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PROSPECTUS
January 21, 2009

TATA CAPITAL LIMITED

Registered and Corporate Office: One Forbes, Dr. V B Gandhi Marg, Fort, Mumbai – 400 001.
(For details of changes in Name and Registered Office, see the section titled "History, Main Objects and Key Agreements" beginning on page 38)
Tel. No.: (022) 6745 9000 **Fax:** (022) 66106722; **Website:** www.tatacapital.com
Compliance Officer and Contact Person: Mr. Shailesh Rajadhyaksha; **E-mail:** compliance.ncd@tatacapital.com

Public Issue by Tata Capital Limited ("Company" or "Issuer") of Secured Non-Convertible Debentures ("NCDs") aggregating Rs. 50,000 lakhs with an option to retain over-subscription of Rs. 1,00,000 lakhs for issuance of additional NCDs, hereinafter referred to as the "Issue".

GENERAL RISK

Investors are advised to read the Risk Factors carefully before taking an investment decision in the Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer and the Issue including the risks involved. Specific attention of the investors is invited to the Risk Factors on pages vii to xvi of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs have been rated 'LAA+' by ICRA and 'CARE AA+' by CARE. The rating of 'LAA+' by ICRA indicates high-credit-quality and low credit risk. The rating of 'CARE AA+' by CARE is considered to offer high safety for timely servicing of debt obligations. Such instruments carry very low credit risk. The ratings provided by ICRA and CARE may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions.

Please refer to page 5 for rationale for the above ratings.

LISTING

The NCDs offered through this Prospectus are proposed to be listed on the National Stock Exchange of India Limited ("**NSE**"). The NSE has given its 'in-principle' approval vide letter dated January 20, 2009. For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

LEAD MANAGERS TO THE ISSUE			REGISTRAR TO THE ISSUE
ICICI Securities	citi	DSP Merrill Lynch	KARVY Karvy Computershare Private Limited
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020. Tel: +91 22 2288 2460 Fax: +91 22 2288 6580 Email:tatacapital_debtissue@isecltd.com Investor Grievance Email: customercare@isecltd.com Website: www.icicisecurities.com Contact Person : Mr. Mrigesh Kejriwal Compliance Officer: Mr. Subir Saha SEBI Registration No.: INM000011179	**Citigroup Global Markets India Private Limited** 12th Floor, Bakhtawar Nariman Point, Mumbai 400 021. Tel: +91 22 6631 9999 Fax: +91 22 6646 6056 Email: tcl.issue@citi.com Investor Grievance Email : investors.cgmib@citi.com Website www.citi.com/india Contact Person: Mr. Anuj Mithani Compliance Officer Mr. Vinod Patil SEBI Registration No. INM000010718	**DSP Merrill Lynch Limited** 10th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021. Tel: +91 22 6632 8000 Fax: +91 22 2204 8518 Email: tatacapital_debtissue@ml.com Investor Grievance Email: India_merchantbanking@ml.com Website: www.dspml.com Contact Person: Mr. N S Shekhar Compliance Officer: Mr. Nehal Vora SEBI Registration No. INM000002236	**Karvy Computershare Private Limited** Karvy House, 46, Avenue 4 Street no.1, Banjara Hills, Hyderabad 500 034. Tel : +91 40 2342 0815 / 28 Fax : +91 40 2343 1551 E-mail: tata_ncd@karvy.com Website: www.karvy.com Contact Person: Mr. Murali Krishna SEBI Registration No.INR000000221

ISSUE PROGRAMME

ISSUE OPENS ON : FEBRUARY 2, 2009	ISSUE CLOSES ON : FEBRUARY 24, 2009

The subscription list for the public issue shall remain open for subscription at the commencement of banking hours and close at the close of banking hours on the dates indicated above or earlier or on such date as may be decided at the discretion of the Committee of Directors of the Company subject to necessary approvals

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SECTION I : GENERAL

DEFINITIONS / ABBREVIATIONS

Company related terms

"TCL", "Issuer", "the Company" and "our Company"	Tata Capital Limited, a public limited company incorporated under the Companies Act, 1956 and registered with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934 and classified as a 'Systemically Important Non-Deposit Accepting Non-Banking Financial Company' having its Registered Office at One Forbes, Dr. V B Gandhi Marg, Fort, Mumbai 400 001
ALCO	Finance and Asset Liability Supervisory Committee
AMC	Asset Management Company
Articles / Articles of Association	Articles of Association of the Issuer
Auditors	Deloitte Haskins & Sells
ALM	Asset Liability Management
Board / Board of Directors	The Board of Directors of the Issuer and includes any Committee thereof
BSE	The Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CAR	Capital Adequacy Ratio
CARE	Credit Analysis & Research Limited
CDSL	Central Depository Services (India) Limited
Debentures / NCDs	Secured, Redeemable, Non-Convertible Debentures offered through this Prospectus aggregating Rs. 50,000 lakhs with an option to retain over-subscription of Rs. 1,00,000 lakhs for issuance of additional NCDs
Debenture Holder (s)	The holders of the NCDs
Debt Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008, issued by SEBI, effective from June 6, 2008
Depositories Act	The Depositories Act, 1998, as amended from time to time
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL)
DP / Depository Participant	A depository participant as defined under the Depositories Act
Designated Stock Exchange	NSE
ECS	Electronic Clearing Services
EXIM Bank	Export Import Bank of India

FEMA	Foreign Exchange Management Act,1999, as amended from time to time
FII	Foreign Institutional Investors
FY	Financial Year ending March 31
ICRA	ICRA Limited
IRDA	Insurance Regulatory Development Authority
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Memorandum / MOA	Memorandum of Association of the Issuer
MCA	Ministry of Corporate Affairs, Government of India
NABARD	National Bank for Agriculture and Rural Development
NEFT	National Electronic Fund Transfer
NAV	Net Asset Value
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
NBFC-ND-SI	Systemically Important Non-Deposit Accepting NBFC
NPA	Non Performing Asset
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
ORMC	Operational Risk Management Committee
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
Rs. / INR / Rupees	The lawful currency of the Republic of India.
ROC	Registrar of Companies
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contract (Regulation) Rules,1957, as amended from time to time
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992 as amended from time to time
SIDBI	Small Industries Development Bank of India
Subsidiaries	Subsidiaries of the Company as specified in the section titled "Our Subsidiaries" on page 54

The Act	The Companies Act, 1956 (as amended from time to time)
TFCI	Tourism Finance Corporation of India Limited
WDM	Wholesale Debt Market
"We", "us" and "our"	Unless the context otherwise requires, Our Company and its Subsidiaries

Issue related terms

Term	Description
Allotment / Allotted	Unless the context otherwise requires, the issue of the NCDs pursuant to the Issue to the Allottees
Allottee	The successful applicant to whom the NCDs are being/have been allotted
Bankers to the Issue	ING VYSYA Bank Limited, HDFC Bank Limited and ICICI Bank Limited
Basis of Allotment	The basis on which NCDs will be allotted to applicants under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 137 of this Prospectus.
Draft Prospectus / Draft Offer Document	Draft prospectus dated January 1, 2009 filed in accordance with the provisions of the Act and the Debt Regulations
Issue	Public Issue by the Company of NCDs aggregating to Rs. 50,000 lakhs with an option to retain over-subscription of Rs. 1,00,000 lakhs for issuance of additional NCDs
Issue Opening Date	February 2, 2009.
Issue Closing Date*	February 24, 2009.
Escrow Agreement	Agreement entered into amongst the Company, the Registrar, the Escrow Collection Bank(s) and the Lead Managers for collection of the application amounts and for remitting refunds, if any, of the amounts collected, to the applicants on the terms and conditions thereof
Escrow Account	Accounts opened with the Escrow Collection Banks and in whose favour the applicant will issue cheques or bank drafts in respect of the application amount while submitting the application
Escrow Collection Bank	The banks with whom the Escrow Account will be opened, in this case being, HDFC Bank Limited and ICICI Bank Limited
Lead Managers	ICICI Securities Limited, Citigroup Global Markets India Private Limited and DSP Merrill Lynch Limited
Lead Brokers	Almondz Global Securities Limited, Anand Rathi Financial Services Limited, Bajaj Capital Investor Services Limited, Enam Securities Private Limited, Integrated Securities Limited, JM Financial Services Private Limited, Karvy Stock Broking Limited, RR Equity Brokers Private Limited and Tata Securities Limited

Term	Description
Prospectus / Offer Document	Prospectus dated January 21, 2009 containing *inter alia* the coupon rate for the NCDs and certain other information
Registrar to the Issue	Karvy Computershare Private Limited
Trustees / Debenture Trustee	Trustees for the Debenture holders in this case being IL&FS Trust Company Limited

*The subscription list for the public issue shall remain open for subscription at the commencement of banking hours and close at the close of banking hours on the dates indicated or earlier or on such date as may be decided at the discretion of the Committee of Directors of the Company subject to necessary approvals

Technical & Industry Terms

Term	Description
CRAR	Capital to Risk-Weighted Assets Ratio
DRR	Debenture Redemption Reserve
LIBOR	London Inter-Bank Offered Rate
SME	Small and Medium Enterprises
YTM	Yield to Maturity

Conventional / General Terms

Term	Description
AGM	Annual General Meeting
AS	Accounting Standard
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
Financial Year / FY	Financial Year ending March 31
GIR	General Index Registration Number
Indian GAAP	Generally Accepted Accounting Principles in India
PAN	Permanent Account Number
TDS	Tax Deducted at Source

FORWARD LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements". These forward looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "shall", "will", "will continue", "will pursue", "would", "will likely result", "is likely", "expected to", "will achieve", "contemplate", "seek to", "target", "propose to", "future", "goal", "project", "should", "can", "could", "may", "in management's judgment" or other words or phrases of similar import or variations of such expressions. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, amongst others:

- General economic and business conditions in India and other countries where we have a presence;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Our ability to compete effectively and access funds at competitive cost;
- Changes in the value of Rupee and other currency changes;
- Unanticipated turbulence in interest rates, equity prices or other rates or prices; the performance of the financial and capital markets in India and globally;
- Availability of funds and willingness of our lenders to lend;
- Changes in political conditions in India;
- The rate of growth of our loan assets and level of NPAs in our portfolio;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Our ability to retain our management team and skilled personnel;
- Changes in Indian and foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations; and
- Changes in laws and regulations that apply to NBFCs in India, including laws that impact our lending rates and our ability to enforce our collateral.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, our Directors and Officers nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. For further discussion of factors that could cause our actual results to differ, see the section titled "Risk Factors" beginning on page vii.

CERTAIN CONVENTIONS; USE OF MARKET DATA

Unless stated otherwise, the financial information used in this Prospectus is derived from the Company's financial statements for the period April 1, 2003 to September 30, 2008 being FY 2004, 2005, 2006, 2007, 2008 and half-year ended September 30, 2008 and prepared in accordance with Indian GAAP and the Act, as stated in the report of the Company's Statutory Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants, included in this Prospectus. The Issuer's financial year commences on April 1 of a calendar year and ends on March 31 of the succeeding calendar year of a particular year.

In this Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

Except as specifically disclosed, all financial / capital ratios and disclosures regarding NPAs in this Prospectus are in accordance with the applicable RBI norms.

Unless stated otherwise, macroeconomic and industry data used throughout this Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Prospectus is reliable, it has not been independently verified.

SECTION II : RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Prospectus before making any investment decision relating to our NCDs. If any of the following risk or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and result of operation could suffer, the trading price of the NCDs could decline and you may lose your all or part of your interest and / or redemption amounts. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

This Prospectus contains forward looking statements that involve risk and uncertainties. The Company's actual results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus.

Investors are advised to read the following risk factors carefully before making an investment in the NCDs offered in this Issue. You must rely on your own examination of the Company and this Issue, including the risks and uncertainties involved.

A. INTERNAL RISK FACTORS

1) As an NBFC, one of the most important risks affecting our profitability is the risk of non-payment by the borrowers and other counterparties.

Our Company's gross loan asset size (excluding inter-corporate deposits) as on September 30, 2008 is Rs. 682,741 lakhs. The size of our Company's loan assets is expected to continue to increase in the future as our Company expands its business in India and offers new products. Since most of our Company's borrowers are individuals and small and medium size companies, our Company's credit risk could be higher due to their potential inability to adapt to changes in the economic and industrial scenario and global technological changes as also changes in the Indian regulatory and political environment. This may lead to an increase in the number and value of our Company's NPAs.

Our Company is exposed to the risk that third parties which owe us money, securities or other assets may not perform their obligations. These parties may default on their obligations to us due to various reasons including bankruptcy, lack of liquidity, operational failure, and other reasons. Further, any delay in enforcing the collateral due to delays in enforcement proceedings before Indian courts or otherwise could expose our Company to potential losses.

A nationwide credit bureau has only recently been established in India. This may affect the quality of information available to our Company about the credit history of our Company's new borrowers. In deciding whether to extend credit to or enter into transactions with customers and counter parties, our Company relies largely on information furnished by or on behalf of its customers, including financial information, based on which the Company performs its credit assessment. The Company may also depend on certain representations and undertakings as to the accuracy, correctness and completeness of information, and the verification of the same by agencies to which such functions are outsourced. Any such information, if materially misleading may increase the risk of default. Our financial condition and results of operations could be negatively affected by relying on information that may not be true or may be materially misleading.

Although our Company regularly reviews credit exposures to clients and counterparties and to industries and geographical regions that our Company believes may present credit concerns, defaults may arise from events or circumstances that are difficult to detect or foresee.

2) **Our inability to control the number and value of NPAs in our portfolio could adversely affect our business and results of operations.**

Our net non-performing assets were Rs.3,448 lakhs representing 0.5% of gross value of our customer assets as at September 30, 2008 as compared to Rs.1,445 lakhs representing 0.4% of our gross value of customer assets as at March 31, 2008. It may be difficult for us to control or reduce the number and value of NPAs of our portfolio due to adverse global and domestic economic conditions and a prolonged recession period. The Company may not be able to improve its collections and recoveries in relation to its existing NPAs. The Company's inability to control or reduce the number and value of its NPAs may lead to deterioration of the quality of its loan portfolio and may severely impact its business.

The Company has made provisions of Rs.1,698 lakhs towards its gross NPAs as on September 30, 2008. Though the Company's total provisioning against the NPAs at present may be adequate to cover all the identified losses in our loan portfolio, there may not be any assurance that in future, the provisioning though compliant with regulatory requirements will be sufficient to cover all anticipated losses. Further the Company may not be able to meet our recovery targets set for the particular FY due to the economic slowdown and intense competition witnessed at both global and domestic levels. In such circumstances, there could be an increase in the number and value of our NPAs which can impact the Company.

Our Company commenced its operations actively only in September 2007. Therefore with the growth of our business, the number and value of our NPAs may increase substantially as large part of the portfolio is not seasoned and which may result in increased provisioning towards our NPAs.

3) **The Company may be exposed to the potential loss of less recovery of value of collaterals due to delays in their enforcement on defaults by the Company's borrowers and also due to market conditions**

Out of the Company's total gross loan portfolio (excluding inter-corporate deposits) of Rs. 682,741 lakhs as at September 30, 2008, 81% of the aggregate gross value of corporate and retail loan portfolio of Rs. 551,016 lakhs is secured by collaterals. The value of collaterals especially real estate may decline due to adverse market conditions. Delays in bankruptcy and foreclosure proceedings, defects in title, documentation of collateral and the necessity of obtaining regulatory approvals for the enforcement of such collaterals may affect the valuation of the collateral and the Company may not be able to recover the estimated value of the collateral, thus exposing the Company to potential losses.

4) **We have and are in the process of venturing into new lines of business ourselves and through our subsidiaries, and there can be no assurance that our ventures will be profitable in future.**

As a part of our growth strategy, we have or otherwise are in the process of venturing into new areas of business, ourselves and through our subsidiaries. These new activities being launched include portfolio management services, co-branded credit cards and specialized products targeted at the rural sector. Although we have recruited experienced management teams which consist of people who have experience in financial services, there are inherent risks in entering a market for the first time. The systems / processes are yet to be tested in the new business environment and may need improvements or, that the turnover of employees increases or that the products themselves may not find sufficient acceptability in the market.

Since the aforementioned businesses are nascent or in planning phase, we do not have any measurable track record in the operations of these businesses. These businesses consequently are to a larger extent susceptible to competition, economical, political and regulatory conditions than established businesses. This may affect our operations and cash flow positions.

5) **System failures, infrastructure bottlenecks and security breaches in computer systems may adversely affect our business.**

Our businesses are highly dependent on our ability to process, on a daily basis, a large number of increasingly complex transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services.

If any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security.

6) **The Company's lending and investment activities are vulnerable to interest rate risks, market risks and asset liability mismatch risks which may have great impact on our financial performance.**

Interest income forms a substantial part of the total income of our Company. The Company extends loans at fixed as well as floating interest rates. The Company's borrowings are also a mix of fixed and floating rates. A mismatch between assets and liabilities may cause our gross spreads to decline and adversely affect our profitability. The Company endeavours to match interest rate positions to minimize interest rate risk.

Operations of the Company are susceptible to interest rate movements. Interest rates are highly sensitive to many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. We may be also exposed to interest and currency risks through treasury operations and market risks on our investment portfolio. The Company has recently commenced certain hedging operations in relation to interest exposures by entering into interest rate swap products. Such products are exposed to fluctuations in the interest rates and hence could result in losses on account of such hedges. Sharp increase in interest rates charged on floating rate basis, may also result in extension of loan maturities and higher instalments due from borrowers, which could result in higher degree of defaults from this segment.

7) **We face asset-liability mismatches in the short term, which could affect our liquidity position. A portion of our funding requirement is through short-term funding sources and in the event lenders decide to withdraw the existing or committed credit facilities or do not roll over the existing credit facilities, our business could be adversely affected.**

The difference between the value of assets and liabilities maturing, in any time period category provides the measure to which we are exposed to the liquidity risk. As is typical for several NBFCs, a portion of our funding requirements is met through short-term funding sources, i.e. bank loans, working capital demand loans, cash credit, short term loans and commercial papers. However, a large portion of our assets have medium or long-term maturities. In the event that the existing and committed credit facilities are withdrawn or are not available to the Company, funding mismatches may be created and it could have an adverse effect on our business and our future financial performance.

8) **Our indebtedness and restrictive covenants imposed by our financing agreements could restrict our ability to conduct our business and operations.**

Our financing agreements require us to maintain certain security margins. Should we breach any financial or other covenants contained in any of our financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Under the terms of some of the loan agreements, our Company is required to obtain the prior written consent of the concerned lender prior to our Company entering into any scheme of expansion, merger, amalgamation, compromise or reconstruction or selling, leasing, transferring all or a substantial portion of its fixed and other assets; making any change in ownership or control or constitution of our Company, or in the shareholding or management or majority of directors, or in the nature of business of our Company; or making amendments in the Company's Memorandum and Articles of Association. This may restrict/ delay some of the actions / initiatives that our Company may like to take from time to time.

9) **We may not get the benefits of being a Tata company in case of any change of control.**

In case of any change of control due to any event such as transfer of shares by our Promoter, preferential allotment to any investor, including conversion of any convertible instruments, our ability to leverage the "Tata" brand may get affected and the benefits of being a Tata company including leveraging of business from other Tata companies may become unavailable to us and consequently, could adversely impact our business operations and profitability.

10) **We are exposed to various operational risks including the risk of fraud and other misconduct by employees or outsiders.**

Like other financial intermediaries, we also run the risk of various operational risks which include the risk of fraud or misconduct by our employees or even an outsider, unauthorized transactions by employees or third parties, mis-reporting and non-compliance of various statutory and legal requirements and operational errors. It may not be always possible to deter employees from the misconduct or the precautions we take to detect and prevent these activities may not be effective in all cases. Any such instances of employee misconduct or fraud, the improper use or disclosure of confidential information, could result in regulatory and legal proceedings and may harm our reputation and also our operations.

11) **We may not be able to attract or retain talented professionals required for our business.**

The complexity of our business operations requires highly skilled and experienced manpower. Such highly skilled personnel give us a competitive edge. Further the successful implementation of our growth plans would largely depend on the availability of such skilled manpower and our ability to attract such qualified manpower. We may lose many business opportunities and our business would suffer if such required manpower is not available on time. Though we have appropriate human resource policies in place, we may face the risk of losing our key management personnel due to reasons beyond our control and we may not be able to replace them in a satisfactory and timely manner which may adversely affect our business and our future financial performance.

12) **We have commitments and contingent liabilities of Rs. 2,053 lakhs as at September 30, 2008**

A. As on September 30, 2008, the contingent liabilities of the Company are as under:

   i) Outstanding letters of credit amounting to Rs.1,680 lakhs; and

   ii) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 373 lakhs.

B. Subsequent to the half year ended on September 30, 2008, the Company agreed to invest up to Rs. 30,000 lakhs in Tata Motors Limited as a long term investment. Subsequently on October 27, 2008 we have invested Rs. 15,000 lakhs in the equity shares of Tata Motors Limited and have closed the above commitment.

Please also refer to "Material Developments" on page 114 of this Prospectus. If any of the contingent liabilities mentioned in (A) above materialise, our liquidity, business, prospects, financial condition and results of operations could be affected.

13) **We may not be able to access funds at competitive rates and higher cost of borrowings could have significant impact on the scale of our operations and also profit margins.**

Our growing business needs would require us to raise funds through commercial borrowings. Our ability to raise funds at competitive rates would depend on our credit rating, regulatory environment in the country and the liquidity scenario in the economy. The developments in the international markets affect the Indian economy including the financial liquidity position. Our Company is exposed to the risk of liquidity in the financial markets. Changes in economic and financial conditions could make it difficult for the Company to access funds at competitive rates. Being an NBFC, we also face certain restrictions to raise money from international markets which are relatively cheaper sources of money and this further constrains our ability to raise cheaper funds.

14) **The Company faces increasing competition from other established banks and NBFCs. The successful implementation of our growth plans depends on our ability to face the competition.**

The Company's main competitors are established commercial banks and NBFCs. Over the past few years, the retail financing area has seen the entry of banks, both nationalized as well as foreign. Banks have access to low cost funds which enables them to enjoy higher margins and / or offer finance at lower rates. NBFCs do not have access to large quantities of low cost deposits, a factor which can render them less competitive. Further, our Company commenced its operations only in September, 2007 and therefore may face competition from established banks and NBFCs in its operations and growth.

15) **The current trading of our existing listed privately placed secured non-convertible debentures may not reflect the liquidity of the NCDs being offered to the public in this Issue.**

The Issue will be our first public issue of NCDs. Before this offering, we have offered secured non-convertible debentures that have been listed on the NSE WDM on a privately placed basis. However there has been no trading of the privately placed debentures from the date of its listing on the WDM Segment of NSE. There can be no assurance that an active public market for the Debentures will develop, and if such a market were to develop, there is no obligation on us to maintain such a market. The liquidity and market prices of the Debentures can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of Debentures. Such fluctuations may significantly affect the liquidity and market price of the Debentures, which may trade at a discount to the price at which you purchase the Debentures.

16) **We may be unable to adequately protect our intellectual property since some of our trademarks, logos and other intellectual property are in the process of being registered and therefore do not enjoy any statutory protection. Further, we may be subject to claims alleging breach of third party intellectual property rights.**

Our Promoter, i.e. Tata Sons Limited has applied for a trademark (in three classes) for "Tata Capital Limited" under the provisions of the Trademarks Act, 1999. We cannot assure that this trademark will be registered or that, once registered, Tata Sons Limited will license the aforementioned trademark to us. Further, third parties may infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. We cannot assure that any unauthorised use by third parties of the trademark "Tata Capital Limited" and other related trademarks will not similarly cause damage to our business prospects, reputation and goodwill.

