

kkc & associates llp

Chartered Accountants
(formerly Khimji Kunverji & Co LLP)

0304/2023/DiSh

To
The Board of Directors,
Tata Capital Limited
11th Floor, Tower A,
Peninsula Business Park,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai, Maharashtra - 400013
India

Independent auditor's certificate on the proposed accounting treatment included in the draft Scheme of Arrangement pursuant to Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ('the Act') and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

1. This certificate is issued in accordance with the terms of our engagement letter with Tata Capital Limited ("the Company" or "the Transferee Company").
2. We, KKC & Associates LLP (formerly Khimji Kunverji & Co LLP), the statutory auditors of the Company, have been approached by the Company to provide the certificate, in accordance with the Act, Securities and Exchange Board of India ('SEBI') Regulations, in particular as required under SEBI Circular SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated 29 July 2022 (as updated on 1 December 2022) as amended from time to time, as to whether:
 - 2.1 the prescribed accounting treatment specified in the proposed Scheme of Arrangement amongst Tata Capital Financial Services Limited ("TCFSL" or "the Transferor Company 1") and Tata Cleantech Capital Limited ("TCCL" or "the Transferor Company 2") with Tata Capital Limited ("the Transferee Company") and their respective shareholders ("the Scheme") in terms of provisions under Sections 230 to 232 read with Section 66 of the Act, is in accordance with the provisions of the Scheme and in compliance with the accounting standards notified under Section 133 of the Act, read with relevant rules issued thereunder ('the applicable accounting standards') and other generally accepted accounting principles in India.
3. The certified draft of the Scheme has been furnished to us by the management of the Company for the purpose of this certificate. A certified true copy of the proposed accounting treatment included in the said draft Scheme, as attached in Appendix I to this certificate, has been stamped & initialed by us for identification purpose only.

Management's Responsibility

4. The responsibility for the preparation of the Scheme, and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the management/ Board of Directors of the Companies involved in the Scheme. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

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5. The Management is also responsible for ensuring that the Company complies with the requirements of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and the applicable accounting standards, in relation to the Scheme and for providing all relevant information to the National Company Law Tribunal, the BSE Limited ('the BSE'), the National Stock Exchange of India Limited ('the NSE').

Auditor's Responsibility

6. Pursuant to the requirements of the Act, our responsibility is to examine and provide a reasonable assurance whether the proposed accounting treatment contained in Appendix 1 to this certificate, complies with the applicable accounting standards and other generally accepted accounting principles and also to review the books of account and other relevant records of the Company so as to comment on the Company's capability to pay interest/instalments of principal. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
7. Accordingly, the following verification procedures have been performed by us:
- Review of the proposed accounting treatment as contained in the Appendix 1 to this certificate in terms of requirements of proviso to Section 230(7) and Section 232(3) of the Act.
 - Obtaining the draft unaudited financial information, as certified by the management of the Company, containing the effect to the entries prescribed in the Scheme so as to broadly review the combined financial information of the entities involved in the Scheme.
 - Reviewing the audit reports of the Transferor Company 1 and Transferor Company 2 (together referred to as 'Transferor Companies') for the year ended 31 March 2022 and limited review reports for the quarters ended 30 June 2022, 30 September 2022 and 31 December 2022 for any qualification/adverse comment pertaining to the 'going concern' status of all the Transferor companies;
 - Obtaining management certified financial results of the Transferor Companies for the period and as at 31 December 2022;
 - Broadly reviewing the Asset Liability Management ('ALM') report as at 31 December 2022 of all companies for testing liquidity mismatch, if any, pertaining to asset/liabilities of the Transferor Companies;
 - Making suitable inquiries and obtained relevant representations from the management of the Company pertaining to the subject matters of this certificate.
8. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.

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10. Based on our verification procedures conducted as narrated in para 7 above and according to the information and explanations given to us, along with the representations provided by the Management of the Company, we report that :
- Pursuant to the requirements of proviso to sub-section (7) of Section 230 and sub-section (3) of Section 232 of the 2013 Act, wherever applicable read with SEBI Circular SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated 29 July 2022 (as updated on 1 December 2022), in our opinion, the proposed accounting treatment as contained in the Appendix hereto is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and all the applicable accounting standards and other generally accepted accounting principles in India and is in accordance with the provisions of the draft Scheme.
 - Having regard to the combined financial information of the Companies involved in the Scheme, considering that none of the auditors of the Transferor Companies have reported on existence of any material uncertainty pertaining to these Companies' going concern or solvency matters in their audit reports for the year ended 31 March 2022, in our opinion, the resultant entity is capable of payment of interest / repayment of principal. We, however, state that this is not an assurance as to the future viability of the Transferee Company. We further state that our reporting is based on the facts up to the date of this certificate and we neither give any guarantee nor any assurance that all liabilities will get discharged by the resultant company as and when they fall due.

