrawn on 20/03/2012

AZB & Partners
Advocates for the Applicant Company
Express Towers, 23rd Floor
Nariman Point
Mumbai 400 021

HIGH COURT, BOMBAY

663571

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 464 OF 2016
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO 606 OF 2016

In the matter of Companies Act,
1956 (1 of 1956) and Companies
Act, 2013;

AND

In the matter of Section 52 of the
Companies Act, 2013 and
Sections 100 to 103 of the
Companies Act, 1956;

AND

In the matter of Reduction of
Share Capital (Securities Premium
Account) of Tata Capital Financial
Services Limited.

Tata Capital Financial Services Limited, a)
company incorporated under the Companies)
Act, 1956 and having its Registered Office at)
One Forbes, Dr. V. B. Gandhi Marg, Fort,)
Mumbai - 400001) ... Petitioner Company

Called For Hearing

Ms. Alpana Ghone with Mr. Rajesh Shah i/b Rajesh Shah & Co,
Advocates for the Petitioner.

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HIGH COURT, BOMBAY

663570

CORAM: B. P. Colabawalla J

DATE: 5th August, 2016

1. Heard counsel for the Petitioner. No objector has come before the Court to oppose the Reduction and nor any party has controverted any averments made in the Petition.
2. The sanction of the Court has been sought for the Reduction of Share Capital (Securities Premium Account) of the Petitioner Company, under Section 52 of the Companies Act, 2013 and Section 100 to 103 of the Companies Act, 1956, as approved in the Special Resolution passed by its members at the Extra Ordinary General Meeting held on 24th June, 2016.
3. Learned Counsel for the Petitioner states that the reasons for Reduction of Share Capital (Securities Premium Account) has been stated in paragraph 8 of the Petition.
4. Learned Counsel for the Petitioner submits that Article 74 of the Articles of Association of the Petitioner Company permits the Petitioner Company to reduce its Share Capital from time to time by passing a Special Resolution in any manner for the time being authorized by law and the Petitioner Company having passed Special Resolution with requisite majority at its Extraordinary General Meeting held on 24th June, 2016 being Exhibit-'D-2' to the Company Scheme Petition, for Reduction of Share Capital (Securities Premium Account), in the standalone financial statements of the Company and / or consolidated financial statements, of which the Company is a part, the Securities Premium Account of the Company as on March 31, 2016 be reduced by an amount not exceeding Rs. 5,43,00,00,000/- (Rupees Five Hundred and Forty Three Crore Only) out of the

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balance of Rs 12,95,00,00,000 / - standing to the credit of the Securities Premium Account (net of tax, if applicable) by crediting the Statement of Profit and Loss to adjust the debit (expense) to the Statement of Profit and Loss arising from the writing off and / or providing for certain investments (gross and / or net of provisions), goodwill, loans (gross and /or net of provisions) and credit substitutes (gross and / or net of provisions) of the Company AND in view of the averment made in Paragraph 13 of the Affidavit in support of Company Summons for Direction it is stated that the rights of the Secured Creditors are not affected since the proposed Reduction neither involves any financial outlay/outgo on the part of the Petitioner Company nor does it directly or indirectly involve any outflow of the Petitioner Company's assets to its shareholders and is only in the nature of book entry. Further there is no dilution of securities provided to the Secured Creditors since non-performing assets are excluded from security provided and they will continue to hold charge over the respective assets post Reduction of Share Capital (Securities Premium Account) AND in view of the averment made in Paragraph 14 of the Affidavit in support of Company Summons for Direction, it is stated that there are Unsecured Creditors in the Petitioner Company and the proposed reduction neither involves any financial outlay/outgo on the part of the Petitioner Company nor does it directly or indirectly involve any outflow of the Petitioner Company's assets to its shareholders and is only in the nature of book entry. Consequently, such reduction will not prejudice the creditors of the Petitioner Company. The Reduction of Share Capital (Securities Premium Account) does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. The proposed Reduction would not in any way adversely affect the operations of

the Petitioner Company or the ability of the Petitioner Company to honour its commitments or to pay its debts in the ordinary course of business. Further, no compromise or arrangement is contemplated to be made with the creditors under the proposed Reduction. Hence, the procedure prescribed under Section 101(2) of the Companies Act, 1956 was dispensed with vide order dated 8th July, 2016 passed in Company Summons for Direction No. 606 of 2016. Further, in view of the averment made in Paragraph 16 of the Affidavit in support of Company Summons for Direction, it is stated that the Petitioner Company is restructuring its capital in the interest of all stakeholders and in case the words "And Reduced" are added with its name, it would have negative impact and act as a hindrance in the smooth growth of the Applicant Company and therefore, adding of these words be dispensed with.