Further, we have entered into a Tata Brand Equity and Business Promotion Agreement dated July 2, 2007 for the use of the brand "Tata" from Tata Sons Limited. As per the terms of this Agreement, Tata Sons Limited may terminate the aforementioned agreement either (i) in case of breach of any of the terms by us or any other specific reason set out in the agreement; or (ii) with six months written notice for reasons to be recorded. Further, only Tata Sons Limited has the right to register any trademark with the "TATA" brand or bearing the name "TATA". We cannot guarantee that the aforementioned agreement will not be terminated in the future and this may result in our having to change the name of our Company. For further details, please refer to the section titled "History, Main Objects and Key Agreements" on page 38.

17) We may have a high concentration of loans to certain customers or group of customers. If a substantial portion of these loans becomes non-performing, our business and financial performance could be affected.

Our business of financing, bill discounting, factoring, corporate lending and retail lending with or without securities exposes us to the risk of third parties that owe us money. Our loan portfolio and non-performing asset portfolio has, or may in the future, have a high concentration in certain customers or groups of customers. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure, breach of contract, government or other regulatory intervention and other reasons including inability to adapt to changes in the macro business environment. Historically, borrowers or borrower groups have been adversely affected by economic conditions in varying degrees. Credit losses due to financial difficulties of these borrowers/ borrower groups in the future could adversely affect our business and our financial performance.

18) We have entered into transactions with related parties, which create conflicts of interest for certain of our management and directors.

We have entered into transactions with related parties, including our Promoter and its affiliated companies. For further details, please refer to the section titled "Financial Information – Disclosures pertaining to transactions with related parties" beginning on page 83. Such agreements may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

19) There are potential conflicts of interest with our Promoter and its affiliates.

Our Promoter has equity interests or investments in other entities that offer services that are related to our business. There may be conflicts of interest in addressing business opportunities and strategies where other companies in which our Promoter has equity interests are also involved.

20) We have incurred losses during the recent past.

As per the management, the Company has incurred provisional losses of approximately Rs. 1,800 lakhs (before tax) for the nine months period ended December 31, 2008. While we believe that these losses are primarily due to the prevailing market conditions and high cost of borrowing, if the Company continues to incur further losses, the Company's results of operations and financial condition will be adversely affected.

Our Subsidiaries have incurred losses in the recent past. The details of the accumulated losses of our subsidiaries as on September 30, 2008 are set out below:

Subsidiary	For the half yearly period ended September 30, 2008
Tata Capital Markets Limited	Loss of Rs. 246 lakhs
Tata Securities Limited	Loss of Rs. 965 lakhs
Tata Capital Pte Limited *(For the period April 25, 2008 (date of incorporation) to September 30, 2008)*	Loss of Singapore $ 1,091,031 = Rs.362 lakhs*

* At conversion rate of 1 Singapore $ = Rs.33.1074

In the event that these Subsidiaries continue to incur losses or any of our other Subsidiaries incur losses, our Company's consolidated results of operations and financial condition will be adversely affected.

Risks Relating to the Utilization of Issue Proceeds

21) **Our management will have significant flexibility in applying proceeds of the Issue. The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.**

We intend to use the proceeds of the Issue for financing activities including lending and investment and in implementing other existing and new business opportunities and capital expenditure for the same as also for repayment of existing loans. For further details, please refer to the section titled "Objects of the Issue" beginning on page 17 of this Prospectus. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, the management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for this Issue.

Risks Relating to the NCDs

22) **Changes in interest rates may affect the price of our NCDs.**

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

23) **Securities on our NCDs rank pari passu with our Company's secured indebtedness.**

Substantially all of our Company's current assets represented by finance receivables are being used to secure our Company's debt. As at December 31, 2008 our Company's secured debt was Rs. 451,937 lakhs. Securities on our NCDs will rank *pari passu* with any of our Company's secured obligations with respect to the assets that secure such obligations. The terms of the NCDs do not prevent our Company from incurring additional debt. In addition, the NCDs will rank *pari passu* to the existing and future indebtedness and other secured liabilities and obligations of our Company.

24) **We may not be able to maintain adequate Debenture Redemption Reserve (DRR) for the NCDs issued under this Prospectus.**

Section 117C of the Act states that any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, the Ministry of Company Affairs has, through its circular dated April 18, 2002, has specified that NBFCs which are registered with the RBI under Section 45-IA of the RBI Act, 1997 shall create DRR to the extent of 50% of the value of debentures issued through public issue. Accordingly our company shall create DRR of 50% of the issue size in terms of this Prospectus, for the redemption of the NCDs. Therefore the DRR created shall not be adequate to meet the full value of redemption of the NCDs. Further, in case we are unable to generate adequate profit, we may not be able to provide for the DRR even to the extent of the stipulated 50%.

25) Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus our ability to raise further debts.

This Issue has been rated by ICRA as having a LAA+ rating for the issuance of the NCDs for an aggregate amount of Rs. 150,000 lakhs. Further, CARE has assigned a 'CARE AA+' rating to this Issue for an aggregate amount of Rs. 150,000 lakhs having maturity between 1-7 years. The Issuer cannot guarantee that these ratings will not be downgraded. Such a downgrade in the above credit ratings may lower the value of the NCDs and may also affect the Issuers ability to raise further debt.

B. EXTERNAL RISK FACTORS

26) We are subject to regulatory and legal risk which may adversely affect our business.

The operations of an NBFC are subject to regulations framed by the RBI and other authorities including regulations relating to foreign investment in India. Under the guidelines issued by the RBI in December 2006 and February 2007, the Company has been classified as an NBFC-ND-SI. The Company is required to maintain a CAR of 10%, besides complying with other prudential norms. RBI has issued guidelines for increasing CAR for NBFC-ND-SI to 12% with effect from March 31, 2009 and to 15% with effect from March 31, 2010. Compliance with many of the regulations applicable to the Company across jurisdictions including any restrictions on investments and other activities currently being carried out by the Company involve a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of the Company could be adversely affected.

We are also subject to changes in Indian laws, regulations and accounting principles. There can be no assurance that the laws governing the Indian financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect our business and future financial performance.

27) Our growth depends on the sustained growth of the Indian economy. An economic slowdown in India and abroad could have direct impact on our operations and profitability.

Macroeconomic factors that affect the Indian economy and the global economic scenario have an impact on our business. The quantum of our disbursements is driven by the growth in demand for vehicles, construction equipment, loans to SMEs, mortgages, etc. The Indian economy has been growing at over 8% per annum for the past 2-3 years, which has resulted in increased disbursements for the industry as a whole. Any slow down in the Indian economy may have a direct impact on our disbursements and a slowdown in the economy as a whole can increase the level of defaults thereby adversely impacting the Company's growth plans and the quality of its portfolio.

28) Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our business.

The role of the Indian Central and State Governments in the Indian economy has remained significant over the years. Since 1991, the Government has pursued a policy of economic liberalization, including significantly relaxing restrictions on the private sector. There can be no assurance that these liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting financial services companies, foreign investment, currency exchange rates and other matters affecting investments in Indian companies could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India, thus affecting our business.

The current Government is and future Governments could be a coalition of several parties. The withdrawal of one or more of these parties could result in political instability. Any political instability in the country could materially impact our business adversely.

29) Civil unrest, terrorist attacks and war would affect our business.

Terrorist attacks and other acts of violence, war or conflicts, particularly those involving India, as well as the United States of America, the United Kingdom, Singapore and the European Union, may adversely affect Indian and global financial markets. Such acts may negatively impact business sentiment, which could adversely affect our business and profitability. India has from time to time experienced, and continues to experience, social and civil unrest, terrorist attacks and hostilities with neighbouring countries. Also, some of India's neighbouring countries have experienced, or are currently experiencing internal unrest. This, in turn, could have a material adverse effect on the market for securities of such companies, including the NCDs. The consequences of any armed conflicts are unpredictable, and we may not be able to foresee events that could have an adverse effect on our business.

30) Our business may be adversely impacted by natural calamities or unfavourable climatic changes.

India, Bangladesh, Pakistan, Indonesia and other Asian countries have experienced natural calamities such as earthquakes, floods, droughts and a tsunami in recent years. Some of these countries have also experienced pandemics, including the outbreak of avian flu. The extent and severity of these natural disasters and pandemics determines their impact on these economies and in turn affects the financial services sector of which our Company is a part. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economies in which we have operations, which could adversely affect our business and the price of our NCDs.

31) Any downgrading of India's sovereign rating by an international rating agency(ies) may affect our business and our liquidity to a great extent.

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favourable terms, or at all.

NOTES TO THE RISK FACTORS

1. This is a public issue by the Company of NCDs aggregating Rs. 50,000 lakhs with an option to retain over-subscription of Rs. 100,000 lakhs for issuance of additional NCDs.
2. For details on the interest of our Company's Directors, please refer to the sections titled "Our Management" and "Capital Structure" on page 40 and 12 of this Prospectus.
3. Our Company has entered into certain related party transactions as disclosed in the section titled "Financial Information – Disclosures pertaining to transactions with related parties" beginning on page 83 of this Prospectus.
4. Any clarification or information relating to the Issue shall be made available by the Lead Managers and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.
5. Investors may contact the Lead Managers for any complaints pertaining to the Issue.
6. Investors may note that this being a public issue of NCDs, as per the Debt Regulations, the Prospectus and the Draft Prospectus has not been submitted to SEBI for comments. However, the Draft Prospectus had been filed with the NSE on January 1, 2009 and no comments from the public have been received till January 13, 2009.
7. In the event of oversubscription to the Issue, allocation of NCDs will be as per the "Basis of Allotment" set out in page 137 of this Prospectus.

SECTION III : INTRODUCTION

GENERAL INFORMATION

Tata Capital Limited:

Date of Incorporation: March 8, 1991

A public limited company incorporated under the Act.

Registered Office:

One Forbes, Dr. V B Gandhi Marg, Fort, Mumbai – 400 001.

Registration:

Corporate Identification Number: U65990MH1991PLC060670 dated March 8, 1991 issued by the Registrar of Companies, Maharashtra, Mumbai.

NBFC registration: 13.01202 dated March 10, 1999, issued by the RBI.

Compliance Officer (and Company Secretary):

The details of the person appointed to act as Compliance Officer for the purposes of this Issue is set out below:

Shailesh H. Rajadhyaksha
One Forbes,
Dr. V B Gandhi Marg,
Fort, Mumbai – 400 001.
Tel.: + 91 22 6745 9000
Fax: +91 22 6610 6722
Email: compliance.ncd@tatacapital.com

Lead Managers:

ICICI Securities Limited
ICICI Centre,
H.T. Parekh Marg,
Churchgate,
Mumbai 400 020.
Tel: +91 22 2288 2460
Fax: +91 22 2288 6580
Email:
tatacapital_debtissue@isecltd.com
Investor Grievance
Email: customercare@isecltd.com
Website: www.icicisecurities.com
Contact Person: Mr. Mrigesh Kejriwal
Compliance Officer: Mr. Subir Saha
SEBI Registration No:
INM000011179.

Citigroup Global Markets India Private Limited
12th Floor, Bakhtawar,
Nariman Point,
Mumbai 400 021.
Tel: +91 22 6631 9999
Fax: +91 22 6646 6056
Email:
tcl.issue@citi.com
Investor Grievance
Email : investors.cgmib@citi.com
Website www.citi.com/india
Contact Person: Mr. Anuj Mithani
Compliance Officer: Mr. Vinod Patil
SEBI Registration No.:
INM000010718

DSP Merrill Lynch Limited
10th Floor, Mafatlal Centre,
Nariman Point,
Mumbai 400 021.
Tel: +91 22 6632 8000
Fax: +91 22 2204 8518
Email :
tatacapital_debtissue@ml.com
Investor Grievance Email:
India_merchantbanking@ml.com
Website: www.dspml.com
Contact Person: Mr. N S Shekhar
Compliance Officer: Mr. Nehal Vora
SEBI Registration No.:
INM000002236

Advisors to the Issue:

Tata Capital Markets Limited
One Forbes, Dr. V.B. Gandhi Marg,
Fort, Mumbai – 400001
Tel: + 91 22 6745 9000
Fax: + 91 22 2261 8215

Debenture Trustee:

IL&FS Trust Company Limited
The IL&FS Financial Centre, Plot C-22,
Bandra –Kurla Complex,
Bandra East, Mumbai - 400051.
Tel: +91 22 2653 3333
Fax: +91 22 2653 3297

IL&FS Trust Company Limited has by its letter dated November 15, 2008 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Registrar:

Karvy Computershare Private Limited
46, Avenue 4, Street No.1,
Banjara Hills,
Hyderabad-500034
Tel: +91 40 23420815 / 28
Fax: +91 40 23431551
Website: www.karvy.com
Contact Person: Mr. Murali Krishna
e-mail: tata_ncd@karvy.com
SEBI Registration No: INR000000221

Auditors:

M/s. Deloitte Haskins & Sells
12, Dr Annie Besant Road
Opp. Shivsagar Estate
Worli,
Mumbai 400 018
Tel : +91 22 66679000
Fax: +91 22 66679001

Credit Rating Agencies:

ICRA Limited

Registered Office:
1105, Kailash Building, 11th Floor
26, Kasturba Gandhi Marg
New Delhi 110001.
Tel: +91 11 2335 7940 – 50
Fax: +91 11 2335 7014

Corporate Office:
Bldg. No. 8, 2nd Floor, Tower A
DLF Cyber City, Phase II
Gurgaon - 122002.
Tel: +91 124 454 5300
Fax +91 124 454 5350
Website: www.icra.in

Credit Analysis & Research Limited
4th Floor, Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (East), Mumbai – 400 022.
Tel: + 91 22 6754 3456
Fax: + 91 22 6754 3457
Website: www.careratings.com

Legal Advisor to the Issuer:

AZB & Partners
23rd Floor, Express Towers
Nariman Point, Mumbai 400 021
Tel: +91 22 6639 6880
Fax: +91 22 6639 6888

Legal Advisor to the Lead Managers:

J Sagar Associates
Vakils House, 18, Sprott Road
Ballard Estate, Mumbai- 400 001
Tel: +91 22 6656 1500
Fax: +91 22 6656 1515

Bankers to the Issue:

ICICI Bank Limited
Capital Markets Division
30, Mumbai Samachar Marg
Mumbai – 400 001.
Tel : +91 22 2262 7600
Fax : + 91 22 2261 1138/ 3043 7017

HDFC Bank
Process House, 2nd Floor
Kamala Mills Compound
Senapati Bapat Marg
Lower Parel, Mumbai – 400013.
Tel: +91 22 2496 1616/2498 8484
Fax: +91 22 22-2496 3994/2496 8135

ING Vysya Bank Limited
Number 22, ING Vysya House,
M.G. Road
Bangalore-560 001.
Tel: +91 80 2500 5347
Fax: +91 80 2500 5262

Bankers to the Company:

Bank of India
Mumbai Large Corporate Branch
70-80, M.G Road, Fort
Mumbai 400001.

Union Bank of India
Veer Nariman Road Branch
Churchgate,
Mumbai – 400 020.

State Bank of Patiala
Commercial Branch
Atlanta, Nariman Point,
Mumbai 400021.

State Bank of Indore
Mittal Court
Nariman Point,
Mumbai 400 021.

State Bank of Travancore
Tulsiani Chambers
Nariman Point,
Mumbai- 400 021.

Central Bank of India
Corporate Finance Branch
MMO Building, Fort,
Mumbai- 400 023.

South Indian Bank
G-8, Embassy Center
207, Nariman Point,
Mumbai- 400 021.

Citibank, N.A.
Citi Center, 7th Floor
Bandra Kurla Complex
Bandra(E), Mumbai – 400051.

Yes Bank Limited
Nehru Centre
Worli, Mumbai- 400 025.

Syndicate Bank
Homji Street
1st Floor, Fort, Mumbai 400 023.

Kotak Mahindra Bank Limited
13th Floor, Nariman Bhavan
227, Nariman Point, Mumbai 400 021.

United Bank of India
25, P.M. Road
Fort, Mumbai 400 001.

Punjab National Bank
Maker Tower 'E', Ground Floor
Cuffe Parade,
Mumbai 400 005.

State Bank of Mysore
Corporate Accounts Branch
Mittal Court, 'C' wing
Nariman Point, Mumbai 400 021.

Dena Bank
Corporate Business Branch
C – 10, G – Block,
Bandra Kurla Complex
Bandra East, Mumbai 400 051.

Bank of Baroda
Corporate Financial Services Branch
Walchand Hirachan Marg
1st Floor, Ballard Pier, Mumbai 400 001.

Andhra Bank
Nanavati Mahalya
Fort, Mumbai 400 001

Standard Chartered Bank
90, Mahatma Gandhi Road
Post Box No. 725, Fort
Mumbai - 400 001.

State Bank of India,
CAG Branch
Voltas House
Mumbai-400021.

The Dhanalakshmi Bank Limited
Janmabhoomi Bhavan
Janmabhoomi Marg, Fort
Mumbai 400 001.

HDFC Bank Limited
Process House, 2nd Floor
Kamala Mills Compound
Senapati Bapat Marg
Lower Parel, Mumbai – 400013.

Deutsche Bank
Kodak House, Fort
Mumbai 400 001.

The Federal Bank Limited
32, Bombay Samachar Marg
Fort, Mumbai 400 001.

Oriental Bank of Commerce
Jash Chambers, Ground Floor
Sir P.M. Road, Fort, Mumbai 400 001.

Karnataka Bank Limited
294/A, "Haroon House"
Perin Nariman Street
Fort, Mumbai – 400001.

ABN Amro N.V
Sakhar Bhavan, 2nd Floor
Nariman Point,
Mumbai 400 021.

Laxmi Vilas Bank
Fort, Mumbai Branch
64, Dr. V. B. Gandhi Marg
Kala Ghoda, Fort
Mumbai – 400 001.

Lead Brokers to the Issue:

Almondz Global Securities Limited
33, 6th Foor, Vaswani Mansion,
Dinshaw Vachha Road,
Opp. K. C. College,
Churchgate,
Mumbai 400 020
Tel: +91 22 2287 0580 / 0593
Fax: +91 22 2287 0581
e-mail: surendra.tare@almondz.com
Website:www. almondzglobal.com
Contact Person: Mr. Surendra N Tare

Anand Rathi Financial Services Limited
B-2, Shubham Centre,
5th Floor, Cardinial Gracious Road,
Chakala, Andheri (East),
Mumbai 400 099
Tel: +91 22 4001 3700
Fax: +91 22 4001 3770
e-mail: Shekharmargaje@rathi.com
Website: www.rathi.com
Contact Person: Mr. Shekhar Margaje / Mr. Gaurav Mehta

Bajaj Capital Investor Services Limited
5th Floor, Bajaj House, 97
Nehru Place, New Delhi 110019
Tel: +91 11 4169 3000
Fax: +91 11 2647 6638
e-mail: vineetas@bajajcapital.com
Website: www.bajajcapital.com
Contact Person: Ms. Vineeta Sharma

Enam Securities Private Limited
44/B, Khatau Building, 2nd Floor,
Bank Street,
Fort, Mumbai 400 001.
Tel: +91 22 2267 7901
Fax: +91 22 2266 5613
Email: ajays@enam.com
Website www.enam.com
Contact Person: Mr. Ajay Sheth

Integrated Securities Limited
15, 1st Floor, Modern House,
Dr. V. B. Gandhi Marg,
Forbes Street, Fort
Mumbai 400 023.
Tel: +91 22 4066 1800
Fax: +91 22 2287 4676
Email: Krishnan_v@iepindia.com
Website: www.cubsharebroking.com
Contact Person: Mr. V. Krishnan

JM Financial Services Private Limited
141, Maker Chambers III
Nariman Point, Mumbai 400 021.
Tel: +91 22 6630 3030
Fax: +91 22 2202 8224
Email:
prashant.choksi@jmfinancial.in
Website www.jmfinancial.in
Contact Person: Mr. P. K. Choksi

Karvy Stock Broking Limited
Karvy House,
46, Avenue 4, Street No.1,
Banjara Hills, Hyderabad 500 034
Tel: +91 40 2331 2454
Fax: +91 40 6662 1474
e-mail: jayantkumard@karvy.com
Website: karvycomputershare.com
Contact Person: Mr. D. Jayant Kumar

RR Equity Brokers Private Limited
47, M. M. Road,
Rani Jhansi Marg,
Jhandewalan, New Delhi 110 055
Tel: +91 11 2363 6362
Fax: +91 11 2363 6666
e-mail: ravigoyal@ rrfcl.com
Website: www.rrfcl.com
Contact Person: Mr. Ravi Goyal

Tata Securities Limited
Army & Navy Building, 2nd Floor,
148 M G Road, Fort,
Mumbai 400 001
Tel: +91 22 6752 4000
Fax: +91 22 6637 8379
e-mail:
bhavesh.jatania@tatacapital.com
Website:www.tatasecurities.com
Contact Person:
Mr. Bhavesh Jatania

All the members of the recognized Stock Exchanges would be eligible to act as brokers to the Issue.

Impersonation

As a matter of extra precaution, attention of the investors is specifically drawn to the provisions of sub-section (1) of section 68A of the Act, relating to punishment for fictitious applications.

Minimum Subscription

If the Company does not receive the minimum subscription of 40 % of the base issue amount of Rs.50,000 lakhs i.e. Rs.20,000 lakhs prior to allotment, the entire subscription shall be refunded to the applicants within 15 days from the date of closure of the Issue. If there is delay in the refund of subscription by more than 8 days after the Company becomes liable to pay the subscription amount, the Company will pay interest for the delayed period, at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act, 1956.

Credit Rating

Pursuant to a letter dated December 8, 2008 ICRA has rated the NCDs "**LAA+**". This rating indicates high-credit-quality. The rated instrument carries low credit risk. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal or suspension at any time by the assigning rating agency and each should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information, etc. Set out below is the rating rationale adopted by ICRA:

The ratings primarily reflects TCL's strong parentage (the Company is owned 100% by 'Tata Sons Limited' (TSL), rated at LAAA and A1+ for its long term and short term debt programmes, respectively, by ICRA) and the strong commitment of TSL to TCL, which ICRA expects would allow the Company to grow its financing volumes by leveraging the strength of the "Tata" brand and by exploiting the synergies with other Tata Group companies by financing various participants in the supply chain as well as some of the end products. While TCL has the challenge of managing relatively newer assets, it is in a superior position (vis a vis other lenders) to comprehend credit risk and to service the borrower on its exposures to entities of the Tata supply chain. The strong parentage providers' comfort on the ability of the Company to remain adequately capitalized in relation to the risk embedded in its portfolio. In ICRA's opinion the Company's profitability could remain under pressure in the short to medium term, until the operating income is large enough to absorb initial high fixed overhead expenses incurred on setting up the infrastructure. Profitability of the Company could also improve as the non-fund based businesses of the Company, such as insurance distribution, merchant banking and financial advisory scale up. However, the ability of TCL to maintain reasonable risk adjusted returns would be linked to the level of control it maintains over delinquencies on its loan portfolio. Despite the expected pressure on profitability, TCL's strategic importance to the Tata Group, in its position as a key financier within the Tata Group apart from Tata Motors Finance Limited (TMFL), which finances only Tata Motor Limited (TML) assets would ensure strong support from the Group. ICRA has taken note of the systemic tightening of liquidity which impacted the business growth of TCL during September 08, the Company is in the process of tying up additional credit facilities and *expects to grow its business going forward. ICRA has evaluated the latest asset liability position of TCL, which reflects mismatches over the short term as observed in some other NBFCs; however being a part of the Tata Group, the Company should be in position to plug these mismatches by accessing and rolling over its banking lines.*

Pursuant to a letter dated January 6, 2009, CARE has assigned a **'CARE AA+'** rating to the Issue for an aggregate amount of Rs. 150,000 lakhs having maturity between 1-7 years. Instruments with this rating are considered to offer high safety for timely servicing of debt obligations. Such instruments carry very low credit risk. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material and clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate\ such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to the Company. Set out below is the rating rationale adopted by CARE:

The rating factors in TCL's strong parentage (TCL being a wholly owned subsidiary of Tata Sons Ltd.), the demonstrated support of the Tata group, both, by way of capital support as well as offering of in-house business opportunities (lending opportunities offered by the "Tata ecosystem" comprising dealers/vendors and other business constituents/relationships affiliated with the group companies). The rating also factors in the brand equity of the parent company which would aid TCL in scaling up its volumes beyond the group related business as well as render it with strong resource raising capabilities.