Restriction on distribution or use

11. Our work was performed solely to assist the Company in meeting its responsibilities in relation to compliance with the requirements of the provisions pertaining to accounting treatment in SEBI (Listing Obligations and Disclosure Requirements), 2015, Sections 230 to 232 of the Act read with Section 66 of the Act and the Rules for onward submission to BSE, NSE and National Company Law Tribunal along with the Scheme. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have as auditors of the Company or otherwise.
12. This certificate is issued at the request of the Company for the aforesaid purpose and may not be suitable for any other purpose. Hence, the same should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration No.: 105146 W/W100621

Divesh B Shah

Divesh B Shah

Partner

Membership No.: 168237

UDIN No.: 23168237BGZHAK6971



Place: Mumbai

Date: 28th March 2023

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Appendix I

Relevant Extract of Proposed Accounting Treatment included in the Scheme of Arrangement pursuant to Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder

16 ACCOUNTING TREATMENT

On the Scheme taking effect, the Transferee Company shall account for amalgamation of the Transferor Companies with the Transferee Company in its books of account as under:

- 16.1 Amalgamation of the Transferor Companies with the Transferee Company shall be accounted for in accordance with accounting prescribed under “pooling of interest” method in Appendix C of Indian Accounting Standard (IND AS) 103 as specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Companies Act, as may be applicable.
- 16.2 All assets, reserves and liabilities recorded in the books of the Transferor Companies as on the Appointed Date and transferred to and vested in the Transferee Company pursuant to the Scheme shall be recorded by the Transferee Company at their respective book values and in the same form.



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Registered Office 11th Floor Tower A Peninsula Business Park Ganpatrao Kadam Marg Lower Parel
Mumbai 400 013



- 16.3 The identity of the reserves of Transferor Companies, if any, shall be preserved and they shall appear in the financial statements of Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Companies.
- 16.4 The Transferee Company shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant this Scheme.
- 16.5 The inter-corporate investments / deposits / loans and advances between the Transferee Company and the Transferor Companies will stand cancelled and there shall be no further obligation in that behalf.
- 16.6 The excess of or deficit, in the value of the assets over the value of liabilities of the Transferor Companies vested in the Transferee Company pursuant to this Scheme as recorded in the books of account of the Transferee Company shall after adjusting the aggregate face value of the shares issued by the Transferee Company to the members of the Transferor Companies pursuant to this Scheme and the amounts recorded in terms of para 16.2 above, be adjusted in capital reserves in the books of Transferee Company.
- 16.7 In case of any differences in accounting policy between the Transferee Company and the Transferor Companies, accounting policies followed by the Transferee Company shall prevail and impact of the same shall be quantified and appropriately adjusted in accordance with the accounting policies followed by the Transferee Company to ensure the financial statements reflect the financial position on the basis of consistent accounting policy.



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PART III

REDUCTION OF SECURITIES PREMIUM OF THE TRANSFEREE COMPANY

18 REDUCTION OF SECURITIES PREMIUM OF THE TRANSFEREE COMPANY

- 18.1 Immediately after Part II of the Scheme becoming effective, the securities premium available with the Transferee Company i.e., after consolidation of securities premium of the Transferor Companies with the Transferee Company on account of amalgamation, would be reduced against negative balance in capital reserve (arising on amalgamation). This consequential capital reduction of the Transferee Company shall be effected as an integral part of this Scheme itself and not under a separate procedure, in terms of Section 52(1) read with Section 66 of the Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of the Transferor Companies and the Transferee Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of under the provisions of Section 52(1) read with Section 66 of the Act as well and no further compliances would be separately required.
- 18.2 For the sake of completeness, it is clarified that the rights/ interests of the shareholders shall remain unaltered
- 18.3 The Transferee Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon the reduction of capital under Clause 18 of this Part III above.



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18.4 The reduction of capital of the Transferee Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

For Tata Capital Limited

A handwritten signature in black ink, appearing to read 'N. Lakshmi', written over a horizontal line.

Authorised Signatory

Place: Mumbai

Date: 28th March 2023