5. Counsel appearing on behalf of the Petitioner states that they have complied with all the statutory requirements as per the directions of this Court and they have filed necessary affidavit of compliance in the Court. Moreover, Petitioner Company undertakes to comply with statutory requirements, if any, as required under the Companies Act, 1956/ 2013 and the Rules made thereunder. The Undertaking is accepted.
6. None of the parties concerned have come forward to oppose the proposed Reduction of Share capital (Securities Premium Account). Since the requisite statutory procedure has been fulfilled, the Petition is made absolute in terms of prayer clauses (a), (b) and (c).
7. Petitioner is directed to file a copy of this order alongwith a copy of the Form of Minutes with the concerned Registrar of Companies, electronically, along with INC-28 in addition to physical copy as per the relevant provisions of the Act.

8. All concerned regulatory authorities to act on a copy of this order and the Form of Minutes annexed as Exhibit- 'G' to the Petition, duly authenticated by the Company Registrar, High Court, Bombay.
9. Publication of notice in Maharashtra Government Gazette is dispensed with.
10. The Petitioner to publish notices of registration of the Order and form of minutes of Reduction of Share Capital (Securities Premium Account) with the concerned Registrar of Companies, one each in the two local newspapers viz. "Free Press Journal", in English language and translation thereof in "Navshakti", in Marathi language, both having circulation in Mumbai within 14 days of registration.
11. Filing and issuance of the drawn up order is dispensed with.

(B. P. Colabawalla J.)

CERTIFICATE

I certify that this Order uploaded is a true and correct copy of original signed order.

Uploaded by : Shankar Gawde, Stenographer.

TRUE-COPY

K. Rajashree
(R. C. KALE) 25.8.16

COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY
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TRUE COPY

M. S. G. G. G.
Section Officer TO-8-16
High Court, Appellate Side
Bombay

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO 464 OF 2016

CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO 606 OF 2016

In the matter of Companies Act, 1956 (1
of 1956) and Companies Act, 2013;

AND

In the matter of Section 52 of the
Companies Act, 2013 and Sections 100
to 103 of the Companies Act, 1956;

AND

In the matter of Reduction of Share
Capital (Securities Premium Account)
of Tata Capital Financial Services
Limited

Tata Capital Financial Services Limited, a)
company incorporated under the Companies)
Act, 1956 and having its Registered Office at)
One Forbes, Dr. V. B. Gandhi Marg, Fort,)
Mumbai – 400001) ... Petitioner Company



FORM OF MINUTES PROPOSED TO BE REGISTERED UNDER
SECTION 103(1)(b) OF THE COMPANIES ACT 1956

In the standalone financial statements of the Company and/or the consolidated financial statements, of which the Company is a part, the Securities Premium Account of the Company as on March 31, 2016 be reduced by an amount not exceeding Rs. 5,43,00,00,000 (Rupees Five Hundred and Forty Three Crore Only) out of the balance of Rs. 12,95,00,00,000 standing to the credit of the Securities Premium Account (net of tax, if applicable) by crediting the Statement of Profit and Loss to adjust the debit (expense) to the Statement of Profit and Loss arising from the writing off and / or providing for certain investments (gross and / or net of provisions), goodwill, loans (gross and / or net of provisions) and credit substitutes (gross and / or net of provisions) of the Company.

TRUE-COPY
Rajesh Shah
(R. C. KALE) 25-8-16
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

FOR RAJESH SHAH & CO.

Rajesh Shah
Advocates for Petitioner Company



5(4)

IN THE HIGH COURT OF JUDICATURE AT
 BOMBAY
 ORDINARY ORIGINAL CIVIL JURISDICTION
 COMPANY SCHEME PETITION NO. 464 OF
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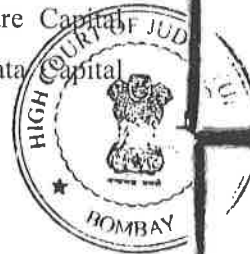
In the matter of Companies Act, 1956 (1 of 1956) and Companies Act, 2013;

AND

In the matter of Section 52 of the Companies Act, 2013 and Sections 100 to 103 of the Companies Act, 1956;

AND

In the matter of Reduction of Share Capital (Securities Premium Account) of Tata Capital Financial Services Limited.



Tata Capital Financial Services Limited
 Petitioner Company

Authenticated copy of the Minutes of order dated August 5, 2016 alongwith form of Minutes

Applied for authenticated copies on... 05/08/2016
 Authenticated copies submitted on... 11/08/2016
 Engrossed on 22/08/2016
 Examined by
 Compared with.....
 Ready on..... 25 AUG 2016
 Delivered on..... 26 AUG 2016

M/s Rajesh Shah & Co.
 Advocates for the Petitioner Company
 16, Oriental Building,
 30, Nagindas Master Road,
 Flora Fountain,
 Mumbai-400 001