The rating is however constrained by TCL's relatively limited track record of operations, its ability to lend competitively given the presence of established players in an intensely aggressive corporate and retail lending market and its ability to maintain asset quality with rising business volumes and economic slowdown.

Utilisation of Issue proceeds

Our Board of Directors certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Act;
- details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate head in our balance sheet indicating the form in which such unutilised monies have been invested; and
- we shall utilize the Issue proceeds only upon the execution of the documents for creation of security as stated in this Prospectus in the section titled "Issue Structure- Security" on page 127.

Issue Programme

The subscription list for the Issue shall remain open for subscription at the commencement of banking hours and close at the close of banking hours on the dates indicated below or earlier or on such date as may be decided at the discretion of the Committee of Directors of the Company subject to necessary approvals

ISSUE OPENS ON	February 2, 2009
ISSUE CLOSES ON	February 24, 2009

SUMMARY OF BUSINESS, STRENGTH & STRATEGY

Overview

We are a customer centric diversified financial services company in India, providing services, either directly or through subsidiaries, to retail, corporate and institutional clients in the areas of retail finance, corporate finance, investment banking, retail broking and distribution, wealth management and private equity. The Company was incorporated on March 8, 1991 and actively commenced business operations since September, 2007. The Company is a wholly owned subsidiary of Tata Sons Limited, the apex holding company of the Tatas. The Company is headquartered in Fort, Mumbai, and we operate from 2 regional offices and 32 branches in 22 Indian cities. In addition, we have 3 subsidiary companies in Singapore and are in the process of obtaining approvals for setting up a subsidiary in London.

Since the commencement of our business, we have grown from an asset financier to a diversified financial services company organised under fund and fee based business lines which are operated through the Company and its seven subsidiaries.

Our fund based businesses comprise Corporate Finance, Infrastructure Finance and Retail Finance. Our fee based businesses comprise investment banking, broking and distribution, wealth management, private equity, treasury advisory, services relating to travel, forex and infrastructure.

As most of our fee based businesses have commenced recently, our fund based businesses presently constitute the majority of our business. The revenues from our fund based businesses for the period of six months ended September 30, 2008 was Rs.32,372 lakhs which is almost double the revenue from fund based business of Rs.17,798 lakhs which was generated during the FY 2007-08.

We believe that the following are our key strengths:

- Unified financial services platform;
- Diversified and balanced mix of businesses;
- Experienced management team;
- Innovative solutions model;
- Respected brand;
- Controls, processes and risk management systems; and
- Access to capital.

We believe that the following are some of the salient features of our strategy:

- Consolidate our existing lines of business;
- Explore new business opportunities;
- Pursue strategic acquisitions and alliances;
- Leverage our technology advantage;
- Attract and retain talented professionals and
- Expand our client base and geographical presence

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled “Terms of the Issue” beginning on page 115 of this Prospectus.

Common Terms of NCDs

Issuer	Tata Capital Limited
Issue	NCDs aggregating Rs. 50,000 lakhs with an option to retain over-subscription of Rs. 1,00,000 lakhs for issuance of additional NCDs.
Stock Exchanges proposed for listing of the NCDs	NSE
Issuance	Demat form only
Trading	Demat mode only
Depository	NSDL and CDSL
Security	Security will be created for the purposes of this Issue as per the Debenture Trust Deed. For further details, please refer to the section titled “Issue related Information-Issue Structure” on page 118.
Rating	LAA+ by ICRA and CARE AA+ by CARE.
Issue Schedule *	Issue Opening Date: February 2, 2009 and Issue Closing Date: February 24, 2009
Pay-in date	5 days from the date of application.
Deemed Date of Allotment	Deemed date of allotment shall be the date of issue of the letter of allotment / regret.
Settlement	Please refer to the section titled “Terms of the Issue” on page 115.

*The subscription list for the public issue shall remain open for subscription at the commencement of banking hours and close at the close of banking hours on the dates indicated or earlier or on such date as may be decided at the discretion of the Committee of Directors of the Company subject to necessary approvals

The NCDs will be issued at their respective face values.

The specific terms of each instrument are set out below:

Options	**I**	**II**	**III**	**IV**
Interest Payment	Monthly	Quarterly	Annual	Cumulative
Minimum Application	Rs.1,00,000/-	Rs.10,000/-*	Rs.10,000/-*	Rs.10,000/-*
In Multiples of	Rs.100,000/-	Rs.1000/-	Rs.1,000/-	Rs.1,000/-
Face Value of NCDs (Rs. / NCD)	Rs.100,000/-	Rs.1,000/-	Rs.1,000/-	Rs.1,000/-
Interest Payment	ECS only	Through various options available **	Through various options available **	Through various options available **
Coupon (%)	11% per annum	11.25% per annum	12 % per annum	12 % per annum to be compounded annually
Yield on redemption	11.57%	11.73%	12%	12%
Put and call option	36 months	42 months	36 months	36 months
Tenor	60 months	60 months	60 months	60 months
Redemption Date* **	5 years from the deemed date of allotment	5 years from the deemed date of allotment	5 years from the deemed date of allotment	5 years from the deemed date of allotment
Redemption Amount	Face value plus any interest that may have accrued.	Face value plus any interest that may have accrued	Face value plus any interest that may have accrued	Face value plus any interest that may have accrued

*For Option II, III and IV, the minimum application size is Rs. 10,000 for all three options taken together.
** For various options of interest payment, please refer page 121 of this Prospectus.
*** Subject to the exercise of the put / call option in the manner set out in this Prospectus

SUMMARY FINANCIAL INFORMATION

The following tables present the summary financial information of our Company and have been prepared in accordance with Indian GAAP and the Act. The summary financial information should be read in conjunction with the Auditors' Report and notes thereto contained in the section titled "Financial Information" beginning on page 56

STATEMENT OF PROFITS AND LOSSES OF TCL (UNCONSOLIDATED)

Rs. in lakhs

Particulars	Schedule	For the half year ended Sept 30, 2008	For the year ended March 31,				
			2008	2007	2006	2005	2004
Income							
Income from Financing activity	10	31,161	14,534	-	-	-	-
Investment Income	11	1,211	3,264	478	482	44	34
Other Income		298	598	-	-	2	-
Total		**32,670**	**18,396**	**478**	**482**	**46**	**34**
Expenditure							
Interest	12	18,475	9,400	-	-	-	-
Employee cost	13	4,148	2,768	-	-	-	-
Other operating expenses	14	9,263	5,351	1	1	1	1
Share issue expenses written off		70	77	-	-	-	-
Depreciation		265	67	-	-	-	-
Provision for Diminution in investments		-	-	-	1	-	5
Total		**32,221**	**17,663**	**1**	**2**	**1**	**6**
Profit before taxes		**449**	**733**	**477**	**480**	**45**	**28**
Current Tax		521	155	45	5	2	1
Deferred Tax		(441)	(221)	-	1	1	1
Fringe Benefit Tax		70	29	-	-	-	-
MAT Credit entitlement		-	(151)	-	-	-	-
Profit after taxes		**299**	**921**	**432**	**474**	**42**	**26**

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STATEMENT OF ASSETS AND LIABILITIES OF TCL (UNCONSOLIDATED)

Rs. in lakhs

	Particulars	Schedule	As at Sept 30, 2008	As at March 31, 2008	2007	2006	2005	2004
A	***Fixed Assets***	1	**10,108**	**9,103**	**-**	**-**	**-**	**-**
B	***Investments***	2	**79,060**	**73,406**	**2,560**	**2,306**	**1,702**	**1,667**
C	***Current Assets, Loans and Advances***							
	Cash and Bank Balances		2,085	2,177	14	3	8	114
	Loans and Advances (including sundry debtors)	3	693,852	348,413	228	16	135	19
			695,937	**350,590**	**242**	**19**	**143**	**133**
D	***Liabilities and Provisions***							
	Secured Loans	4	(209,439)	(118,785)	-	-	-	-
	Unsecured Loans	5	(351,948)	(108,943)	-	-	-	-
	Current Liabilities and Provisions	6	(13,662)	(5,243)	(120)	(22)	(17)	(15)
			(575,049)	**(232, 971)**	**(120)**	**(22)**	**(17)**	**(15)**
E	***Deferred Tax Asset/(Liability)***		**662**	**221**	**-**	**-**	**1**	**2**
F	***Networth***		**210,718**	**200,349**	**2,682**	**2,303**	**1,829**	**1,787**
G	***Represented by***							
	1. Share Capital	7	208,762	198,762	1,603	1,603	1,603	1,603
	2. Reserves	8	2,231	1,932	1,079	700	226	184
	3. Miscellaneous Expenditure (to the extent not written off or adjusted)	9	(275)	(345)	-	-	-	-
	Networth		**210,718**	**200,349**	**2,682**	**2,303**	**1,829**	**1,787**

STATEMENT OF CASH FLOWS OF TCL (UNCONSOLIDATED)

Rs. in lakhs

	Particulars	For the period ended September 30, 2008	For the year ended March 31,	
			2008	2007
(A)	***Net cash used in operating activities***	(327,770)	(233,072)	(212)
(B)	**Cash flow from investing activities**			
	Purchase of Fixed assets (including Capital Advances and excluding goodwill on business acquisition)	(1,270)	(1,570)	-
	Payment for business acquisitions (including goodwill)	(1,353)	(1,20,017)	-
	Acquisition of Subsidiaries	(3,348)	(6,712)	-
	Purchase/Redemption of Mutual Funds (net of dividend reinvested)	24,082	(21,080)	(302)
	Purchase of other long term investments	(26,524)	(43,787)	-
	Proceeds from sale of shares	14	3,784	444
	Interest on Bond	59	-	-
	Dividend Income	77	214	81
	Net cash used in investing activities	**(8,263)**	**(1,89,168)**	**223**
(C)	***Cash flow from financing activities***			
	Issue of Equity share capital	10,000	57,000	-
	Issue of Preference share capital	-	141,759	-
	Redemption of Preference shares	-	(1,600)	-
	Dividend on Preference shares	-	(53)	-
	Dividend Distribution Tax	-	(9)	-
	Share issue expenses	-	(422)	-
	Net proceeds from short term borrowings	176,708	120,228	-
	Proceeds from Long-term borrowings	179,233	147,500	-
	Repayment of long term borrowings	(30,000)	(40,000)	-
	Net cash provided by financing activities	**335,941**	**424,403**	**-**
(D)	***Net increase/(decrease) in cash and cash equivalents***	**(92)**	**2,163**	**11**
	Cash and cash equivalents as at the beginning of the period	**2,177**	**14**	**3**
	Cash and cash equivalents as at the end of the period	**2,085**	**2,177**	**14**

CAPITAL STRUCTURE

Details of share capital

The share capital of the Company as at date of this Prospectus is set forth below:

SHARE CAPITAL		Rs in Lakhs
Authorised		
475,00,00,000	Equity shares of Rs.10 each	475,000
25,00,000	Redeemable Preference shares of Rs.1,000 each	25,000
300,00,00,000	Compulsorily Convertible Preference shares of Rs. 10 each.	300,000
		800,000
Issued		
107,01,05,000	Equity shares of Rs.10 each	107,011
141,75,87,500	0.1% Non-Cumulative Compulsorily Convertible Preference shares of Rs.10 each	141,759
		248,770
Subscribed		
107,00,30,670	Equity shares of Rs.10 each	107,003
141,75,87,500	0.1% Non-Cumulative Compulsorily Convertible Preference shares of Rs.10 each	141,759
		248,762
Paid Up		
57,00,30,670	Equity shares of Rs.10 each fully paid	57,003
50,00,00,000	Equity shares of Rs.10 each , paid up Rs. 2 per share	10,000
141,75,87,500	0.1% Non-Cumulative Compulsorily Convertible Preference shares of Rs.10 each fully paid	141,759
		208,762

Note:

1) All the equity shares are held by the holding company, Tata Sons Limited and its nominees.

2) The Company has issued 50,00,00,000 Equity Shares of Rs 10 each, to the holding company (Tata Sons Limited) on September 29, 2008 on which Rs. 2 has been paid up by the holding company.

3) 0.1% Non-Cumulative Compulsorily Convertible Preference Shares are convertible at any time after the issuance date i.e. March 19, 2008 into equity shares at par at the option of the holder or compulsorily convertible into equity shares at par on March 18, 2018.

Changes in the authorised capital of the Company as on the date of this Prospectus:

Sr. No.	Year	Alteration
1	1991	The authorised share capital of the Company at the time of incorporation was Rs. 5,00,000/- divided into 30,000 Equity shares of Rs.10/- each; 10,000 preference shares of Rs.10/- each and 10,000 cumulative preference shares of Rs.10/- each.
2	1996	The authorised share capital of the Company was increased from Rs.5,00,000 divided into 30,000 Equity Shares of Rs.10/- each; 10,000 preference shares of Rs.10/- each and 10,000 cumulative preference shares of Rs.10/ each to Rs.57,00,00,000/- divided into 10,00,000 Equity Shares of Rs.10/- each and 5,60,000 – 14% non-cumulative redeemable preference shares of Rs.1,000/- each.
3	2007	The authorised share capital of the Company was increased from Rs.57,00,00,000/- divided into 10,00,000 Equity Shares of Rs.10/- each and 5,60,000 14% non-cumulative redeemable preference shares of Rs.1,000/- each to Rs.10,00,00,00,000/- divided into 75,00,00,000 Equity Shares of Rs.10/- each and 25,00,000 redeemable preference shares of Rs.1,000/- each.
4	2007	The authorised share capital of the Company was increased from Rs.10,00,00,00,000/- divided into 75,00,00,000 Equity Shares of Rs.10/- each and 25,00,000 redeemable preference shares of Rs.1000/- each to Rs.80,00,00,00,000/- divided into 4,75,00,00,000 Equity Shares of Rs.10/- each, 25,00,000 redeemable preference shares of Rs.1000/- each and 300,00,00,000 compulsorily convertible preference shares of Rs.10/- each.

Changes in the issued and subscribed capital of the Company till the date of the Prospectus:

Date of the Allotment	No. of Shares and Face Value	Issue Price– Per Share (Rs.)	Nature of Allotment	Cumulative Capital (Rs.)
March 8, 1991	70 Equity Shares of Rs.10/- each	10	Subscription to the Memorandum of Association	700
November 4, 1996	1,60,000 – 14% Non -Cumulative Redeemable Preference Shares of Rs.1,000/- each	1,000	Rights Issue at par	1,60,000,700
November 26, 1996	30,600 Equity Shares of Rs.10/- each	10	Rights Issue at par	1,60,306,700
November 4, 2006	1,60,000 – 7% Non Cumulative Redeemable Preference Shares of Rs.1,000/- each	1,000	Fresh issue of Preference Shares for redemption of existing Preference Shares	1,60,306,700
June 25, 2007	16,50,00,000 Equity Shares of Rs.10/- each	10	Rights Issue at par	1,81,03,06,700
July 27, 2007	25,50,00,000 Equity Shares of Rs.10/- each	10	Rights Issue at par	4,36,03,06,700
August 24, 2007	15,00,00,000 Equity Shares of Rs.10/- each	10	Rights Issue at par	5,86,03,06,700
September 21, 2007	1,60,000 – 7% Non Cumulative Redeemable Preference Shares of Rs.1,000/- each	1,000	Redemption of Preference Shares (out of the proceeds of fresh issue of Equity Shares Allotted on August 24, 2007)	5,70,03,06,700

Date of the Allotment	No. of Shares and Face Value	Issue Price– Per Share (Rs.)	Nature of Allotment	Cumulative Capital (Rs.)
March 19, 2008	1,41,75,87,500, 0.1% Non Cumulative Compulsorily Convertible Preference shares of Rs. 10 each	10	Fresh issue of Compulsory Convertible Non Cumulative Preference shares	19,87,61,81,700
September 29, 2008	50,00,00,000 Equity Shares of Rs. 10 each (Rs. 2 Paid – up on application)	10	Rights Issue at par	20,87,61,81,700

Share holding pattern of the Company as on the date of this Prospectus:

Sr. No.	Name of the Shareholder	Address	No. of Shares	Nominal Value (Rs.)	Total Paid-Up Capital (Rs.)
	Equity Shares:				
1	Tata Sons Limited	Tata Sons Limited Bombay House 24 Homi Mody Street Mumbai – 400 001	57,00,30,020	10	5,70,03,00,200
			50,00,00,000	10 (Rs.2/- paid-up)	1,00,00,00,000
2	Tata Sons Limited jointly with others	Tata Sons Limited Bombay House 24 Homi Mody Street Mumbai – 400 001	650	10	6,500
	TOTAL		**107,00,30,670**	**10**	**670,03,06,700**
	0.1% Non Cumulative Compulsorily Convertible Preference Shares:				
1	Travorto Holdings Limited	Travorto Holdings Limited, City Forum, 7th floor11 Florinis Street CY-1065 Nicosia, Cyprus	1,41,75,87,500	10	14,17,58,75,000
	TOTAL		**1,41,75,87,500**	**10**	**14,17,58,75,000**
	TOTAL PAID-UP CAPITAL				**20,87,61,81,700**

List of top 10 debenture holders (all the debentures issued on private placement basis and listed and not in reference to any particular series of debentures issued) as on January 16, 2009

S. No.	Name	Address	Number of units
1	Reliance Capital Trustee Co. Limited-Reliance Fixed Horizon Fund –X	DB House, Hazarimal Somani Marg, Fort, Post Box - 1142, Mumbai- 400001	620
2	Reliance Capital Trustee Co. Limited-Reliance Fixed Horizon Fund –X	DB House, Hazarimal Somani Marg, Fort, Post Box - 1142, Mumbai- 400001	500
3	HSBC Fixed Term Series 62	C/O Standard Chartered Bank Securities Services 23-25 , M.G. Road Fort, Mumbai -400001	500
4	HDFC Trustee Company Limited A/C HDFC FMP 20M August 2008	HDFC Bank Limited Custody Services Trade World A Wing, ground floor, Kamala Mills Compound S B Marg Lower Parel, Mumbai-400013	470
5	FIL Trustee Company Private Limited A/C Fidelity Fixed Maturity Plan - Series I - Plan A	C/O Standard Chartered Bank Securities Services 23-25 , M.G. Road Fort, Mumbai -400001	300
6	The Federal Bank Limited	Treasury Department, Federal Towers Marine Drive Ernakulum-682031	300
7	Fortis Fixed Term Plan - Series 13 - Plan B	DB House, Hazarimal Somani Marg, Fort, Post Box - 1142, Mumbai 400001	250
8	ICICI Prudential Smart Fund - Twenty four months Plan C	HSBC Securities Services, 2nd Floor "Shiv", Plot No 139-140 B Western Exp. Highway, Sahar Rd. Junct. Vile Parle-E, Mumbai-400057	250
9	Sundaram BNP Paribas Mutual Fund A/C Sundaram BNP Paribas Fixed Term Plan - J	C/O Standard Chartered Bank Securities Services 23-25 , M.G. Road Fort, Mumbai -400001	200
10	The Federal Bank Limited	Treasury Department, Federal Towers Marine Drive Ernakulum-682031	200

No securities have been issued by the Company for consideration other than cash.

Debt - equity ratio:

The debt equity ratio prior to this Issue is based on a total outstanding debt of Rs. 561,387 lakhs and shareholder funds amounting to Rs. 210,718 lakhs as on September 30, 2008. The debt equity ratio post the Issue (assuming subscription of Rs. 1,50,000 lakhs) is 3.38 times, based on a total outstanding debt of Rs. 711,387 lakhs and shareholders fund of Rs. 210,718 lakhs as on September 30, 2008.

Rs in lakhs

Particulars	Prior to the Issue	Post the Issue*
Secured loans as on September 30, 2008	209,439	359,439
Unsecured loans as on September 30, 2008	351,948	351,948
Total Debt	561,387	711,387
Share capital as on September 30, 2008	208,762	208,762
Reserves as on September 30, 2008	2,231	2,231
Less:Misc. expenditure (to the extent not written off or adjusted) as on September 30, 2008	275	275
Total Shareholders Fund	210,718	210,718
Debt Equity Ratio (Number of times)	**2.66**	**3.38**

*The debt equity ratio post the Issue is indicative and is on account of the assumed inflow of Rs. 150,000 lakhs from the Issue in the secured debt category as on September 30, 2008. The actual debt equity ratio post the issue would depend on the actual position of debt and equity on the date of allotment.

Note: There is a net increase of Rs. 133,315 lakhs in total debt fund position as on December 31, 2008 from September 30, 2008.

For details on the total outstanding debt of the Company, please refer to page 109 of this Prospectus.

OBJECTS OF THE ISSUE

The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various financing activities including lending and investments, to repay our existing loans and our business operations including for our capital expenditure and working capital requirements.

The Main Objects clause of the Memorandum of Association of the Company permits the Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which the Company has been carrying on till date.

Further, in accordance with the Debt Regulations, the Company will not utilize the proceeds of the Issue for providing loans to or acquisitions of shares of any person who is a part of the same group as the Company or who is under the same management as the Company.

Interim Use of Proceeds

The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or the Investment Committee from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008. The Company's Board shall monitor the utilization of the proceeds of the Issue. The Company will disclose in the Company's financial statements for the relevant Financial Year commencing from FY 2009, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

STATEMENT OF TAX BENEFITS

Under the current tax laws, the following tax benefits interalia, will be available to the Debenture Holders as mentioned below. The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holder is advised to consider in his own case the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

To our Debenture Holder

A. INCOME-TAX

I *To the Resident Debenture Holder*

1. Interest on NCD received by Debenture Holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. No income tax is deductible at source as per the provisions of section 193 of the I.T Act on interest on debentures in respect of the following:

   (a) In case the payment of interest on debentures to resident individual Debenture Holder in the aggregate during the financial year does not exceed Rs.2,500;

   (b) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debentureholder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act;

   (c) When the resident Debenture Holder (not being a company or a firm or a senior citizen) submits a declaration in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the previous year in which such income is to be included in computing his total income will be nil as per the provisions of section 197A (1A) of the I.T. Act. Under section 197A (1B) of the I.T. Act, Form 15G cannot be submitted nor considered for exemption from deduction from tax at source if the aggregate of income of the nature referred to in the said section, viz. dividend, interest, etc as prescribed therein, credited or paid or likely to be credited or paid during the Previous year in which such income is to be included exceeds the maximum amount which is not chargeable to tax. To illustrate, the maximum amount of income not chargeable to tax in case of individuals (other than women assessees and senior citizens) and HUFs is Rs.150,000, in case of women assessees is Rs.180,000 and senior citizens is Rs. 225,000 for Previous Year 2008-09. Senior citizens, who are 65 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non deduction of tax at source in accordance with the provisions of section 197A (1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid does not exceeds the maximum amount not chargeable to tax i.e. Rs. 225,000 for FY 2008-09. In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act;

   (d) On any securities issued by a company in a dematerialized form listed on recognized stock exchange in India. (w.e.f. 1.06.2008).

2. Under section 2 (29A) of the I.T. Act, read with section 2 (42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

   Under section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 10% of capital gains calculated without indexation of the cost of acquisition The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the debenture from the sale consideration.

In case of an individual or HUF, being a resident, where the total income as reduced by the long term capital gains is below the maximum amount not chargeable to tax (i.e. Rs. 150,000 in case of all individuals, to Rs. 180,000 in case of women and to Rs.225,000 in case of senior citizens), the long term capital gains shall be reduced to the extent of and only the balance long term capital gains will be subject to the flat rate of taxation in accordance with and the proviso to sub-section (1) of section 112 of the I.T. Act read with CBDT Circular 721 dated September 13, 1995.

In addition to the aforesaid tax, in the case of an individual, HUF, association of persons or artificial juridical person, where the total income exceeds Rs. 1,000,000, a surcharge of 10%, in the case of firms and domestic companies where the income exceeds Rs. 10,000,000 a surcharge of 10% of such tax liability is also payable. A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge) is payable by all categories of taxpayers.

3. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act.

   The provisions related to minimum amount not chargeable to tax, surcharge and education cess described at para 2 above would also apply to such short-term capital gains.

4. In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

II *To the Non Resident Indians*

1. A non resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:

   a) Under section 115E of the I.T. Act, income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20% (plus applicable surcharge, education cess and secondary & higher education cess), whereas, long term capital gains on transfer of such Debentures will be taxable at 10% (plus applicable surcharge, education cess and secondary & higher education cess). Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

   b) Under section 115F of the I.T. Act, subject to the conditions and to the extent specified therein, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in clause (4B) of section 10 of the I.T. Act in accordance with and subject to the provisions contained therein.

   c) Under section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income and/ or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.

   d) Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion into money of such assets.

2. In accordance with and subject to the provisions of section 115I of the I.T. Act, Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case, please refer to para A (2, 3 and 4) for the tax implications arising on transfer of debentures.

3. Under Section 195 of the I.T. Act, the company is required to deduct tax at source at the rate of 20% on investment income and at the rate of 10% on any long-term capital gains and as referred to in section 115E. At the normal rates for Short Term Capital Gains if the payee Debenture Holder is a Non Resident Indian.

   The provisions related to surcharge and education cess described at para 2 above would also apply to such income/gains.

4. As per section 90(2) of the I.T. Act read with the circular no. 728 dated October 30, 1995 issued by the CBDT, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee.

5. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) or 195(3) of the I.T. Act, from the Assessing Officer.

III *To the FIIs*

In accordance with and subject to the provisions of section 115AD of the I.T. Act on transfer of debentures by FIIs, long term capital gains are taxable at 10% (plus applicable surcharge and education and secondary and higher education cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and education and secondary and higher education cess). The cost indexation benefit will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply. Income other than capital gains arising out of debentures is taxable at 20% in accordance with and subject to the provisions contained therein.

In addition to the aforesaid tax, in the case of a non corporate FIIs where the income exceeds Rs. 1,000,000, a surcharge of 10% and in case of foreign corporate FIIs where the income exceeds Rs. 10,000,000, a surcharge of 2.5% of such tax liability is also payable. A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge) is payable by all categories of taxpayers.

In accordance with and subject to the provisions of section 196D (2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.

The provisions at para II (4 and 5) above would also apply to FIIs.

IV. *To the Other Eligible Institutions*

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorised by the Reserve Bank of India be exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act subject to and in accordance with the provisions contained therein.

B. WEALTH TAX

Wealth-tax is not levied on investment in debentures under section 2(ea) of the Wealth-tax Act, 1957.

C. GIFT TAX

Gift-tax is not levied on gift of debentures in the hands of the donor as well as the donee because the provisions of the Gift-tax Act, 1958 have ceased to apply in respect of gifts made on or after October 1, 1998.

SECTION IV : ABOUT THE ISSUER COMPANY AND THE INDUSTRY

INDUSTRY

The information in this section has been extracted from publicly available documents/ sources and has not been prepared or independently verified by us or any of our advisors.

Introduction

A growing economy needs investment to sustain its growth process. Such investments can be quickly and efficiently undertaken if investors have access to a well-developed financial market. Historically, banks have played the role of intermediaries matching savers with investors. However, the modern world of business requires a much more sophisticated level of intermediation. It is no longer sufficient to have an efficient means of allocating savers' funds to investors; one also needs financial markets to allocate risk and to re-allocate capital from inefficient to more efficient projects. Given the institutional nature of banks, it is not possible for them to provide all these functions of a modern financial market. The financial market has various intermediaries such as banks, insurance companies, pension funds, mutual funds, venture capital funds, and the stock and commodity exchanges. Together, they perform the various types of intermediation necessary in the global financial world. Since 1991, India has become one of the developed financial markets among the emerging economies; however it is still a long way to go. (Source: Economic Survey 2007-2008; Ministry of Finance, Government of India; text available at – http://indiabudget.nic.in/es2007-08/chapt2008/chap51.pdf)

As the Indian economy has entered a higher growth trajectory, the investment demand is expected to remain strong in the short to medium term. The banking sector is equipped to meet the growing demand for resources; but credit expansion needs to be non inflationary and ensure that productive sectors receive adequate credit at a reasonable cost. This may call for the banking sector to review the spreads suitably, thereby ensuring that credit off take by productive sectors is maintained facilitating the growth momentum of the economy. With a vibrant capital market, the Indian corporates would step up their access to the primary market to raise resources both through equity and debt issues. Alongside, the overseas issues (ADR/GDR) too are expected to gain in importance to supplement the domestic resource mobilization by the corporates. The Government's efforts to streamline the regulatory framework and to bring business transparency may enhance activity in the primary capital market in terms of increase in the number of debt and equity issues as well as larger participation of investors, particularly retail investors. The performance of Indian stock prices in the secondary market hinges broadly on long term and short-term factors. In the long run, strong world output growth is important to sustain the investment activity across the globe. Since India's growth performance is relatively better among the emerging economies, the country would continue to attract significant cross-border portfolio investments. In the short term, expectation of higher relative returns from investment in India, favourable risk perception of investors and improved global liquidity would help the country in being an attractive destination for investment. Going forward, despite the possible subdued global growth, the strong fundamentals of the Indian economy in tandem with higher growth would help in sustaining the interest of domestic and foreign investors in the Indian market. (Source: Economic Survey 2007-2008; Ministry of Finance, Government of India; text available at – http://indiabudget.nic.in/es2007-08/chapt2008/chap57.pdf)

Structure of India's Financial Services Industry

The RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority for the Indian financial system. SEBI and IRDA regulate the capital markets and insurance sector, respectively. A variety of financial intermediaries in the public and private sectors participate in India's financial sector, including the following:

- Commercial banks;
- NBFCs;
- Specialised financial institutions like NABARD, EXIM Bank, SIDBI and TFCI;
- Securities brokers;
- Investment banks;

- Insurance companies;
- Mutual funds; and
- Venture capital.

Non-Banking Finance Companies (NBFCs)

Overview

Non-Banking Finance Companies (NBFCs) are an integral part of the country's financial system complementing the services of commercial banks. The main reason attributed to the growth of NBFCs is the comprehensive regulation of the banking system. Other factors include higher level of customer orientation, lesser pre/post sanction requirements and higher rates of interest on deposits being offered by NBFCs.

NBFCs have traditionally been extending credit across various parts of the country through their geographical presence, with NBFCs being a supplier of credit to segments such as equipment leasing, hire purchase, and consumer finance. These are areas which warrant infusion of financing due to the existing demand-supply gap. NBFCs have been a more flexible source of financing and have been able to disburse funds to a gamut of clientele, from the local common man to a variety of corporate clientele. NBFCs are also able to accelerate the pace of decision making to disburse funds, customise and tailor their products according to the client needs and take on excess risks on their portfolio. NBFCs can be divided into deposit taking NBFCs, i.e., which accept deposits from public and non-deposit taking NBFCs being those which do not accept deposits from public.

The activities carried out by NBFCs in India can be grouped as under –

NBFC

Fund Based Activities

- Equipment Leasing
- Hire Purchase
- Bill Discounting
- Loans / Investments
- Venture Capital
- Factoring
- Equity Participation
- Short Term Loans
- Inter Corporate Loans

Fee based Activities

- Investment Banking
- Portfolio Management
- Wealth Management
- Corporate Consulting
- Project Consulting
- Loan / Lease Syndication
- Advisory Services

Even though NBFCs are performing functions akin to that of banks, there are, however, a few differences –

(i) NBFC cannot accept demand deposits;

(ii) NBFCs are not a part of the payment and settlement system and as such cannot allow its customers to operate their accounts through issue of cheques; and

(iii) Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation ("**DICGC**") is not available for NBFC depositors unlike in case of banks.

Initially, the NBFCs registered with RBI could operate as –

(i) Equipment leasing company;

(ii) Hire-purchase company;

(iii) Loan company; and

(iv) Investment company.

However, with effect from December 6, 2006, the NBFCs registered with RBI have been reclassified as –

(i) Asset Finance Company (AFC)

(ii) Investment Company (IC); and

(iii) Loan Company (LC)

Overview of Key NBFC activities in India

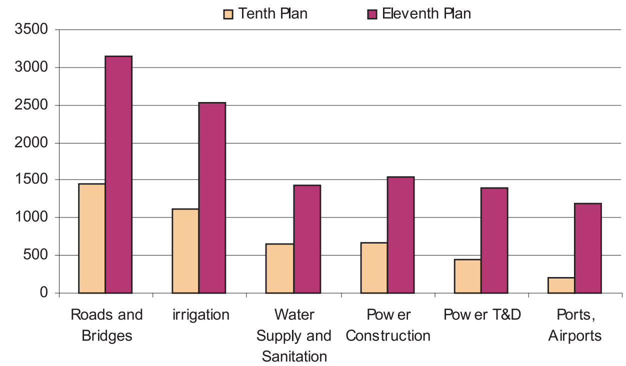
Small and Medium Enterprises Financing

SME financing is an attractive growth area targeted by most banks and NBFC. However NBFC are best suited for this segment as it is beset with inadequate financial reporting and the requirement of more personalized services which the banks and financial institutions find difficult to deal with. The sector is growing at very fast pace with ever increasing ambitions of the Indian businessmen. Today most SME business have ambitious growth plans which they are able to strive for mainly enabled by better access to technology and information systems. With adequate and prompt supply of funds, the SME can easily scale up their operations and also provide ample scope for fee based services.

Infrastructure Finance

Infrastructure is expected to be a key area of growth in a developing country like India. The Government has been actively promoting the country's infrastructure through a sustained focus on area like power, roads, ports and urban transportation. Private sector participation through public private partnerships as well as privately funded projects is being encouraged in order to enable quick scale up of government's efforts and better management. As per Planning Commission's estimates the investments in infrastructure during the Tenth Plan aggregated to Rs. 4,52,900 crores which is expected to increase to Rs. 11,25,000 crores in the Eleventh Plan. The chart below describes the anticipated and estimated investments under the two plans respectively.

Investment in Infrastructure during Tenth and Eleventh Plans



Source: Planning Commission, all figures in Rs. hundred crores

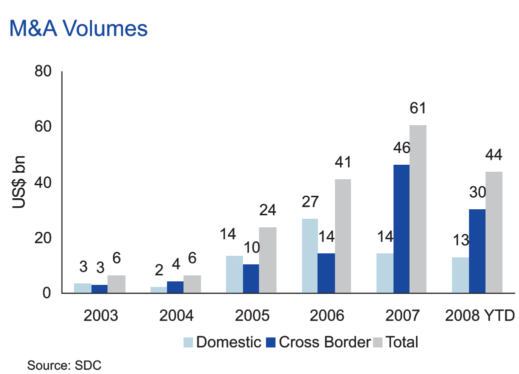
Power sector reforms like unbundling of the state electricity boards has paved the way for commercially viable projects in the generation, transmission as well as distribution space. The proposed ultra mega power projects, three of which have already been awarded are targeted towards easing the power shortage situation in the country and require huge investments over the next 10-15 years. Introduction of tariff based bidding will provide for better efficiencies in setting up as well as maintenance of power projects while provide better returns to investors. Measures like awarding coal mines on priority to power projects, efforts to tap the hydro electric potential of the country and opening up nuclear power generation to private sector will lead to heavy investment in the power generation sector Efforts are on to set up an integrated national power grid and enable power trading through setting up of power exchanges.

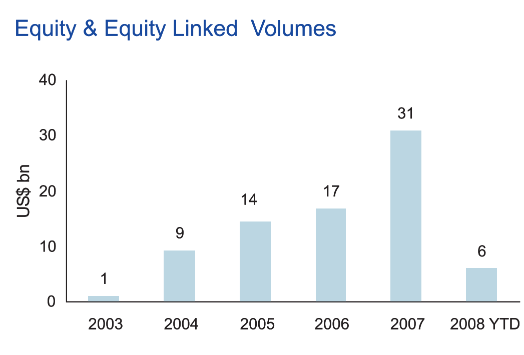
The Government of India has embarked upon massive road construction projects, under the National Highway Development Program. The Golden Quadrilateral Project as well as the North South Corridor will require a lot on investment in real estate, warehouses and container terminals besides the basic investment on the roads and bridges.

Investments will also be required in urban transportation projects like the Hyderabad Metro, the Mumbai trans harbour link project and monorail projects in several cities. The Government's decision to open the construction of roads, bridges, airports and ports to the private sector and allowing 100% foreign investment in certain real estate projects will provided a boost to the construction industry as well as generate demand for construction machinery.

Investment Banking

With the strong growth in the economy, Indian companies have grown rapidly and increased the scale of their operations. At the same time, their requirements for capital, sophisticated methods of funding, need for strategic advisory services related to mergers, acquisitions and restructurings, and need for risk management solutions have also increased. The following charts indicate the growing volumes of merger and acquisitions and capital raising transactions in India over the last few years:





Indian companies have been increasingly raising funds from both domestic and international equity and equity linked and international debt capital markets. In addition, the pace of private equity activity has accelerated over the past few years. There has also been a significant increase in merger and acquisition activity by Indian companies in recent years particularly in the outbound segment.

The investment banking industry broadly consists of domestic firms as well as foreign firms with continued interest from new entrants.

Securities Brokerage

Presently, the stock market in India consists of 22 stock exchanges which are recognised under the Securities Contracts (Regulation) Act, 1956. The premier stock exchanges are the NSE (market capitalisation of Rs. 26,53,200 crores as at November 30, 2008) and BSE (market capitalisation of Rs. 28,19,000 as at November 30, 2008), which provide facilities for trading in the cash and derivatives segment. The Indian equity markets witnessed a strong rally since 2003 with the benchmark BSE Sensex crossing the 20,000 mark in October 2007 on the back of strong economic growth and growing corporate profitability, leading to increased international and domestic investor interest. However, Indian markets have witnessed a sharp correction recently as fallout of the global financial crisis, leading to FIIs withdrawing over $12 billion in public market investments year-to-date and weakening investor sentiment and confidence in equities.

The turnover on both the NSE and the BSE has increased significantly over the years, with derivatives (the Futures and Options Segment) constituting over 70% of total turnover.

Growth of volume traded in secondary market, NSE *(Source: NSE website)*

	Year Ended March 31,			
Cash	**Unit**	**2006**	**2007**	**2008**
No. of companies listed		1,069	1,228	1,381
Traded quantity	Crores	8,444.8	8,554.6	14,984.7
Turnover	Rs. Crores	15,69,600	19,45,300	35,51,000
Derivatives				
Number of Contracts	Crores	7.7	15.8	42.5
TURNOVER	Rs. Crores	25,47,000	48,24,200	1,30,90,500

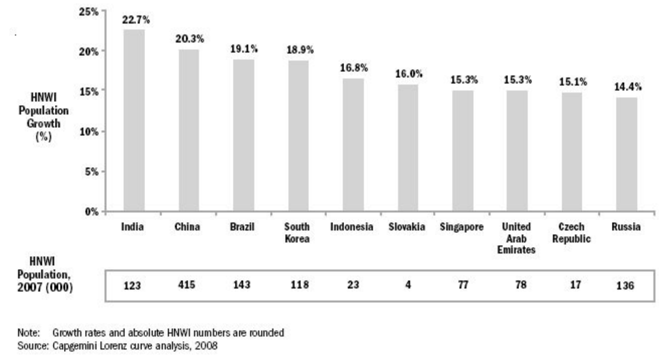
Growth of volume traded in secondary market, BSE *(Source: BSE website)*

	Year Ended March 31,			
Cash	**Unit**	**2006**	**2007**	**2008**
No. of companies listed		4,781	4,821	4,887
Traded quantity	Crores	26.4	34.6	53
Turnover	Rs. Crores	8,16,100	9,56,100	15,78,800

As the Indian capital markets continue to evolve, they are undergoing rapid consolidation driven by increased trading volumes, increased regulation, customer sophistication, availability of better technology and increased back-office requirements. The market share of the top five brokers on the NSE has increased from 12% in 2004 to about 15% in 2008. Similarly the market share of the top ten brokers on the NSE has grown from approximately 17% in 2004 to 26% in 2008 (Source: NSE handbook). These figures indicate a long-term consolidation process in a highly fragmented securities brokerage industry (over 10,000), with a number of smaller players exiting the market or being acquired, and the larger brokers gaining market shares.

Wealth Management

Wealth management activities include providing investment solution to high networth clients According to the World Wealth Report, 2008, the wealth of the world's high-net-worth individuals (HNI) increased 9.4 percent to $40.7 trillion in 2007, driven by market capitalization growth in emerging economies (An HNI is defined as individuals with more than USD 1.0 million in financial holdings, excluding their primary residence).The following chart illustrates the fastest growing countries for HNI populations in 2007:



Source: World Wealth Report 2008

Of the 101 lakh HNIs globally, 31% live in the Asia-Pacific region, with China and Japan accounting for a sizeable portion of overall wealth, while India has registered the fastest rate of growth.

The HNI community is a key market segment for wealth management services. Wealth managers typically advise, direct or undertake on behalf of the client, the management or administration of a portfolio of securities or the funds of the client with fees charged as a fixed amount or a return based fee or a combination of both on discretionary basis (independently, in accordance with the needs of the client in a manner) or non-discretionary basis (in accordance with the directions of the client).

Domestic and international private banks in India have identified the HNI segment's need for specific products and services and have created practice models and advisor teams that specialize in servicing HNIs. The service providers in India can be classified into three broad categories: portfolio managers (these are traditionally brokerage firms that have evolved wealth management practices), asset management firms (which operate wealth management practices separately from their public mutual funds) and private/foreign banks. Non-resident Indians (it is estimated that over 150,000 Indian millionaires reside outside of their country's borders) are an important segment within the HNI market, and wealth managers are becoming increasingly focused on servicing this niche market.

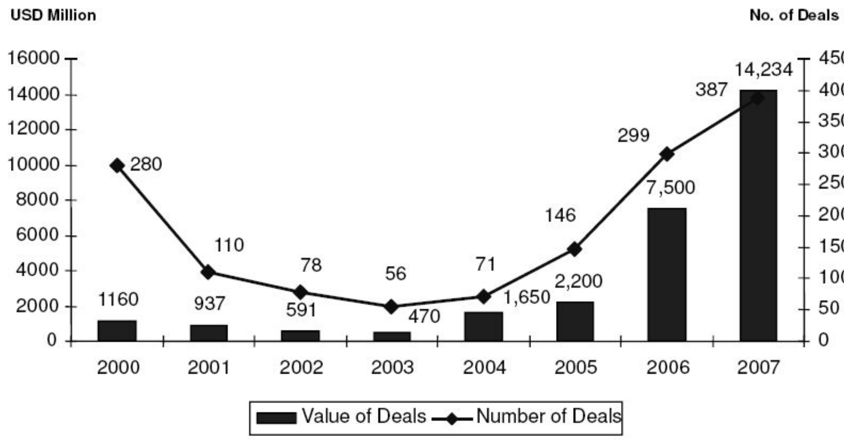
Private Equity and Venture Capital

Private equity and venture capital involves raising third party money, called the fund which is subsequently invested in high growth companies. The funds subsequently exit via an IPO or a secondary sale to another investor and the money realized is passed on to the original investors. NBFCs act as advisors and/or fund managers to funds. Fund sponsors also share in the success of funds through carried interest

The emergence of the Indian private equity ("PE") and venture capital ("VC") market dates back to 1996-1997. The market thereafter rapidly scaled up primarily driven by the information technology ("IT"), IT enabled services ("ITES"), telecommunications and internet sectors. However in recent times, the investment focus has diversified into real estate, infrastructure, financial services, power and energy, auto and engineering and hospitality & consumer sectors.

PE and VC firms invested a record USD 14.2 billion across almost 400 deals in India in calendar year 2007 (These figures exclude investments in real estate). The amount invested during 2007 was almost twice that during 2006, which itself was a record one (with 300 deals totalling USD 7.5 billion). The following chart highlights the increased activity in terms of number and value of deals:

Number and Value of PE/VC Deals, 2007



Source: India Venture Capital Association, [February, 2008.] Value of deals in USD millions. Year refers to calendar year

The size and nature of investments have also evolved, increasingly moving from smaller start-up and early stage funding to larger-scale, later stage growth capital investments India's capital markets have benefited in recent years from the growth of the Indian economy, active secondary markets, structural reforms by the Indian government and a more investor-friendly regulatory framework. The increasing market capitalization of small and mid-cap companies in recent years has underscored the investment potential in emerging companies and new ventures. India also is perceived as having an entrepreneurial culture, presenting further opportunities for PE, VC and other alternative asset managers. The PE and VC industry broadly consists of independent domestic firms and those promoted by larger financial institutions as well as foreign firms with India portfolios.

Debt Market in India

(Source: Extracts from Economic Survey 2007-2008; Ministry of Finance, Government of India; text available at – http://www.indiabudget.nic.in/es2007-08/chapt2008/chap54.pdf)

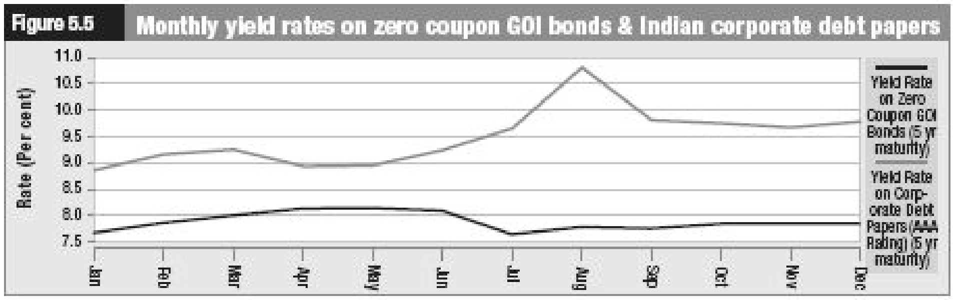
The Indian debt market has two segments, viz. Government securities market and corporate debt market.

Government securities market

The fresh issuance of Government of India (GoI) dated securities in 2007 amounted to Rs. 1,62,000 crore as compared to Rs. 1,47,000 crore in 2006. The market capitalization of GoI securities increased from Rs. 11,31,558 crore at end-2006 to Rs. 13,18,419 crore at end-December 2007. The zero-coupon rate on one-year bonds, which ranged between 6.11 per cent and 7.29 per cent during 2006, edged up during 2007 to the range of 6.78 and 8.07 per cent. Similarly, the range of zero-coupon rate on 10-year bonds showed an increase from 7.2-7.97 per cent in 2006 to 7.5- 8.37 per cent during 2007.

Corporate debt market

As in the past, private placements appear to have dominated the mobilization of resources in the corporate primary debt market. The yield rate on corporate debt papers (with AAA rating) for five-year maturity ranged between 7.26 per cent and 8.45 per cent in 2005-06, 8.43 per cent and 9.44 per cent in 2006-07, and 9.19 per cent and 10.80 per cent in 2007-08 (April-December). The following chart gives the comparative yield rates on zero coupon GoI Bonds and Indian Corporate Debt Papers (AAA rating) during 2007. The market capitalization of corporate bonds which was Rs. 49,155 crore at end-December 2006 rose to Rs. 68,074 crore at end-December 2007.



Policy and Regulatory Changes

During 2007, several policy initiatives relating to the capital market were taken. The salient developments in the primary and secondary funds are delineated below.

Primary Market Regulations

Under the overall guidance of SEBI, BSE and NSE jointly launched a common electronic platform at www.corpfiling.co.in [also referred as Corporate Filing and Dissemination System (CFDS)] on April 1, 2007. This portal acts as:

(i) A common place for filing of information on listed companies; and

(ii) A common place for viewing information about listed companies.

A subcommittee appointed by the SEBI Committee on Disclosures and Accounting (SCODA) has been given the task of integrating initial and continuous disclosures of listed companies. The main objective of this exercise is to reduce duplication of disclosures by issuers/intermediaries/investors and improving access to the information placed on the public domain.

A group called GRIP (Group on Review of Issue Process) appointed by the Primary Market Advisory Committee has been given the task of reviewing the entire issue process with the objective of making the process

(i) More efficient in terms of time and cost and align it with international standards;

(ii) Widely accessible to all;

(iii) Leverage the existing infrastructure and databases of Indian securities market; and

(iv) Bring more efficiency in discovering price of public issues.

With the objective of developing the corporate bond market, SEBI has proposed the simplification of the primary debt market issuance process. Some of the major features of the proposed regulations include rationalization of disclosure requirements, enhanced responsibilities to merchant bankers for exercising due diligence and issuance of certificates in regard to new issuances, and mandatory listing of private placement of debt.

Secondary Market Regulations

To implement the Budget announcement on creation of a unified platform for trading of corporate bonds, SEBI stipulated that an authorized reporting platform be established to capture all information related to trading in corporate bonds as accurately and as close to execution as possible. Permission was accorded for setting up trading platforms at BSE and NSE for corporate bonds.

It was made mandatory for companies issuing debentures to disseminate all the required information in the event of: (i) default by issuer company to pay interest on debentures or redemption amount; (ii) failure to create a charge on the assets; and (iii) revision of rating assigned to the debentures.

BUSINESS

In this section "our Company" refers to the Company while "we", "us" and "our" refers to the Company and its Subsidiaries.

Overview

We are a customer centric diversified financial services company in India, providing services, either directly or through our subsidiaries to retail, corporate and institutional clients in the areas of retail finance, corporate finance, investment banking, retail broking and distribution, wealth management and private equity. The Company was incorporated on March 8, 1991 and actively commenced business operations since September, 2007. The Company is a wholly owned subsidiary of Tata Sons Limited, the apex Tata company. The Company is headquartered in Fort, Mumbai, and we operate from 2 regional offices and 32 branches in 22 Indian cities. In addition, we have three subsidiaries in Singapore and are in the process of obtaining approvals for setting up a subsidiary in London.

Since the commencement of our business, we have grown from an asset financier to a diversified financial services company organised under fund and fee based business lines which are operated through the Company and its seven subsidiaries.

The following chart sets forth our business lines, as carried out by our Company and our Subsidiaries:

Name of Entity	Fund based business	Fee based business
Tata Capital Limited	SME Finance Infrastructure Finance Retail Finance	Private Equity Wealth Management and Portfolio Management Services Treasury Advisory Investment Banking
Tata Capital Markets Limited	-	Merchant Banking
Tata Securities Limited	-	Retail Broking and Distribution Depository Services
Tata Capital Housing Finance Limited	Housing Finance	-
TC Travel & Services Limited	-	Travel and Forex
Tata Capital Pte. Ltd.	Corporate Finance	Investment Banking, Treasury Centre
Tata Capital Advisors Pte. Ltd.	-	Advisory Services to funds
Tata Capital Markets Pte. Ltd.	-	Investment Advisory Services (Corporate Advisory Work)

As most of our fee based businesses have commenced recently, our fund based businesses presently constitute the majority of our business. The revenues from our fund based businesses for the period of six months ended September 30, 2008 was Rs. 32,372 lakhs which is almost double the revenue of Rs. 17,798 lakhs which was generated during the FY 2007-08.

Strengths

We believe that the following are our key strengths:

Unified financial services platform

Our clients benefit from our integrated financial services platform, offering a cross section of financial services and products, including retail, small and medium enterprises, finance, construction equipment and infrastructure finance, private equity, investment banking, wealth management and retail brokerage. Our management structure enables us to leverage relationships across lines of our businesses. Our product knowledge and multi-channel delivery model enhances our ability to cross-sell our services. We are in the advanced stages of setting up institutional broking, insurance broking and rural finance businesses which would supplement the aforementioned lines of business.

Diversified and balanced mix of businesses

Our present mix of business is dominated by fund based activities which mainly includes retail finance, small and medium enterprise finance and construction equipment and infrastructure finance. In addition to the fund based businesses, we have fee based business which comprises of investment banking, retail broking and distribution, wealth management and private equity. Thus we provide integrated financial services while maintaining a diversified and balanced mix of businesses. We continue to explore further opportunities to set up new businesses and widen our product portfolio to include products and services that would complement our current offerings, and would help us leverage our existing expertise. We believe that our presence in diverse lines of businesses across asset classes enables us to mitigate risks arising from product and client concentration.

Experienced management team

We believe that our senior management and our talented and experienced professionals are and would continue to be the principal drivers of our growth and success in all of our businesses. Our senior management team is supported by professionals from varied backgrounds and brings significant expertise in their respective lines of business. We believe that the extensive experience and financial acumen of our management and professionals provide us with a distinct competitive advantage.

Innovative solutions model

Our focus on coverage and ability to provide innovative solutions enables us to establish long-term relationships with corporate and retail clients. Our business model is based on providing services where we employ dedicated relationship and product managers for each key business line. This enables us to create capabilities and expertise for each product and which we believe benefits customers in achieving their desired financial objectives.

Respected brand

Our success as a provider of financial services is built upon the reputation and client comfort built around the Tata brand. This philosophy is also reflected in our brand proposition “We only do what is right for you”. The ‘TATA’ brand is recognized as amongst the most valuable brands in the world in a brand survey undertaken by Brand Finance Plc, a United Kingdom based consultancy (Source: Livemint, September 16, 2008). We believe that the Tata name is associated with trust, security, knowledge leadership and high quality services and solutions for our customers and stakeholders. The reputation of the Tata brand and the Tata ecosystem is pivotal in our ability to reach out to customers as well as to access capital for our business.

Controls, processes and risk management systems

We believe that we have strong internal controls and risk management systems to assess and monitor risks across our various business lines. Our Board of Directors has appointed various committees including Finance and Asset Liability Supervisory Committee and Risk Management Committee to monitor and manage risk at the standalone business level and at the consolidated company level. Our risk management department operates as an independent department with a dedicated centralized risk management team. All new lines of business and product launches follow a rigorous internal approval process that requires assessing risk, client suitability, understanding regulations and understanding regulatory and internal policy compliance prior to launch. We believe that we have effective procedures for evaluating and managing the market, credit and other relevant risks as well as for maintaining our reputation in the market.

Access to capital

We are subject to the capital adequacy requirements prescribed by the RBI. We are currently required to maintain a minimum ratio of 10% as prescribed under the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended from time to time) based on total capital to risk weighted assets. As per the latest RBI circular for NBFC-ND-SI, this limit would have to be increased to 12% by March 31, 2009 and to 15% by March 31, 2010. As a part of our governance policy, we ordinarily maintain capital adequacy higher than the statutorily prescribed CAR. Our CAR as on March 31, 2008 and as on September 30, 2008 was 45.5% and 26.1% respectively. We have been rated LAA+ by ICRA indicating low credit risk and CARE AA+ by CARE which indicate a very low credit risk for the purposes of the Issue. Our credit rating, risk containment measures and brand value help us to access capital on relatively favourable terms.

Strategies

Consolidate our existing lines of business

We intend to maintain high growth and profitability by increasing the scope and intensity of activities in our existing lines of business with added focus on our nascent business lines. We plan to increase our credit portfolio in the corporate finance and retail finance segment by strengthening and expanding our relationship with corporate and retail clients, leveraging the vast network of vendors, dealers and customers of various Tata companies, launching new products and services and developing distribution channels. For our retail, broking and distribution business, we intend to expand our network of branches and empanel third party partners if required to expand the reach of our business. In our wealth management business, we intend to leverage our client and partner relationships to offer offshore investment opportunities to our clients and to further grow our client base. In relation to our treasury operations, we intend to continue to manage our capital with the objective to generate superior risk-adjusted returns by adopting low risk strategies in both public and private debt as well as equity capital markets.

Explore new business opportunities

We intend to continue building diversified business by identifying suitable business opportunities with strong long term prospects for growth and profitability and offer products and services across a broad spectrum of financial services such as rural finance, institutional equity broking, insurance broking etc. We believe that this will enable us to maintain growth and profitability by further limiting our exposure to market vagaries or dependence on any particular line of business.

Pursue strategic acquisitions and alliances

We have entered into two strategic alliances with leading global financial services majors. Our non-exclusive and non-binding understanding with Mitsubishi UFJ Securities Co. Limited is to establish co-operation in areas that include cross-border investment banking, global offering of Indian equities and working towards development of the local bond market. Our preliminary non-exclusive and non- binding understanding with Mizuho Securities Co. Limited. comprises business cooperation in private equity, investment banking (including cross border mergers and acquisitions), securities business (including broking and distribution), structured finance and wealth management. Our non-exclusive and non binding understanding with Mizuho Corporate Bank Limited is aimed at fostering business cooperation, enhancing cross-market value creation capabilities, strengthening competitive advantages in addition to aiding each other in gaining a deeper understanding of the Indian and Japanese markets. The understanding sets out the framework for co-operation in wide-range of business areas including but not limited to loans, project and infrastructure finance and treasury products. We seek to pursue strategic acquisition opportunities to enhance our capabilities by deepening our industry knowledge and technical expertise and expanding our geographical reach and customer base. However we intend to be selective in our alliances. We will continue to explore possibilities of alliances and joint ventures with foreign and domestic entities offering complimentary lines of business.

Leverage our technology advantage

We plan to continue investing in state of the art technology to significantly enhance our technical capabilities across our products and services offerings. We believe that we have the technological platform and information technology systems in place to support significant growth in customer base and lines of business. We believe that technology will enable us to respond effectively to the needs of our customers and meet competitive challenges.

Attract and retain talented professionals

In financial services people are the most important asset, and it is their reputation, talent, integrity and dedication which contribute significantly to the business success. We believe that the strong, team-based approach that exists within the organization will enable us to attract and retain employees. We have been successful in attracting key professionals from both Indian and foreign financial services organizations and intend to continue to seek out talent to further enhance and grow our business.

Expand our client base and geographical presence

We intend to expand the scale of our operations, explore new distribution channels and increase our reach and customer base both domestically and internationally. The focus is on expanding the scale of our operations to smaller Indian cities, which we believe present attractive opportunities both in terms of clients and revenues. We also intend to establish offices in key overseas markets. In the near future, we shall endeavour to use our planned international offices as supplementary distribution channels for our offerings in the Indian markets. Our long-term international strategy includes participation in overseas financial markets by setting up regulated financial services companies in such jurisdictions.

Our Services

Presently, we operate our businesses primarily through two business segments: fund based and fee based.

A brief outline of our fund based businesses is as under**:**

Corporate Finance

Our corporate finance business is one of the key fund based activities undertaken by us and mainly comprises of financing of SMEs and infrastructure finance business.

Small and Medium Enterprises finance

In recognition of the contribution and vast potential of the SME sector in the economy, provision of adequate credit to this sector continues to be an important element of banking policy, particularly after the initiation of structural reforms in 1991. In spite of various initiatives taken by the Government of India, Banks and Financial Institutions, SMEs face certain challenges, which are universal in nature. These problems relate to the issue of collaterals, cost of loans, delay in receivables, obsolete technology, marketing, etc. Some of the initiatives of the Government towards SME financing include setting up of Credit Guarantee Fund Trust for Small Industries, Risk Sharing Facility, Venture Capital Funding, Micro Credit, etc.

In September, 2007, the Company acquired the SME financing business from Tata Motors Finance Limited. Our SME finance focuses on the medium and higher medium band of customers, and our gross loan book value has grown from Rs.41,684 lakhs as on September 30, 2007 to Rs. 136,069 lakhs as on March 31, 2008 to Rs.202,823 lakhs as on September 30, 2008.

The Company finances enterprises engaged in various sectors such as automobile, real estate, engineering, steel, textiles, hospitality and telecom. The Tata Group also has a large number of vendors and customers under the SME category. The Company does business with various vendors and dealers of Tata Group. The transactions with vendors and dealers of Tata Group are undertaken on an arms length basis .We plan to tap this potential market and increase the size of our SME portfolio by offering customized products, advisory services and unique solutions for trade, foreign exchange, debt and equity / equity linked instruments. The debt product portfolio includes term loans, both secured as well as unsecured, bill discounting (with recourse / without recourse), invoice discounting and channel finance.

Infrastructure Finance

The Government of India has embarked upon massive road construction projects, under the National Highway Development Program. Besides this, the Government's decision to throw open the construction of roads, bridges, airports and ports to the private sector and allowing 100% foreign investment in certain real estate projects has provided a boost to the construction industry as well as generated demand for construction machinery.

We started our infrastructure financing business by acquiring the construction equipment (CEQ) financing business from Tata Motors Limited and Tata Motors Finance Limited on September 1, 2007. Post acquisition, our infrastructure financing business has grown substantially as is evident from the growth of gross loan book value from Rs. 93,751 lakhs as on September 30, 2007 to Rs. 163,610 lakhs as on March 31, 2008 to Rs. 205,854 lakhs as on September 30, 2008 respectively.

We hope to grow further by leveraging the knowledge of our employee base and vast experience in the construction equipment business segments within the Tata companies.

Under infrastructure finance, we undertake the financing of construction equipment and refinancing of used equipment. The new and expanding housing and infrastructure construction ventures have generated substantial demand for construction machinery manufacturing and servicing, including erection, commissioning and maintenance. The Company finances construction equipment of all key original equipment manufacturers.

Apart from financing and refinancing of construction equipments, we also finance infrastructure projects in various segments including roads, railways, warehousing, irrigation, power etc. The prospects of infrastructure finance are linked to the growth of infrastructure projects in the country.

Retail Finance

Over the last few years, the financial services industry has seen a significant expansion of retail credit, with retail loans, accounting for most of this growth. Despite the hardening of interest rates, there is a strong potential for sustained growth in this segment driven primarily by fundamentals, such as continued GDP growth, growth in underlying assets, increased urbanization with rising income levels, growth in organised retailing coupled with the availability of credit etc.

With an understanding of the latent potential of this segment, the Company decided to enter into the retail asset financing business in a phased manner with an initial focus on auto and personal loans. Our auto finance business commenced in December, 2007 and personal loan business was launched in February, 2008. As on September 30, 2008, we operated our auto finance business from 34 locations and personal loan business from 15 locations in India. At present we offer new car loans and used car loans for non Tata vehicles, loans for purchase of commercial vehicles, personal loans and business loans.

These products also offer significant operational synergies with other Tata companies in terms of cross-sell opportunities, leveraging of existing channels to manage acquisition costs, back end operations etc.

Our strategy for retail loans entails the creation of a profitable business with credit assessment and risk-management capability backed by operational processes and a technology platform.

The Company plans to augment its existing product pipeline for the retail segment by launching home loans and home equity through Tata Capital Housing Finance Limited, our housing finance subsidiary, and also plans to enter marketing of credit cards. In this regard, the Company has obtained an approval from the RBI on January 14, 2009 in connection with marketing of credit cards.

The Company expects to create a large network of products and offices throughout the country. It also hopes to leverage the wide distribution presence of Tata companies across India, in order to successfully launch its retail products. The retail segment has witnessed a healthy growth of the loan assets. This is reflected in the growth of auto loan assets from Rs. 31,721 lakhs as on March 31, 2008 to Rs. 254,423 lakhs as on September 30, 2008. The personal loan assets grew from Rs. 1,242 lakhs as on March 31, 2008 to Rs. 19,641 lakhs as on September 30, 2008. Growth in the retail loan assets has also been contributed by purchase of pools of receivables originated by other financiers such as Tata Motors Finance Limited.

The Company has signed Preferred Financier Agreements with leading automotive equipment manufacturers covering critical areas of retail and wholesale finance. These agreements provide the Company access to all dealerships of these original equipment manufacturers across India. Our Company intends to leverage their dealer networks for sourcing the business.

Asset Quality

As detailed above, we have significantly grown our assets across various lending segments since September 2007 and a large part of the portfolio is unseasoned. The growth in asset base for various segments is provided below:

Segment (Rs lakhs)	September 2007	March 2008	September 2008
SME finance	41,684	136,069	202,823
Infrastructure finance	93,751	163,610	205,854
Retail finance	-	32,963	274,064

The Company's net non-performing assets were Rs.3,448 lakhs representing 0.5% of gross value of customer assets as on half year ended September 30, 2008 as compared to Rs.1,445 lakhs representing 0.4% of gross value of customer assets at FY 2008. The Company has made provisions of Rs.1,698 lakhs towards its gross NPAs as on September 30, 2008.

The Company commenced its operations actively only in September 2007. Therefore with the growth of the business, the number and value of NPAs may increase substantially as large part of the portfolio is not seasoned and may result in increased provisioning towards the NPAs.

A brief outline of our fee based lines of businesses is set out below:

Investment Banking

Our investment banking business provides a broad range of services, including equity capital markets transaction execution, underwriting, mergers and acquisitions advisory, structured finance advisory, private equity advisory, and infrastructure advisory.

Tata Capital Markets Limited ("**TCML**"), a wholly owned subsidiary of the Company has been granted a Category I Merchant Banking license by SEBI on March 31, 2008 to carry out merchant banking business.

Our target clients for various investment banking services are corporates who need advisory and execution services. TCML aims to leverage the relationships developed through our various businesses such as Corporate Finance, Private Equity, Wealth Management and broking and distribution to expand its client coverage.

Broking and Distribution

The Company through its wholly owned subsidiary company, Tata Securities Limited ("TSL") conducts stock broking, depository participant and distribution of mutual fund units and third party financial products In FY 2007-08, TSL has emerged as one of the significant distribution houses in the mutual fund industry with mobilization of around Rs. 90,00,000 lakhs, through its presence in about 50 locations.

TSL activated its membership of the BSE for cash segment in June 2007 and obtained membership of derivative segment in May 2008. TSL has also obtained membership of the NSE in respect of the capital market, derivative and wholesale debt market segments in October 2007. It has commenced its stock broking operations both on BSE and NSE. TSL has also obtained registration as a Depository Participant of both CDSL and NSDL. TSL obtained membership of currency derivative segment on 20th November, 2008 and is yet to become live on this segment. An application has been made to BSE for becoming a member of its currency derivative segment.

TSL's retail brokerage services are offered to individuals who actively invest and trade in equity markets and seek priority service with customised research and advisory support. TSL's business model comprises of a dedicated relationship manager and dealing room team and renders full fledged investment services through a network of branches. Depository Participant services also form an integral part of the retail brokerage and distribution offering.

TSL's internet trading portal offers its clients the facility to transact in equities, mutual funds and IPO's over the internet. TSL has entered into arrangements with research providers and is in the process of setting up a dedicated team of technical research analysts.

As of September 30, 2008, TSL had 235 employees a network of 508 business associates for mobilisation of MF units, Company Fixed Deposits, IPOs and third party financial products and 21,000 customers. TSL had total Assets under Administration (AUA) of around Rs. 750,000 lakhs as on 30th September, 2008 being the amount invested (on net basis) by its clients in various mutual fund schemes and other investment products.

TSL's institutional equity desk became active in 2008 and is empanelled with leading asset management companies and insurance companies. TSL is presently strengthening its team of skilled research analysts having sector specific expertise.

Wealth Management

We have recently commenced our wealth management business and offer investment advisory and financial planning services to high net worth clients. We put forth different investment options to the client and also assist in the execution of their investment decisions.

We are registered with SEBI as a portfolio manager to clients. We propose to offer discretionary portfolio management services to our clients for a variety of asset classes to fit the specific investment parameters of investors.

Private Equity

Our private equity business proposes to manage funds for independent investors. We expect to manage multiple funds in the near future by leveraging the strength of the Tatas to sponsor and anchor third-party funds.

We will endeavour to identify (by ourselves or through advisors), fund, nurture and profitably exit companies with significant growth potential. With a base of over 2,00,000 private companies and a market which has been experiencing significant GDP growth, India offers unparalleled opportunities for investment in growth capital.

We shall focus primarily on growth and expansion-equity investments across sectors. We may selectively consider late-stage venture capital investments and buy-outs. We would usually invest funds under management in companies with a large portion of their business in India, although we would be open to investing in other countries as well, based on prevailing regulatory requirements in the countries concerned.

Treasury Advisory

The Treasury Advisory business provides risk management advisory services to corporates and financial institutions involving market risk advisory, designing of risk management policies and solutions and advising on accounting and regulatory aspects. The advisory services encompass all financial markets viz. currency, interest rates, money markets and commodity markets and also advice on financial reporting, regulatory compliances, information systems, internal control and credit ratings. The business seeks to provide comprehensive and practical solutions for managing various types of market risk exposures and wherever possible, convert the risk positions into opportunities.

Other businesses

TCL undertakes businesses related to services relating travel, forex and infrastructure through its wholly owned subsidiary 'TC Travel and Services Limited' ("**TCTSL**") incorporated on October 15, 2008. With effect from December 1, 2008, TCTSL has acquired the ticketing business of Inditravel Private Limited **("Inditravel").** Inditravel's ticketing is a specialized corporate travel management business, with over two decades of experience in handling large accounts.

The three branches (Mumbai, Pune and Bangalore) of TCTSL provide services such as airline tickets, railway tickets, hotel bookings, car-hire services, holiday tours and packages, visa and passport related services, foreign exchange and travel insurance, and other travel related ancillary services to corporate as well as individual customers,. In addition to its three branches, the company also supports 38 Travel Desks at Taj Hotels across various cities in the country.

Going forward, TCTSL intends to further augment its capabilities and reach by bringing in the latest technology and following and adopting international trends to optimize its business model. TCTSL will also further enhance its holiday tour and packages service, and to gradually develop into a leadership position in the over-all Indian travel industry.

Risk Management

The Company recognizes the importance of strong risk management and has taken steps to put in place a risk management system which includes monitoring, reporting and controlling of risks and relevant mitigation processes. The policies and processes are reviewed on an ongoing basis to benchmark against best practices. For credit risk, distinct policies and processes are in place separately for corporate and retail credit exposures. As regards the corporate exposure, management of credit risk is carried out through portfolio diversification, appraisal and approval processes, post sanction monitoring and remedial management procedures. As regards the retail exposure, the credit cycle is managed through credit policies, approval processes, operations, fraud control and collection processes. Given the granularity of individual exposures, retail credit risk is managed largely on a portfolio basis across products and customer segments.

The Company has adopted market risk management measures and policies that quantify market risk and put in place limits to minimize the impact of losses, if any, on earnings and equity capital. The Finance and Asset-Liability Supervisory Committee monitors liquidity and interest rate risks, articulates the organization's interest rate view and determines the strategy in light of the current and expected environment.

The Company has an approved Operational Risk Management Policy and an ORMC to oversee the implementation of the Operational Risk Management framework. The framework comprises identification of risks, assessment of controls to mitigate these risks, risks measurement, risks monitoring and mitigation. The tools for operational risk include risk control self assessment, key risk indicators and process reviews.

The Risk Management Committee of the Board monitors the Company's risk management policies and procedures and reviews portfolio composition and the performance of the same.

The Company also faces and addresses risks from factors like increased competition, economic slow down, challenge of retaining manpower, likely decline in asset quality, increase in operating costs, RBI provisioning policies, etc.

Our Employees

The Company lays great emphasis and focus on recruitment and retention of its employees which is the most valuable asset for a service industry like ours. We mainly hire professionals from the financial services industry. Our entry level talent intake programme injects young talent from top Business Schools across the country.

As on September 30, 2008, we employed about 700 persons on a full time basis. More than 60% of our workforce comprises postgraduates holding relevant professional degrees.

We are a 'talent-driven company' – with people being our principal investment towards driving strategy, sustainability and success. With an emphasis on creating a winning culture, we identify and groom people who have the intrinsic desire to succeed. A robust Performance Management System helps in identification of high potential performers and ensuring adequate rewards along with career growth.

We strive to incubate and nurture an environment of equal opportunity, high growth and meritocracy through various systems and processes. A focus on learning ensures adequate training for all employees. We leverage the Tata ecosystem and internal opportunities of learning, development and mobility. Our internal communication processes and employee engagement initiatives ensure retention and long term engagement of our talent. We aspire to be an "employer of choice" in the times to come.

Leveraging Tata Ecosystem

The Tatas are one of the largest and most respected business groups based in India with significant international operations. The revenues of Tata companies in 2007-08 were USD 62.5 billion (around Rs. 2,51,543 crores), of which 61% was from business outside India. The aggregate Net Profit for 2007-08 was USD 5.4 billion (around Rs. 21,578 crores). (*Source*: www.tata.com)

The business operations of the Tata companies currently encompass seven business sectors - Communications and Information Technology, Engineering, Materials, Services, Energy, Consumer Products and Chemicals. The Tatas have 27 publicly listed enterprises with a shareholder base of 32 lakhs. The major Tata companies include Tata Steel, Tata Motors, Tata Consultancy Services (TCS), Tata Power, Tata Chemicals, Tata Tea, Indian Hotels, Voltas, Tata Teleservices and Tata Communications.

The major Tata companies are globally recognised conglomerates. Tata Steel became the sixth largest steel maker in the world after the acquisition of Corus. TCS is one of the leading global software businesses, with global delivery centres in the US, UK, Hungary, Brazil, Uruguay and China, other than India. Tata Tea is the second largest branded tea company in the world, through its UK based subsidiary Tetley.

We also draw many synergies from the Tata ecosystem. The Tatas have a presence across various sectors of the economy which enables us to leverage the strong knowledge of various sectors and deep understanding of the Indian consumers. The Tata companies have an extensive network of vendors and customers and several amongst them are small and emerging enterprises. These SMEs provide us with a significant pool of captive clientele to develop our various fund based and fee based businesses. The significant presence of the Tatas in the retail segment through various companies like Tata Motors,, Tata Power, Titan, Tata Indicom, Trent, Croma, VSNL, Taj Group, Voltas, etc. also offers a sizable and ready platform to expand our retail finance business.

Branding and advertising

We use the brand name "Tata Capital" for our products and services and an application for this trademark has been made by our promoter Tata Sons Limited. A similar application has been made by Tata Sons Limited for registration of our sub-brand "Tata Grandis" which would be used by our Wealth Management division. Our brand is well recognised in India given its association with the "TATA" brand of our promoter Tata Sons Limited. The "TATA" brand is recognized as among the most valuable brands in the world in a brand survey undertaken by Brand Finance Plc., a United Kingdom based consultancy (Source:livemint, September 16, 2008).

Competition

We face competition in all our lines of businesses. Our primary competitors are other NBFCs, public sector banks, private sector banks, co-operative banks and foreign banks.

In corporate finance, the large public and private sector banks have traditionally been the market leaders. Their extensive branch network, greater local currency funding capabilities and wider range of products and services enable them to be more competitive and to capture the large as well as emerging corporate segment and expand their business.

In retail banking, our main competitors are the public sector banks, as well as existing and new private sector banks, foreign banks and co-operative banks that offer a retail loan portfolio. Both public and private sector banks with their large deposit base, technology and extensive branch network have greater reach to the retail clients. Foreign banks, although having small market penetration, have significant presence among non-resident Indians. Private sector and foreign banks with large product portfolios and technological sophistication also pose competition to us.

For our fee based business, other investment banking firms, merchant banks, brokerage firms and other financial advisory firms are our main competitors. We compete with them either on the basis of reach or on the basis of product portfolios and business lines. The customer relationship, capability of people, service quality, market focus and pricing are a few key factors that influence the competitive intensity in this segment.

People being the prime asset of any service oriented businesses, our ability to strengthen our existing businesses and establish new businesses largely depends on our ability to attract qualified and highly skilled workforce and motivate and retain the existing ones. Competition is also witnessed in the recruitment and retention of skilled and professional human resources.

HISTORY, MAIN OBJECTS AND KEY AGREEMENTS

Brief background of the Company

The Company was incorporated on March 8, 1991 with the Registrar of Companies, Maharashtra, Bombay (Registration Number 11-60670) under the name 'Primal Investments & Finance Limited'. The Company was registered with RBI on March 10, 1999 as a Non -Banking Financial Company (NBFC) (Registration No. 13.01202) to carry on the business of a Non-Banking Financial Company without accepting public deposits. The Registered Office of the Company was shifted from 141, Maker Chamber III, Nariman Point, Bombay – 400 021 to Ewart House, 3rd Floor, 22 Homi Mody Street, Mumbai – 400 001 on. October 10, 1996. Subsequently on March 31, 2008 the Registered Office was changed to One Forbes, Dr. V B. Gandhi Marg, Fort, Mumbai 400001.

The name of the Company was changed from 'Primal Investments & Finance Limited' to 'Tata Capital Limited' with effect from May 8, 2007. The Company is a NBFC-ND-SI.

Main objects of the Company

The main objects of the Company as contained in our Memorandum of Association are:

1. To carry on the business of a leasing company, hire purchase company and finance company and to undertake and or arrange or syndicate all types of business relating to financing of consumers, individuals, industry or corporates, for all kinds of vehicles, aircrafts, ships, machinery, plants, two-wheelers, tractors and other farm equipments, consumer durables, equipment, renewable energy equipment/infrastructure, construction equipment, housing equipment, capital equipment, office equipment, their spares and components, real estate, infrastructure work or activity, including used/refurbished products, as also services of every kind and description, computers, storage tanks, toll roads, communication satellites, communication lines, factories, rolling stock, moveable and immoveable property, to engage in all forms of securitisation, instalment sale and/or deferred sale relating to goods or materials, to purchase the book debts and receivables of companies and to lend or give credit against the same, to undertake real estate business, to borrow, to transact business as promoters, financiers, monetary agents, to carry out the business of a company established with the object of financing industrial enterprises and to arrange or provide financial and other facilities independently or in association with any person, Government, Financial Institutions, Banks, Industrial Companies or any other agency, in the form of lending or advancing money by way of loan, working capital finance, refinance, project finance or in any other form, whether with or without security, to institutions, bodies corporate, firms, associations, societies, trusts, authorities, industrial enterprises and to arrange or provide facilities for the purposes of infrastructure development work or for providing infrastructure facilities or engaging in infrastructure activities and to raise and provide venture capital and promote or finance the promotion of joint stock companies, to invest in, to underwrite, to manage the issue of, and to trade in their shares or other securities.

2. To promote the formation and mobilization of capital, to manage capital, savings and investment, to act as a discount and acceptance house and purchase, finance, re-finance, co-accept, discount and re-discount bills of exchange(s) or any other kind of trade or financial bills or credit instruments, to act as or carry on the business of consultants, advisers, managers, experts and technical collaborators in matters pertaining to, without prejudice to the generality of the foregoing, portfolio management services, syndication of loans, counselling and tie-up for project and working capital, finance, syndication of financial arrangements whether in domestic or international markets, mergers and amalgamations, asset reconstruction or recovery, wealth management, infrastructure finance, corporate re-structuring, corporate planning & strategic planning, foreign currency lending or borrowing, project planning and feasibility, investment counselling, setting up of joint ventures, finances, management, marketing of financial and money market instruments and products, prospecting and projecting of businesses and valuation of undertakings, business concerns, assets, concessions, properties or rights or any other business area and to employ experts for any of these purposes and to promote or act as Investment Bankers, Merchant Bankers, Portfolio Investment Managers, Lead Managers or Co-Managers, Market Makers, Book Runners and further perform any other kind of role as an Intermediary or Advisor in the Securities Market.

3. To render services as brokers, commission agents, importers and exporters, and to act as trustees, executors, administrators, managers, agents or attorney, to carry on the business of retail and institutional distribution of the schemes of the Mutual Funds or any other financial products issued by Banks, Mutual Funds or any financial intermediary, to contract for, and negotiate and issue and participate in funding any public and private loans and advances, underwriting contracts, mortgages, equity participation, cash credits, overdrafts and other financial facilities.

Key terms of our Material Agreements

Subscription Agreement ("SA") between the Company and Travorto Holdings Limited ("Subscriber") for issuance of Compulsorily Convertible Preference Shares of the Company by the Subscriber executed on March 14, 2008.

As per the provisions of the SA, the Company has issued 1,41,75,87,500, 0.1 % Non-Cumulative Compulsorily Convertible Preference Shares of par value of Rs. 10/- each ("**CCPS**") to the Subscriber. Pursuant to the terms of the SA, the CCPS rank in priority to the Equity Shares.

The CCPS are compulsorily convertible into Equity Shares (in the ratio of 1 Equity Share for every CCPS) after a period of ten years from the date of their allotment, i.e. March 19, 2008. Further, the Subscriber has the option to convert the CCPS into Equity Shares (in the ratio of 1 Equity Share for every CCPS) any time prior to that at the option of the Subscriber. The SA provides certain circumstances in which the rate of conversion set out above may be modified and the manner in which such conversion rate shall be modified.

Pursuant to the terms of the SA, the Company shall not declare any dividends or any other distribution in respect of any amounts to be paid on any class of shares which are not CCPS without the prior approval of the Subscriber until all declared but unpaid amounts pertaining to the CCPS shall have been paid.

Tata Brand Equity and Business Promotion Agreement ("BEBP Agreement") between the Company and Tata Sons Limited executed on July 2, 2007.

As per the terms of the BEBP Agreement, the Company would be authorized to use the word 'TATA' as part of any trade mark that the Company may develop. Such trademark would be registered in the name of Tata Sons Limited and a license would be obtained by the Company from Tata Sons Limited to use the marks. Tata Sons may terminate the BEBP Agreement either (i) in case of breach of any of the terms by us or any other specific reason set out in the agreement; or (ii) with six months written notice for reasons to be recorded. As consideration, the Company would be required to pay annual subscription to Tata Sons Limited at the rate of 0.25% of its annual net income, which is its net income exclusive of excise duty, governmental taxes (not being taxes levied on profits) and non operating income of the financial year in which the use occurs in the manner set out in the BEBP Agreement. The annual subscription would be subject to a maximum of 5% of the annual profit before tax of the Company.

Investment Agreement dated December 15, 2007 ("IA") between Mr. Badanidiyoor Umesh Rao, Mrs. B. Sharada Rao, Mr. Avadhut Shantaram Thali, Mrs. Sandhya A. Thali (collectively the "Promoters"), e-Nxt Financials Limited ("e- Nxt") and the Company.

The Company has entered into the IA with e-Nxt and the Promoters in relation to its subscription to 27,00,000 fully paid up equity shares of e-Nxt. As per the terms of the IA, the Company has subscribed to the shares at a price of Rs. 10 each and has paid a total consideration of Rs.2,70,00,000/-. Pursuant to the subscription, the Company would be holding 90% share capital in e-Nxt. The other 10% of the shares would be held by the Promoters.

If any of the Promoters want to sell any part of their equity holdings in e-Nxt, they shall offer it to the other Promoters. If such other Promoters do not accept the offer or all the Promoters propose to transfer the equity held by them, they shall first offer the same to the Company in the manner set out in the IA. However, should the Company propose to transfer the equity shares of e-Nxt held by it, the Company shall first give a written notice to the Promoters, who would be entitled to require the Company to ensure that the proposed transferee of the Company's shares also purchases proportionate number of shares from the Promoters. In the event the Company wishes to transfer the equity shares held by it to any person other than its affiliates, the Company shall be entitled to require the Promoters to sell the equity shares held by them to such transferee.

Note: Currently, the Company holds 40% of the total share capital of e-Nxt.

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of the affairs and business of the Issuer are vested in the Board of Directors.

Details relating to Directors

Name, Designation & Occupationof the Director	**Date of Birth and Age (as on the date of this Prospectus)**	**Educational Qualifications**	**Total Work Experience**	**Business Address**	**Directorships in other Indian public Companies**
Mr. F. K. Kavarana, Non- Executive Director Occupation: Company Executive	March 17,1944 64 years	B.Com (Hons), FCA (England and Wales), MBA (Wharton), C.A.	37 years	2nd Floor Bombay House 24 Homi Mody Street Mumbai – 400 001	• Tata Sons Limited • Tata Industries Limited • Tata Tea Limited • Titan Industries Limited • Tata Projects Limited, Chairman • Tata AIG Life Insurance Company Limited, Chairman • Tata AIG General Insurance Company Limited, Chairman • Tata Asset Management Limited, Executive Chairman • Trent Limited, Chairman • Trent Brands Limited, Chairman
Mr. Ishaat Hussain, Non-Executive Director Occupation: Company Executive	September 2, 1947 61 years	B.A (Hons.), ACA (England and Wales).	34 years	4th Floor Bombay House 24 Homi Mody Street Mumbai – 400 001	• Tata Sons Limited, Finance Director • Tata Sky Limited, Chairman • Tata Steel Limited • The Bombay Burmah Trading Corporation Limited • Voltas Limited, Chairman • Titan Industries Limited • Tata AIG Life Insurance Company Limited • Tata AIG General Insurance Company Limited

Name, Designation & Occupationof the Director	Date of Birth and Age (as on the date of this Prospectus)	Educational Qualifications	Total Work Experience	Business Address	Directorships in other Indian public Companies
					● Tata Teleservices Limited ● CMC Limited ● Tata Industries Limited ● Tata Refractories Limited ● The Bombay Stock Exchange Limited
Mr. F.N. Subedar, Non-Executive Director Occupation: Company Executive	September 24, 1955 53 years	B.Com (Hons), ACA, ACS	26 years	1st Floor Bombay House 24 Homi Mody Street Mumbai – 400 001	● Tata Services Limited ● Ewart Investments Limited ● Panatone Finvest Limited ● TCE Consulting Engineers Limited ● Global Information Services Limited ● Tata Petrodyne Limited ● Tata Investment Corporation Limited ● Tata Sky Limited
Mr. H.N. Sinor, Independent Director Occupation: Professional	December 5, 1944, 64 years	B.Com, LL.B	43 years	3i Infotech Limited 6th Floor, Akruti Centre Point MIDC Central Road Next to Marol Telephone Exchange, Andheri (East) Mumbai 400 093	● 3i Infotech Limited, Chairman ● ICICI Lombard General Insurance Company Limited ● Themis Medicare Limited, Chairman ● Tata Investment Corporation Limited ● Tata Motors Finance Limited ● ICICI Venture Funds Management Company Limited ● CRISIL Limited ● ICICI Prudential Asset Management Company Limited. ● Sahara India Financial Corporation Limited. ● Zoroastrian Co-Operative Bank Limited, Chairman

TATA

Name, Designation & Occupationof the Director	Date of Birth and Age (as on the date of this Prospectus)	Educational Qualifications	Total Work Experience	Business Address	Directorships in other Indian public Companies
Mr. Janki Ballabh, Independent Director Occupation:Professional	October 24, 1942 66 years	M.Com, Certified Associate of Indian Institute of Bankers	42 years	Flat No. 605, Versova Vinayak Co-op Housing Society, Plot No. 8 Near Versova Telephone Exchange, Versova Andheri (West) Mumbai 400 053	• Tata AIG Life Insurance Company Limited • Small Industries Development Bank of India • Gift Collective Investment Management Company Limited • Nucleus Software Export Limited, Chairman
Mr. Praveen P. Kadle, Managing Director Occupation:Company Executive	January 21, 1957 51 years	B.Com (Hons.) ACA, ACS, Grad – CWA	28 years	One Forbes Dr V B Gandhi Marg Fort Mumbai 400 001	• Tata Technologies Limited • Tata Motors Insurance Broking and Advisory Services Limited • Tata Motors Finance Limited, Chairman • Tata Securities Limited, Chairman • Tata Capital Markets Limited, Chairman • e-Nxt Financials Limited, Chairman • Tata Capital Housing Finance Limited • TC Travel and Services Limited

Profile of Directors

Mr. Farrokh K. Kavarana – Non-Executive Director

Mr. Farrokh K. Kavarana is a Non- Executive Director of the Company as well as a director of Tata Sons Limited and Tata Industries Limited, the apex companies of the Tatas. He has a B.Com (Hons) degree, an FCA (England and Wales) as well as an MBA from Wharton College. He is also the Chairman of several Tata companies in India and abroad, notably Tata AIG Life and General Insurance companies, Tata Asset Management Limited, Trent Limited and Tata Projects Limited. Between 2000 and 2005, he was the Executive Chairman of Tata Infotech Limited (now merged with Tata Consultancy Services Limited) and, from 1994 to 2000, he was the Executive Director of Tata Motors Limited, India's largest automobile manufacturer. Prior to that, he was the Vice Chairman and the Managing Director of Tata International AG, Switzerland, responsible for the overseas operations and investments of the Tatas.

Before joining the Tatas in 1975, he held key positions with McKinsey & Co. Inc. in London and Washington D.C. as well as The Bowater Corporation in U.K. and Europe. He has advised leading international financial institutions, including the World Bank, as well as industrial companies on strategic and organizational issues.

Mr. Ishaat Hussain – Non- Executive Director

Mr. Ishaat Hussain is a Non- Executive Director of the Company. Mr. Hussain joined the Board of Directors of Tata Sons as an Executive Director on July 1, 1999 and is the Finance Director of Tata Sons Limited with effect from July 28, 2000. Prior to joining Tata Sons, he was the Senior Vice President and Executive Director (Finance) of Tata Steel Limited for almost 10 years.

Mr. Hussain joined St. Stephens College, Delhi to do his graduation in Economics. A Chartered Accountant from England and Wales, Mr. Hussain attended the advanced management programme at the Harvard Business School. He joined the Board of the Indian Tube Company Limited (a Tata Steel associate company) in 1981. Thereafter, he moved to Tata Steel Limited in 1983 after Indian Tube was merged with Tata Steel.

Besides being on the board of Tata Sons Limited, he is the Chairman of Voltas Limited and Tata Sky Limited. He is also on the Board of several Tata companies viz. Tata Steel Limited, Tata Industries Limited, Tata Teleservices Limited, Titan Industries Limited and others.

Mr. Hussain is a member on the Primary Markets Advisory Committee of SEBI. As of April 2005, he was appointed a Member of the Board of Trade and, in November, 2006, he was appointed a Public Interest Director of the Bombay Stock Exchange Limited.

Mr. F.N. Subedar – Non -Executive Director

Mr Farokh N Subedar is a Non- Executive Director of the Company and was appointed on the Board on March 11, 1997. He is both a qualified Chartered Accountant and a Company Secretary. He is Senior Vice - President (Finance) and Company Secretary of Tata Sons Limited and is on the Board of several Tata companies.

Mr Subedar has served as the Chairman of the Direct Taxation Committee of the Bombay Chambers of Commerce and Industry.

Mr. Hoshang Noshirwan Sinor - Independent Director

Mr. Hoshang Sinor is an Independent Director of the Company. He is a graduate in Commerce and Law. His career has spanned 43 years in the banking sector, both in public sector and private sector banks.

Mr. Sinor started his career in 1965 with Central Bank of India and in 1969, moved to the Union Bank of India where he worked for 28 years. In 1996, he was appointed as the Executive Director of Central Bank of India after which he moved to ICICI Bank in July 1997 as Executive Director. On June 1, 1998, he took over as Managing Director and Chief Executive Officer of ICICI Bank Limited. After the merger of parent ICICI with ICICI Bank in 2002, Mr. Sinor worked as Joint Managing Director of ICICI Bank Limited and retired on May 31, 2003 and joined Indian Banks' Association as Chief Executive on June 1, 2003. He completed his tenure with Indian Banks' Association on July 31, 2008.

Mr. Sinor has worked on various committees of the Government of India, RBI and the Confederation of Indian Industry and has contributed to policy and decision making processes.

Mr. Janki Ballabh - Independent Director

Mr. Janki Ballabh is an Independent Director of the Company. Mr. Ballabh passed his M.Com. from Agra University in 1963. He worked as a lecturer in the Department of Commerce of St. John's College, Agra and Shri Ram College of Commerce, New Delhi before joining the State Bank of India in July 1966. Mr. Ballabh worked in several positions at the branches (including the New York branch), the head office and the corporate center of the State Bank of India. He also served as the Chief Executive Officer of the State Bank of India's Singapore branch, Chief General Manger (Product Development, Marketing and Personal Banking) at the corporate office and Deputy Managing Director and Group Executive (International Banking), before taking over as Chairman, State Bank Group, the nation's largest commercial and investment banking Group, with effect from November 1, 2000. Besides heading the State Bank of India, Mr. Ballabh was also Chairman of the seven associate banks of the State Bank of India, four banking subsidiaries abroad and seven non-banking subsidiaries in India.

On his retirement from the State Bank of India, Mr. Ballabh was appointed by the President of India as Vigilance Commissioner in the Central Vigilance Commission, New Delhi for 3 years from November 2002 to October 2005. Mr. Ballabh worked as Chairman, Reserve Bank of India Services Board from December 8, 2005 to October 23, 2007. He is currently the chairman of the UTI Trustee Company of UTI Mutual Fund and is a Director on the Board of Directors of (i) Tata AIG Life Insurance Company (ii) SIDBI iii) GIFT CIMC Limited iv) Nucleus Software Exports Limited. He has also been appointed as Member, Asia Pacific Advisory Committee of Barclays Bank PLC, London with effect from June 1, 2007.

Mr. Praveen P. Kadle – Managing Director

Mr. Praveen P. Kadle is the Managing Director and the Chief Executive Officer of the Company. He is an honours graduate in commerce and accountancy from the Bombay University and is a member of the Institute of Chartered Accountants of India, Cost and Works Accountants of India and the Company Secretaries of India.

Mr. Kadle has been working for the Tatas for the last 17 years. For the first five years, he was the Chief Financial Officer of the Joint Venture of the Tatas with IBM in India. Thereafter, he joined Tata Motors Limited as Vice President (Finance) and in the year 2001 was promoted to the Board of Directors of Tata Motors Limited as Executive Director (Finance & Corporate Affairs).

Prior to his joining the Tatas, Mr. Kadle was the Chief Executive Officer and member of the Board of Directors of Garware-Wall Ropes Limited. a synthetic yarn, industrial fabric and synthetic cordage company having global operations with a consistent profit track record.

Mr. Kadle is a member of the Board of Directors of various Tata companies. He is also actively involved with various public charitable institutions, notably as board member and Honorary Treasurer of Child Rights and You (CRY).

Mr. Kadle has received a number of awards in recognition of his outstanding contribution to Tata Motors Limited, which are : CNBC-TV18, the Country's best performing CFO in the Auto and Ancillaries sector for 2006; 'The Best CFO of the year 2005' in India by Business Today; the 'CFO of the year 2004' by IMA (formerly known as Economist Intelligence Unit).

Remuneration of the Directors

The directors are paid sitting fees for attending the various meetings of the Board and of the Committees of the Board as under:

Meeting	**Rs./ meeting**
Board Meetings	Rs.20,000/-
Audit Committee, Executive Committee of the Board, Remuneration Committee, Finance & ALCO Committee, Nomination Committee, Risk Management Committee, Shareholders/ Investor Grievances Committee and Investment Credit Committee	Rs. 20,000/-
Other Committees	Rs. 10,000/-

Remuneration of the Managing Director

The Board of Directors, at its meeting held on September 18, 2007, appointed Mr. Praveen P. Kadle as the Managing Director of the Company. The Company had, at its Extra-Ordinary General Meeting held on October 26, 2007, approved the appointment and terms of remuneration of Mr. Kadle as the Managing Director of the Company, subject to the approval of the Central Government. The Company has received the approval of the Central Government for the appointment and remuneration of Mr. Kadle as the Managing Director of the Company vide letter dated February 14, 2008 issued by the Ministry of Corporate Affairs, Government of India. An agreement dated October 21, 2008 ("**Agreement**") has been executed between the Company and Mr. Kadle appointing him as Managing Director with effect from September 18, 2007 for a period of five years. Mr. Kadle was initially on deputation from Tata Sons Limited till March 31, 2008 and his remuneration for the period September 18, 2007 to March 31, 2008 was borne by Tata Sons Limited.

The Agreement with Mr. Kadle provides for a basic salary to be decided by the Board subject to a maximum of Rs.6,00,000/- per month. In terms of the Agreement, the perquisites and allowances payable to Mr. Kadle, would include rent free residential accommodation or house rent, house maintenance and utility allowances aggregating 85% of the basic salary and allowances, leave travel concession, medical allowances, personal accident insurance, club membership fee subject to a maximum of 55% of the basic salary. Perquisites such as reimbursement of expenses towards hospitalization, transport and telecommunication; housing loan and leave encashment and contribution to provident fund, superannuation fund or annuity and gratuity fund, as per the rules of the Company are not included in the said limits. He is also entitled to commission subject to the limits under the Act or incentive remuneration which would be paid at the discretion of the Board, based on certain performance criteria, limits and such other parameters as may be considered appropriate from time to time. In the absence of profits or in case of inadequate profits of the Company in a financial year, Mr. Kadle's remuneration would be as per the limits provided in the above approval letter of the Government of India or as may be further approved by the said Government.

For further details refer to the Section titled "Material Contracts and Documents for Inspection" on page 150.

Borrowing Powers of the Board

Pursuant to a resolution passed by our shareholders at the Extra-ordinary General Meeting of the Company held on December 18, 2007, in accordance with provisions of the Act, our Board has been authorised to borrow from time to time, any sum or sums of money for the purposes of our Company, upon such terms and conditions and with or without security, in Indian/foreign currency, as the Board may in its discretion think fit, notwithstanding that the money or monies to be so borrowed by our Company (apart from the temporary loans obtained or to be obtained from time to time from our Company's bankers in the ordinary course of business) together with the sums already borrowed, may exceed the aggregate of the paid-up capital of our Company and its free reserves that is to say, reserves not set apart for any specific purposes, provided however that the sums so borrowed and remaining outstanding on account of principal shall not, at any time, exceed Rs.15,00,000 lakhs.

Interest of the Directors

Apart from the remuneration received by the Managing Director and the sitting fees and the commissions that may be received by non executive Directors, the Directors do not have any other interest in the Company.

Changes in the Directors of the Company during the last three years:

Sr. No.	Name of the Directors	Date of Appointment	Date of Cessation	Reason
1	Mr. M. J. Kotwal	October 12, 1996	November 1, 2006	Resignation
2	Mr. N. J. Driver	October 12, 1996	November 1, 2006	Resignation
3	Mr. R. R. Shastri	May 19, 2005	November 20, 2006	Resignation
4	Mr. R. K. Krishna Kumar	November 1, 2006	April 30, 2007	Resignation
5	Mr. U.K. Mukhopadhyay	November 1, 2006	April 25, 2007	Resignation
6	Mr. F. K. Kavarana	April 13, 2007	-	Appointment
7	Mr. Ishaat Hussain	April 13, 2007	-	Appointment
8	Mr. Praveen P Kadle	April 13, 2007	-	Appointment
9	Mr. H.N. Sinor	November 27, 2007	-	Appointment
10	Mr. Janki Ballabh	December 18, 2007	-	Appointment

Shareholding of Directors, including details of qualification shares held by Directors

The Directors are not required to hold any qualification shares. Details of the shares held by a Director are provided in the table given below:

Sr. No.	Name of Director	No. of shares held
1	Mr Farokh Nariman Subedar (jointly with Tata Sons Limited, which is the first holder)	110

Corporate Governance

We have complied with the requirements of corporate governance contained in the Debenture listing agreements to be entered into with NSE particularly those in relation to composition of the Board of Directors, constitution of committees such as Audit Committee and Shareholders / Investors Grievance Committee in accordance with Clause 2.18 of the listing agreement to be entered into with NSE.

Details of various committees of the Board

The Company has constituted the following committees:

1. **Audit Committee**

Members:

Mr Janki Ballabh, Chairman

Mr H.N. Sinor

Mr F N Subedar

Role of the Committee:

- Recommend appointment and removal of Statutory Auditors and their remuneration, nature and scope of audit.
- Ensure adequacy of internal controls and compliances and recommend remedial measures.
- Oversee financial reporting process and disclosure of financial information.
- Review financial statements before submission to Board.
- Act as the link between Statutory Auditors, Internal Auditors and Board of Directors.
- Review accounting policies.
- Monitor compliance with Tata Code of Conduct.
- Review working of Ethics Committee and review significant related party transactions.
- Review findings of internal investigations/fraud/irregularities, etc.
- Monitoring usage of proceeds from an issue including public issues, rights issues, preferential issues, etc. on a quarterly basis / annual basis and make appropriate recommendation to the Board
- Carry out additional functions as is contained in the listing agreement or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.
- Review adequacy of the Internal Audit function.

Please note that the Audit Committee has been reconstituted vide Board resolution dated January 15, 2009.

2. Nomination Committee

Members: Mr Janki Ballabh, Chairman
Mr F K Kavarana
Mr H N Sinor

Role of the Committee:
- To identify independent directors to be inducted to the Board, from time to time.
- To take steps to refresh the composition of the Board.

3. Remuneration Committee

Members: Mr F K Kavarana, Chairman
Mr Ishaat Hussain
Mr H N Sinor
Mr Janki Ballabh

Role of the Committee:
- To review the performance of the Managing/Whole-time Directors on predetermined parameters.
- To review and recommend remuneration/compensation packages for the Executive Directors, within prescribed limits.
- To decide commission payable to the directors, subject to prescribed limits and approval of shareholders.
- To formulate and administer ESOPs.
- To review employee compensation vis-à-vis industry practices and trends.

4. Risk Management Committee

Members: Mr F K Kavarana, Chairman
Mr Ishaat Hussain
Mr Janki Ballabh
Mr Praveen P Kadle

Role of the Committee:
- Review the working of Risk Management Working Committee in the areas of portfolio, credit, off balance sheet and operational risk.

5. Executive Committee of the Board

Members: Mr F K Kavarana, Chairman
Mr Ishaat Hussain
Mr H N Sinor
Mr Janki Ballabh
Mr Praveen P Kadle

Role of the Committee: To review the following items before these are presented to the Board:
- Business and strategy review
- Long term financial projections and cash flows.
- Capital and revenue budgets and capital expenditure programmes.
- Acquisitions, divestments and business restructuring proposals.
- Senior management succession planning.
- Customer service initiatives and innovative measures for enhancing quality of service and customer satisfaction.
- Any other item as may be decided by the Board.

6. Finance and Asset Liability Supervisory Committee of the Board

Members: Mr Ishaat Hussain, Chairman
Mr F N Subedar
Mr H N Sinor
Mr Janki Ballabh
Mr Praveen P Kadle

Role of the Committee:
- To approve all individual borrowings, structured instruments, finalise terms of the credit facilities, etc. within the overall limits approved by the Board.
- To oversee the implementation of the Asset Liability Management system and to periodically review its functioning

7. Investment Credit Committee

Members: Mr Ishaat Hussain, Chairman
Mr H N Sinor
Mr Janki Ballabh
Mr Praveen P Kadle

Role of the Committee:
- To approve SME /Infrastructure and other financing proposals, which in terms of the Board approved 'Delegation of Authority Matrix', requires the approval of the Board.
- To approve personal and business loans of upto Rs. 1 crore within the Company's existing authority limit.

8. Shareholders/ Investor Grievances Committee

Members: Mr. Janki Ballabh, Chairman
Mr. Praveen Kadle.

Role of the Committee:
- To look into redressal of shareholder and investor complaints, such as transfer of shares, non receipt of balance sheet and non receipt of declared dividend.

OUR PROMOTER

The Company has been promoted by Tata Sons Limited.

Tata Sons Limited was incorporated as a private limited company under the Indian Companies Act, 1913 on November 8, 1917 and has its Registered Office at Bombay House, 24 Homi Mody Street, Mumbai 400 001. The Company later became a deemed public company w.e.f. May 1, 1975 as a consequence of which the word "private" in its name was deleted. Tata Sons Limited is the principal investment holding company of Tatas with significant holdings in the share capital of major operating companies of which it is Promoter. Amongst its subsidiaries, Tata Consultancy Services Limited ("**TCS**"), Tata Investment Corporation Limited (TICL) and Tata Teleservices (Maharashtra) Limited are listed on the stock exchanges.

Tata Sons Limited PAN: AAACT4060A

Bank account No.: 0004051439, ICICI Bank, Backbay Reclamation, Churchgate, Mumbai.

Corporate Identification Number: U99999MH1917PLC000478

Registered Office address: Bombay House, 24 Homi Modi Street, Mumbai- 400001.

Tata Sons Limited has two operating divisions:

Tata Financial Services (TFS): This division provides financial advisory services related to corporate finance and restructuring, project finance and treasury management of operating and investment companies.

Tata Quality Management Services (TQMS): This division is involved in creating awareness of and imparting training in the Tata Business Excellence Model (TBEM) amongst Tata companies. This is done to assist Tata companies to achieve well-defined levels of business excellence using the TBEM framework. The framework encompasses four approaches – Assurance, Assessment, Assistance and Award (the JRD QV Award).

Interest of Promoter in the Company

Except as stated under the section titled "Financial Information – Disclosures pertaining to transactions with related parties" beginning on page 83 and to the extent of their shareholding in the Company, the Promoter does not have any other interest in the Company's business.

Shareholding Pattern

The equity shares of Tata Sons Limited are not listed on any stock exchange. Its shareholding pattern as on October 31, 2008 is as given below:

Name	**Shareholding (%)**
Charitable Trusts	65.89
Tata Companies	12.86
Other Companies	18.40
Directors	0.83
Individuals	2.02
Total	**100.00**

Board of Directors as on October 31, 2008

Name	Designation
Mr. Ratan Naval Tata	Chairman
Mr. N. A. Soonawala	Vice Chairman
Mr. F K Kavarana	Director
Mr. Syamal Gupta	Director
Dr. J J Irani	Director
Mr. R. Gopalakrishnan	Executive Director
Mr. Ishaat Hussain	Finance Director
Mr. R K Krishna Kumar	Director
Mr. A R Gandhi	Director
Mr. Alan Rosling	Executive Director
Mr. C P Mistry	Director

Changes in directors in the last three years as on the date of this Prospectus

Name of Director	Date of Appointment	Date of Cessation
Mr. C P Mistry	August 10, 2006	N.A.

Subsidiaries of Tata Sons Limited as on October 31, 2008

1. Tata Consultancy Services Limited
2. CMC Limited
3. WTI Advanced Technology Limited
4. APONLINE Limited
5. C-Edge Technologies Limited
6. MP Online Limited
7. Tata America International Corporation
8. Tata Consultancy Services Netherlands BV
9. Tata Consultancy Services Belgium SA
10. Tata Consultancy Services Sverige AB
11. Tata Consultancy Services Deutschland GmbH
12. TCS Iberoamerica SA
13. Tata Consultancy Services Asia Pacific Pte Ltd.
14. TCS FNS Pty. Limited
15. Diligenta Limited
16. Exegenix Canada Inc.
17. Tata Infotech (Singapore) Pte. Limited
18. Tata Consultancy Services Morocco SARL AU
19. Tata Consultancy Services (Africa) (PTY) Ltd.
20. CMC Americas Inc
21. TCS Italia SRL
22. TCS Inversiones Chile Limitada

23. TCS Solution Center S.A.
24. TCS Argentina S.A.
25. Tata Consultancy Services Do Brasil Ltda
26. Tata Consultancy Services De Espana S.A.
27. Tata Consultancy Services De Mexico S.A., De C.V.
28. Tata Information Technology (Shanghai) Company Limited
29. Tata Consultancy Services Malaysia Sdn Bhd
30. Tata Consultancy Services Japan Ltd.
31. Tata Consultancy Services Luxembourg S.A
32. TCS Financial Solutions Australia Holdings Pty Limited
33. TCS Management Pty Ltd.
34. Tata Consultancy Services Switzerland Ltd.
35. PT Tata Consultancy Services Indonesia
36. Tata Consultancy Services (China) Co., Ltd.
37. Tata Consultancy Services (South Africa) (PTY) Ltd.
38. TCS Financial Management, LLC
39. Tata Consultancy Services (Thailand) Limited
40. Tata Consultancy Services (Philippines) Inc.
41. Tata Consultancy Services Chile S.A.
42. Tata Consultancy Services BPO Chile SA
43. Tata Consultancy Services Portugal Unipessoal Limitada
44. TCS Financial Solutions Australia Pty Limited
45. Financial Network Services (Europe) plc
46. PT Financial Network Services
47. Financial Network Services (Africa) (Pty) Ltd.
48. Financial Network Services (H.K.) Limited
49. Tata Consultancy Services France SAS
50. Financial Network Services Malaysia Sdn Bhd (Under voluntary liquidation)
51. Syscrom S.A.
52. Custodia De Documentos Interes Limitada
53. Tatasolution Center S.A
54. Financial Network Services (Beijing) Co. Ltd.
55. Tata Realty and Infrastructure Limited
56. Navinya Buildcon Private Limited
57. Ahinsa Realtors Private Limited
58. TRIF Kochi Projects Private Limited
59. TRIF Kolkata Projects Private Limited
60. TRIF Hyderabad Projects Private Limited
61. TRIF Property Development Private Limited
62. TRIF Real Estate and Development Private Limited
63. TRIF Realty Projects Private Limited

64. TRIF Infrastructure Private Limited
65. TRIF Gandhinagar Projects Private Limited
66. TRIF Trivandrum Projects Private Limited
67. Pioneer Infratech Private Limited
68. TRIL Developers Limited
69. TRIL Constructions Limited
70. TRIL Airport Developers Limited
71. TRIF Road Projects Private Limited
72. Acme Living Solutions Private Limited
73. Arrow Infraestate Private Limited
74. Unitech Construct Well Private Limited
75. Unitech Infra-Tech Private Limited
76. Unitech Real-Tech Limited
77. TCE Consulting Engineers Limited
78. Tata Housing Development Co. Limited
79. Concept Marketing and Advertising Limited
80. Tata International AG, Zug
81. TRIF Investment Management Limited
82. Panatone Finvest Limited
83. Tata Business Support Services Limited
84. Tata Limited, London
85. Infiniti Retail Limited
86. Computational Research Laboratories Limited
87. Tata Asset Management Limited
88. Tata Asset Management (Mauritius) Pvt.Ltd.
89. Tata Pension Management Limited
90. Tata Capital Markets Limited
91. Tata Securities Limited
92. Tata Capital Pte Ltd
93. TC Travel and Services Limited
94. Tata Capital Housing Finance Limited
95. e-Nxt Financials Limited
96. Ewart Investments Limited
97. Tata Petrodyne Limited
98. Tata Teleservices Limited
99. Wireless TT Infoservices Limited
100. Tata Internet Services Limited
101. Tata AIG General Insurance Co. Limited
102. Tata AIG Life Insurance Co. Limited
103. Tata Teleservices (Maharashtra) Limited
104. 21st Century Infratele Limited

105. Tata Sky Limited
106. Ewart Investment Pvt. Ltd. (Mauritius)
107. Tata Investment Corporation Limited
108. Tata Advanced Systems Limited
109. Nova Integrated Systems Limited
110. Tara Aerospace Systems Limited
111. Tata Capital Advisors Pte Ltd.
112. Tata Capital Markets Pte Ltd.
113. Tata Capital Limited

Financial Performance of Tata Sons Limited for the last 3 years

Rs. in crores

Particulars	**2005-06**	**2006-07**	**2007-08**
Balance Sheet			
Sources of Funds:			
Share Capital – Preference	66.10	197.98	2,747.00
Ordinary	40.41	40.41	40.41
Reserves & Surplus	9,236.85	12,123.13	15,524.23
Total:	9,343.36	12,361.52	18,311.64
Secured Loans	875.50	2,382.00	3,440.00
Unsecured Loans	1,440.98	1,737.08	5,341.59
Deferred Tax (Net)	2.69	2.14	0.26
Total funds employed	11,662.53	16,482.74	27,093.49
Application of Funds:			
Investments	11,840.87	14,451.50	23,563.04
Fixed Assets	34.28	34.32	32.76
Net Current Assets	(212.62)	1,996.92	3,497.69
Total Assets (Net)	11,662.53	16,482.74	27,093.49
Profit & Loss Account			
Total Income	1,867.57	3,852.51	4,476.67
Total Expenditure	213.93	226.22	354.75
Profit before tax	1,653.64	3,626.29	4,121.92
Taxes – Current	(40.00)	(290.00)	(343.00)
Deferred	(0.21)	0.55	1.88
Fringe Benefit Tax	(1.12)	(0.90)	(1.00)
Profit after tax	1,612.31	3,335.94	3,779.80
Book Value per share (Rs.)	2,12,903.00	2,75,660.00	2,62,152.00
EPS (Basic and Diluted) (Rs.) (Face Value Rs 1000 per ordinary share)	39,782.00	82,322.00	91,155.00

OUR SUBSIDIARIES

A list of subsidiaries of the Company and their details as at the date of this Prospectus is given below. None of the subsidiaries are listed on any of the stock exchanges.

1. **Tata Capital Markets Limited** ("**TCML**") was incorporated on November 26, 2007 and has its Registered Office at One Forbes, Dr V B Gandhi Marg, Fort, Mumbai 400 001. It has been registered as a "Category -I" Merchant Banker by SEBI through its certificate of registration dated March 31, 2008.

   Its board of directors comprises: Mr Praveen P Kadle, Chairman
   Mr Bharat D Vasani
   Mr S H Rajadhyaksha
   Mr Govind Sankaranarayanan

   The entire share capital of TCML comprising 2,10,00,000 equity shares of Rs.10/- each aggregating to Rs.21,00,00,000/- is held by Tata Capital Limited and Tata Capital Limited jointly with its nominees.

2. **Tata Securities Limited** ("**TSL**") was incorporated on September 7, 1994 and has its Registered Office at 2nd Floor, Army Navy Building, 148 Mahatma Gandhi Road, Mumbai 400 001. It is currently engaged in stock broking, depository participant activities, and distribution of mutual funds units and third party products.

   Its board of directors comprises: Mr. Praveen P Kadle, Chairman
   Mr. Bharat D Vasani
   Mr. M J Kotwal
   Mr. N J Driver
   Mr. P D Karkaria
   Mr. F J D DaCunha

   The entire share capital of TSL comprising 10,23,828 equity shares of Rs.10/- each aggregating to Rs.1,02,38,280/- is held by Tata Capital Limited and Tata Capital Limited jointly with its nominees.

3. **Tata Capital Housing Finance Limited** ("**TCHFL**") was incorporated on October 15, 2008 and has its Registered Office at One Forbes, Dr V B Gandhi Marg, Fort, Mumbai 400 001. It has been incorporated for providing long term finance for housing purposes.

   Its board of directors comprises: Mr Praveen P Kadle
   Mr Govind Sankaranarayanan
   Mr S H Rajadhyaksha

   The entire share capital of TCHFL comprising 100,00,000 equity shares of Rs.10/- each aggregating to Rs.10,00,00,000/- is held by Tata Capital Limited and Tata Capital Limited jointly with its nominees.

4. **TC Travel and Services Limited** ("**TCTSL**") was incorporated on October 15, 2008 and has its Registered Office at One Forbes, Dr V B Gandhi Marg, Fort, Mumbai 400 001. It is currently engaged in providing services relating to travel, forex and infrastructure.

   Its board of directors comprises: Mr Praveen P Kadle
   Mr Govind Sankaranarayanan
   Mr S H Rajadhyaksha

   The entire share capital of TCTSL comprising 250,00,000 equity shares of Rs.10/- each aggregating to Rs. 25,00,00,000/- is held by Tata Capital Limited and Tata Capital Limited jointly with its nominees.

5. **Tata Capital Pte. Ltd** ("**TCPL**") was incorporated on April 25, 2008 and has its Registered Office at 8 Cross Street, # 11-00 PWC Building, Singapore 048 424. It acts as an investment vehicle and undertakes retail financing and other financial services activities. Tata Capital Pte Ltd. became a subsidiary of Tata Capital Limited on July 17, 2008.

   Its board of directors comprises: Mr F K Kavarana
   Mr Praveen P Kadle
   Ms Woo May Poh

   The entire share capital of TCPL comprising 1,67,30,000 equity shares of 1 SGD each aggregating to SGD1,67,30,000/- is held by Tata Capital Limited.

6. **Tata Capital Advisors Pte Ltd.** ("**TCAPL**") was incorporated on April 25, 2008 and has its Registered Office at 8 Cross Street, # 11-00 PWC Building, Singapore 048 424. It has been incorporated to mainly provide advisory services to funds. Tata Capital Advisors Pte Ltd. became a subsidiary of Tata Capital Pte Ltd on December 5, 2008.

   Its board of directors comprises: Mr F K Kavarana
   Mr Praveen P Kadle
   Ms Woo May Poh

   The entire share capital of TCAPL comprising 1 equity share of 1 SGD is held by Tata Capital Pte. Ltd.

7. **Tata Capital Markets Pte Ltd.** ("**TCMPL**") was incorporated on October 29, 2008 and has its Registered Office at 8 Cross Street, # 11-00 PWC Building, Singapore 048 424. It has been incorporated mainly to provide Investment Advisory Services (Corporate Advisory Work). Tata Capital Markets Pte Ltd. became a subsidiary of Tata Capital Pte Ltd. on December 5, 2008.

   Its board of directors comprises: Mr F K Kavarana
   Mr Praveen P Kadle
   Ms Woo May Poh

   The entire share capital of the TCMPL comprising 1 equity share of 1 SGD is held by Tata Capital Pte. Ltd.

SECTION V : FINANCIAL INFORMATION

AUDITORS' REPORT

The Board of Directors
Tata Capital Limited
One Forbes
Dr. V.B. Gandhi Marg,
Fort,
Mumbai – 400 001

Dear Sirs:

We have examined the attached financial information of **Tata Capital Limited** (the "Company") and its subsidiaries annexed to this report, which is proposed to be included in the Prospectus of the Company in connection with the proposed issue of Secured, Non-Convertible Debentures (NCDs) aggregating to Rs. 50,000 lakhs with an option to retain over-subscription upto Rs. 100,000 lakhs for issuance of additional NCDs in terms of the requirement of Paragraph B of Part-II of Schedule II to the Companies Act, 1956 ("the Act"), Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ("the Regulations") issued by Securities and Exchange Board of India (SEBI), as amended from time to time and in terms of our engagement letter dated December 15, 2008. The financial information has been prepared by the Company.

1. **Financial Information as per Audited Financial Statements of the Company**

We have examined the following attached statements of the Company:

i. the "Statement of Profits and Losses (Unconsolidated)" for the half year ended September 30, 2008 and for each of the years ended March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004 (Annexure 1) and the schedules forming part thereof (Annexure 5);

ii. the "Statement of Assets and Liabilities (Unconsolidated)" as at September 30, 2008, March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004 (Annexure 2) and the schedules forming part thereof (Annexure 4); and

iii. the "Statement of Cash Flows (Unconsolidated)" for the half year ended September 30, 2008 and for each of the years ended March 31, 2008 and March 31, 2007 (Annexure 3),

together referred to as "Summary Statements".

These Summary Statements have been extracted from the unconsolidated financial statements of the Company:

(a) as at and for the years ended March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004, which have been audited and reported upon by M/s Dhanboora & Co., Chartered Accountants (the "Erstwhile Auditors") and have been approved by the Board of Directors for those respective years. Accordingly, our opinion, insofar as it relates to the amounts included in respect of these years, is solely based on reports submitted by the Erstwhile Auditors, and

(b) as at and for the half year ended September 30, 2008 and the year ended March 31, 2008, which has been approved by the Board of Directors and audited by us;

and presented in "Rupees in lakhs" on the basis stated in Note No. A.1 in Annexure 10. Such presentation of amounts as "Rupees in lakhs" is solely for the convenience of readers.

Based on our examination of these Summary Statements, we state that:

(i) the Summary Statements have to be read in conjunction with the notes given in Annexure 10;

(ii) the figures of earlier periods have been regrouped (but not restated retrospectively for change in an accounting policy), wherever necessary, to conform to the classification adopted for the Summary

Statements as at / for the half year ended September 30, 2008;

(iii) there are no extra-ordinary items that need to be disclosed separately in the Summary Statements; and

(iv) there are no qualifications in the auditors' reports that require adjustments to the figures in the Summary Statements.

2. **Other Financial Information of the Company**

We have examined the following other Financial Information of the Company in respect of the half year ended September 30, 2008 and years ended March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004 proposed to be included in the Prospectus, and annexed to this report:

(i) Statement of Dividends (Unconsolidated) (Annexure 6)

(ii) Capitalisation Statement (Unconsolidated) (Annexure 7)

(iii) Summary of Accounting Ratios (Annexure 8)

(iv) Statement of Tax Shelter (Annexure 9)

(v) Disclosures pertaining to transactions with Related Parties (Annexure 11)

3. **Financial Information as per Audited Financial Statements of the subsidiaries**

(i) We have also examined the "Statement of Profits and Losses" of Tata Capital Markets Limited, a wholly owned subsidiary of the Company, for the half year ended September 30, 2008 and for the period from November 26, 2007 (date of incorporation) to March 31, 2008, the "Statement of Assets and Liabilities" as at September 30, 2008 and March 31, 2008, the "Statement of Cash Flows" for the half year ended September 30, 2008 and for the period from November 26, 2007 to March 31, 2008, and the "Statement of Significant Accounting Policies" enclosed as Annexure 12 to 15 and confirm that these statements reflect the profit/loss, the assets and liabilities and the cash flows for the above mentioned periods as extracted from the audited financial statements as at and for the half year ended September 30, 2008 and as at March 31, 2008 / for the period from November 26, 2007 to March 31, 2008, which have been approved by the Board of Directors and audited by us; and presented in "Rupees in lakhs" on the basis stated in Note No. A.2 of Annexure 15. Such presentation of amounts as "Rupees in lakhs" is solely for the convenience of readers.

(ii) We have also examined the "Statement of Profits and Losses" of Tata Securities Limited, a wholly owned subsidiary of the Company, for the half year ended September 30, 2008 and the year ended March 31, 2008, "Statement of Assets and Liabilities" as at September 30, 2008 and March 31, 2008, the "Statement of Cash Flows" for the half year ended September 30, 2008 and for the year ended March 31, 2008 and the "Statement of Significant Accounting Policies" enclosed as Annexure 16 to 19 and confirm that these statements reflect the profit/loss, the assets and liabilities and the cash flows for the above mentioned periods as extracted from the audited financial statements as at and for the half year ended September 30, 2008 and as at / for the year ended March 31, 2008 which have been approved by the Board of Directors and audited by us; and presented in "Rupees in lakhs" on the basis stated in Note No. A. (ii) in Annexure 19. Such presentation of amounts as "Rupees in lakhs" is solely for the convenience of readers.

(iii) We have also examined the "Statement of Profits and Losses" of Tata Capital Singapore Pte. Limited, a wholly owned subsidiary of the Company, for the period from April 25, 2008 (date of incorporation) to September 30, 2008, "Statement of Assets and Liabilities" as at September 30, 2008, the "Statement of Cash Flows" for the period from April 25, 2008 to September 30, 2008, "Statement of changes in equity" as at September 30, 2008 and the "Statement of Significant Accounting Policies" enclosed as Annexure 20 to 24. The unconsolidated financial statements of Tata Capital Pte. Limited, Singapore, as at September 30, 2008 and for the period from April 25, 2008 (date of incorporation) to September 30, 2008, have been prepared in accordance with the accounting principles generally accepted in Singapore. We confirm that these statements reflect the loss, the assets and liabilities and the cash flows of the said subsidiary for the period from April 25, 2008 to September

30, 2008 as extracted from the audited financial statements of the said subsidiary as at / for the period from April 25, 2008 to September 30, 2008 and audited by Deloitte & Touche LLP approved by the Board of Directors. Accordingly, our opinion, insofar as it relates to the amounts included in respect of this period, is solely based on the report submitted by them. Further, the figures in Singapore Dollars contained in those financial statements were translated into Indian “Rupees in lakhs” on the basis stated in Note no. 1 of Annexure 24. The translation of the Summary Statements into Indian “Rupees in lakhs” has been made solely for the convenience of the readers.

4. In our opinion, the “Financial Information as per Audited Financial Statements of the Company” and “Other Financial Information of the Company” mentioned above as at / for the half year ended September 30, 2008 and years ended March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004 and “Financial Information as per Audited Financial Statements of the Subsidiaries” for the respective period(s) have been prepared in accordance with Paragraph B of Part II of Schedule II to the Act and the Regulations.

5. This report should not in any way be construed as a reissuance or redating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

6. This report is intended solely for your information and for inclusion in the Prospectus in connection with the proposed issue of NCDs aggregating to Rs. 50,000 lakhs with an option to retain over-subscription upto Rs. 100,000 lakhs for issuance of additional NCDs and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For DELOITTE HASKINS & SELLS
Chartered Accountants

N Venkatram
Partner

Membership No.71387

Mumbai, January 16, 2009

Annexure 1

Statement of Profits and Losses (Unconsolidated)

Rs. in lakhs

Particulars	**Schedule**	**For the half year ended Sept 30, 2008**	**For the year ended March 31,**				
			2008	**2007**	**2006**	**2005**	**2004**
Income							
Income from Financing activity	10	31,161	14,534	-	-	-	-
Investment Income	11	1,211	3,264	478	482	44	34
Other Income		298	598	-	-	2	-
Total		**32,670**	**18,396**	**478**	**482**	**46**	**34**
Expenditure							
Interest	12	18,475	9,400	-	-	-	-
Employee cost	13	4,148	2,768	-	-	-	-
Other operating expenses	14	9,263	5,351	1	1	1	1
Share issue expenses written off		70	77	-	-	-	-
Depreciation		265	67	-	-	-	-
Provision for Diminution in investments		-	-	-	1	-	5
Total		**32,221**	**17,663**	**1**	**2**	**1**	**6**
Profit before taxes		**449**	**733**	**477**	**480**	**45**	**28**
Current Tax		521	155	45	5	2	1
Deferred Tax		(441)	(221)	-	1	1	1
Fringe Benefit Tax		70	29	-	-	-	-
MAT Credit entitlement		-	(151)	-	-	-	-
Profit after taxes		**299**	**921**	**432**	**474**	**42**	**26**

Annexure 2

Statement of Assets and Liabilities (Unconsolidated) Rs. in lakhs

Particulars	Schedule	As at Sept 30, 2008	As at March 31,				
			2008	2007	2006	2005	2004
A Fixed Assets	1	**10,108**	**9,103**	**-**	**-**	**-**	**-**
B Investments	2	**79,060**	**73,406**	**2,560**	**2,306**	**1,702**	**1,667**
C Current Assets, Loans and Advances							
Cash and Bank Balances		2,085	2,177	14	3	8	114
Loans and Advances (including sundry debtors)	3	693,852	348,413	228	16	135	19
		695,937	**350,590**	**242**	**19**	**143**	**133**
D Liabilities and Provisions							
Secured Loans	4	(209,439)	(118,785)	-	-	-	-
Unsecured Loans	5	(351,948)	(108,943)	-	-	-	-
Current Liabilities and Provisions	6	(13,662)	(5,243)	(120)	(22)	(17)	(15)
		(575,049)	**(232, 971)**	**(120)**	**(22)**	**(17)**	**(15)**
E Deferred Tax Asset/(Liability)		**662**	**221**	**-**	**-**	**1**	**2**
F Networth		**210,718**	**200,349**	**2,682**	**2,303**	**1,829**	**1,787**
G Represented by							
1. Share Capital	7	208,762	198,762	1,603	1,603	1,603	1,603
2. Reserves	8	2,231	1,932	1,079	700	226	184
3. Miscellaneous Expenditure (to the extent not written off or adjusted)	9	(275)	(345)	-	-	-	-
Networth		**210,718**	**200,349**	**2,682**	**2,303**	**1,829**	**1,787**

Annexure 3

Statement of Cash flows (Unconsolidated)

Rs. in lakhs

Particulars		**For the half year ended Sept 30,2008**	**For the year ended March 31, 2008**	**2007**
(A)	***Net cash used in operating activities***	**(327,770)**	**(233,072)**	**(212)**
(B)	Cash flow from investing activities			
	Purchase of Fixed assets (including Capital Advances and excluding goodwill on business acquisition)	(1,270)	(1,570)	-
	Payment for business acquisitions (including goodwill)	(1,353)	(120,017)	-
	Acquisition of Subsidiaries	(3,348)	(6,712)	-
	Purchase/Redemption of Mutual Funds (net of dividend reinvested)	24,082	(21,080)	(302)
	Purchase of other long term investments	(26,524)	(43,787)	-
	Proceeds from sale of shares	14	3,784	444
	Interest on Bond	59	-	-
	Dividend Income	77	214	81
	Net cash used in investing activities	**(8,263)**	**(189,168)**	**223**
(C)	**Cash flow from financing activities**			
	Issue of Equity share capital	10,000	57,000	-
	Issue of Preference share capital	-	141,759	-
	Redemption of Preference shares	-	(1,600)	-
	Dividend on Preference shares	-	(53)	-
	Dividend Distribution Tax	-	(9)	-
	Share issue expenses	-	(422)	-
	Net proceeds from short term borrowings	176,708	120,228	-
	Proceeds from Long-term borrowings	179,233	147,500	-
	Repayment of long term borrowings	(30,000)	(40,000)	-
	Net cash provided by financing activities	**335,941**	**424,403**	**-**
(D)	***Net increase/(decrease) in cash and cash equivalents***	**(92)**	**2,163**	**11**
	Cash and cash equivalents as at the beginning of the period	**2,177**	**14**	**3**
	Cash and cash equivalents as at the end of the period	**2,085**	**2,177**	**14**

Note: Pursuant to Companies (Accounting Standards) Rules, 2006, Company has prepared Cash flow statement from the financial year ended March 31, 2007 onwards. In earlier financial years, the Company had opted for the exemption available to it for preparing the cash flow statement.

TATA

Annexure 4

Schedules to the Statement of Assets and Liabilities (Unconsolidated)

Schedule 1

Rs. in lakhs

FIXED ASSETS	**As at Sept 30, 2008**	**Net Block As at March 31,**				
		2008	**2007**	**2006**	**2005**	**2004**
Tangible Fixed Assets						
Building	42	-	-	-	-	-
Leasehold Improvements	463	-	-	-	-	-
Construction Equipment (Assets given under operating lease)	280	298	-	-	-	-
Furniture & Fixtures	83	3	-	-	-	-
Computer Equipment	396	248	-	-	-	-
Office Equipment	330	96	-	-	-	-
Vehicles	605	328	-	-	-	-
Intangible Fixed Assets						
Goodwill	7,600	7,600	-	-	-	-
Software	121	95	-	-	-	-
	9,920	**8,668**	**-**	**-**	**-**	**-**
Capital work in progress	188	435	-	-	-	-
(including Capital advance)						
	10,108	9,103	-	-	-	-

Schedule 2

Rs. in lakhs

INVESTMENTS	**As at Sept 30, 2008**	**As at March 31,**				
		2008	**2007**	**2006**	**2005**	**2004**
LONG TERM (at cost) (fully paid-up)						
A) Trade Investments						
Unquoted :						
Equity Shares						
Subsidiaries	8,860	6,712	-	-	-	-
Associates	20,292	123	3	3	3	-
Preference Shares						
Associates	2,350	-	-	-	-	-

INVESTMENTS	As at Sept 30, 2008	As at March 31, 2008	2007	2006	2005	2004
B) Others						
Quoted :						
Equity Shares	23,597	23,601	1,585	1,633	1,658	1,619
Preference Shares	9	9	-	-	-	-
Unquoted :						
Equity Shares	17,931	17,574	-	-	2	2
Preference Shares	4,000	2,350	-	-	-	-
C) Bonds and Debentures						
Investments in Bonds (Unquoted)	2,000	-	-	-	-	-
Investments in Debentures (Quoted)	1	-	-	-	-	-
Current (at lower of cost or market value) (fully paid-up)						
Unquoted :						
Investments in Units of Mutual Fund	20	23,037	972	670	39	46
	79,060	**73,406**	**2,560**	**2,306**	**1,702**	**1,667**
Book value of Quoted investments	23,607	23,610	1,585	1,633	1,658	1,619
Market value of Quoted investments	19,141	24,019	2,241	3,675	1,821	994
Book value of Unquoted investments	55,453	49,796	975	673	44	48

Schedule 3 Rs. in lakhs

LOANS AND ADVANCES (INCLUDING SUNDRY DEBTORS)	As at Sept 30, 2008	As at March 31, 2008	2007	2006	2005	2004
A. **Loans and Advances -**						
Financing Activity						
Secured						
(a) Construction Equipment (CEQ)	362,593	194,585	-	-	-	-
(b) Small and Medium Enterprises (SME) and Other Loans, considered good	92,349	22,970	-	-	-	-
(c) Assigned Receivables	96,073	-	-	-	-	-
(A)	**551,015**	**217,555**	-	-	-	-
Unsecured - considered good						
(a) Loans to dealers	72,449	72,240	-	-	-	-
(b) SME Loans	21,862	29,008	-	-	-	-
(c) Personal Loans	19,641	1,242	-	-	-	-

LOANS AND ADVANCES (INCLUDING SUNDRY DEBTORS)	As at Sept 30, 2008	As at March 31,				
		2008	2007	2006	2005	2004
(d) Bills of Exchange	16,076	11,851	-	-	-	-
(e) Inter Corporate Deposits	1,680	11,709	-	-	-	-
(f) Debtors	72	-	-	-	-	-
(B)	**131,780**	**126,050**	**-**	**-**	**-**	**-**
(C=A+B)	**682,795**	**343,605**	**-**	**-**	**-**	**-**
B. **Loans and Advances – Others**						
Unsecured - considered good						
(a) Advances recoverable in cash or in kind or for value to be received	2,968	1,196	170	-	124	10
(b) Security Deposits	2,225	1,695	-	-	-	-
(c) Other Advances	4,398	1,478	-	-	-	-
(d) Advance payment of tax, net of provision	1,466	288	58	16	11	9
(e) MAT Credit Entitlement	-	151	-	-	-	-
(D)	**11,057**	**4,808**	**228**	**16**	**135**	**19**
(C+D)	**693,852**	**348,413**	**228**	**16**	**135**	**19**

Schedule 4

Rs. in lakhs

SECURED LOANS	As at Sept 30, 2008	As at March 31,				
		2008	2007	2006	2005	2004
Debentures [Net of unamortised discount]	39,262	**-**	**-**	**-**	**-**	**-**
Loans and Advances from banks:						
(a) Term loans	100,000	70,000	-	-	-	-
(b) Working capital demand loan	32,500	28,000	-	-	-	-
(c) Bank Overdraft	37,677	20,785	-	-	-	-
	209,439	**118,785**	**-**	**-**	**-**	**-**

Note:

1) Debentures are secured against hypothecation of building and current assets (including loans and advances - Financing activity)

2) Loans and advances from banks are secured against hypothecation of current assets (including loans and advances - Financing activity).

Schedule 5

Rs. in lakhs

UNSECURED LOANS	As at Sept 30, 2008	As at March 31, 2008	2007	2006	2005	2004
Short-term loans and advances:						
(a) Commercial Paper [Net of unamortised discount]	234,357	71,443	-	-	-	-
(b) Inter Corporate Deposits	91	-	-	-	-	-
Other loans and advances:						
(a) From Banks	102,500	37,500	-	-	-	-
(b) From Others	15,000	-	-	-	-	-
	351,948	**108,943**	**-**	**-**	**-**	**-**

Schedule 6

Rs. in lakhs

CURRENT LIABILITIES & PROVISIONS

	As at Sept 30, 2008	As at March 31, 2008	2007	2006	2005	2004
A. Current Liabilities						
(a) Sundry creditors	11,314	3,782	1	1	-	-
(b) Other Liabilities	573	344	-	-	-	-
(c) Unearned income	988	859	-	-	-	-
(d) Interest accrued but not due on loans	296	92	-	-	-	-
(A)	13,171	5,077	1	1	-	-
B. Provisions						
(a) Provision for retirement and other employee benefit schemes	486	160	-	-	-	-
(b) Provision for tax	5	-	66	21	17	15
(c) Proposed Dividend (including dividend distribution tax)	-	6	53	-	-	-
(B)	491	166	119	21	17	15
(A+B)	**13,662**	**5,243**	**120**	**22**	**17**	**15**

Schedule 7 Rs. in lakhs

SHARE CAPITAL	As at Sept 30, 2008	As at March 31,				
		2008	2007	2006	2005	2004
Authorised						
475,00,00,000 Equity shares of Rs.10 each (as at Sept 30, 2008)	475,000	475,000	100	100	100	100
25,00,000 Redeemable Non-Cumulative Preference shares of Rs.1,000 each (as at Sept 30, 2008)	25,000	25,000	5,600	5,600	5,600	5,600
300,00,00,000 Compulsorily Convertible Preference shares of Rs. 10 each. (as at Sept 30, 2008)	300,000	300,000	-	-	-	-
	800,000	**800,000**	**5,700**	**5,700**	**5,700**	**5,700**
Issued						
107,01,05,000 Equity shares of Rs.10 each (as at Sept 30, 2008)	107,011	57,011	11	11	11	11
14% Non-Cumulative Redeemable Preference shares of Rs.1,000 each (as at Sept 30, 2008)	-	-	-	5,600	5,600	5,600
Nil 7% Non-Cumulative Redeemable Preference shares of Rs.1,000 each (as at Sept 30, 2008)	-	-	5,600	-	-	-
141,75,87,500 0.1% Compulsory Convertible Non-Cumulative Preference shares of Rs.10 each (as at Sept 30, 2008)	141,759	141,759	-	-	-	-
	248,770	**198,770**	**5,611**	**5,611**	**5,611**	**5,611**
Subscribed						
107,00,30,670 Equity shares of Rs.10 each(as of Sept 30, 2008)	107,003	57,003	3	3	3	3
14% Non-Cumulative Redeemable Preference shares of Rs.1,000 each. (as at Sept 30, 2008)	-	-	-	1,600	1,600	1,600
Nil 7% Non-Cumulative Redeemable Preference shares of Rs.1,000 each. (as at Sept 30, 2008)	-	-	1,600	-	-	-
141,75,87,500 0.1% Compulsory Convertible Non-Cumulative Preference shares of Rs.10 each (as at Sept 30, 2008)	141,759	141,759	-	-	-	-
	248,762	**198,762**	**1,603**	**1,603**	**1,603**	**1,603**

SHARE CAPITAL	As at Sept 30, 2008	As at March 31, 2008	2007	2006	2005	2004
Paid Up						
57,00,30,670 Equity shares of Rs.10 each fully paid (as at Sept 30, 2008)	57,003	57,003	3	3	3	3
50,00,00,000 Equity shares of Rs.10 each , paid up Rs. 2 per share (as at Sept 30, 2008)	10,000	-	-	-	-	-
14% Non-Cumulative Redeemable Preference shares of Rs.1,000 each. (as at Sept 30, 2008)	-	-		1,600	1,600	1,600
Nil 7% Non-Cumulative Redeemable Preference shares of Rs.1,000 each. (as at Sept 30, 2008)	-	-	1,600	-	-	-
141,75,87,500 0.1% Compulsory Convertible Non-Cumulative Preference shares of Rs.10 each (as at Sept 30, 2008)	141,759	141,759	-	-	-	-
	208,762	**198,762**	**1,603**	**1,603**	**1,603**	**1,603**

Note:

1) All the equity shares are held by the holding company, Tata Sons Limited and its nominees.
2) The company has issued 500,000,000 shares of Rs 10 each, Rs. 2 paid up to the holding company on September 29, 2008.
3) 0.1% Compulsory Convertible Non-Cumulative Preference Shares are convertible at any time after the issuance date into equity shares at par at the option of the holder or compulsorily convertible into equity shares at par on March 18, 2018.

Schedule 8 Rs. in lakhs

RESERVES AND SURPLUS	As at Sept 30, 2008	As at March 31, 2008	2007	2006	2005	2004
(a) Capital Redemption Reserve						
As per last balance sheet	575	575	575	200	160	150
Add : Addition during the year	-	-	-	375	40	10
(A)	**575**	**575**	**575**	**575**	**200**	**160**
(b) Special Reserve						
As per last balance sheet	379	195	108	14	5	-
Add : Addition during the year	-	184	87	95	9	5
(B)	**379**	**379**	**195**	**109**	**14**	**5**
(c) Balance in Profit and Loss Account **(C)**	**1,277**	**978**	**309**	**16**	**12**	**19**
(A+B+C)	**2,231**	**1,932**	**1,079**	**700**	**226**	**184**

Schedule 9 Rs. in lakhs

MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	As at Sept 30, 2008	As at March 31, 2008	2007	2006	2005	2004
Share issue expenses	345	422	-	-	-	-
Less: written off during the year	70	77	-	-	-	-
	275	**345**	**-**	**-**	**-**	**-**

Annexure 5

Schedules to the Statement of Profits and Losses (Unconsolidated)

Schedule 10 Rs. in lakhs

INCOME FROM FINANCING ACTIVITY

	For the half year ended Sept 30, 2008	For the year ended March 31,				
		2008	2007	2006	2005	2004
a) Interest Income	28,062	13,764	-	-	-	-
b) Income from Bill Discounting	748	447	-	-	-	-
c) Others	2,351	323	-	-	-	-
	31,161	**14,534**	**-**	**-**	**-**	**-**

Schedule 11 Rs. in lakhs

INVESTMENT INCOME

	For the half year ended Sept 30, 2008	For the year ended March 31,				
		2008	2007	2006	2005	2004
a) Dividend						
(i) Dividend from Long-Term Investments	77	214	31	-	-	-
(ii) Dividend from Mutual Funds [Current Investment]	771	985	50	39	27	18
b) Profit/(Loss) on sale of Mutual Fund Investments [Current Investment]	294	-	-	-	-	-
c) Profit/(Loss) on sale of long-term investments	10	2,065	397	443	17	16
d) Interest on Bonds	59	-	-	-	-	-
	1,211	**3,264**	**478**	**482**	**44**	**34**

Schedule 12 Rs. in lakhs

INTEREST	For the half year ended Sept 30, 2008	For the yearended March 31,				
		2008	2007	2006	2005	2004
Interest expenses						
(a) On fixed period loans	10,484	6,808	-	-	-	-
(b) On others	393	1,593	-	-	-	-
(c) Discounting charges on commercial paper	7,598	999	-	-	-	-
	18,475	**9,400**	**-**	**-**	**-**	**-**

Schedule 13 Rs. in lakhs

EMPLOYEE COSTS

	For the half year ended Sept 30, 2008	For the yearended March 31,				
		2008	2007	2006	2005	2004
(a) Salaries, wages and bonus	3,480	2,496	-	-	-	-
(b) Contribution to provident fund, superannuation fund and other funds	477	200	-	-	-	-
(c) Workmen and staff welfare expenses	191	72	-	-	-	-
	4,148	**2,768**	**-**	**-**	**-**	**-**

Schedule 14 Rs. in lakhs

OTHER OPERATING EXPENSES

	For the half year ended Sept 30, 2008	For the yearended March 31,				
		2008	2007	2006	2005	2004
(a) Repairs and Maintenance						
(i) Buildings	15	3	-	-	-	-
(ii) Others	11	6	-	-	-	-
(b) Power and fuel	47	19	-	-	-	-
(c) Rent	1,174	1,271	-	-	-	-
(d) Rates and taxes	103	31	-	-	-	-
(e) Incentive / commission/ brokerage	850	289	-	-	-	-
(f) Provision for doubtful loans	951	307	-	-	-	-
(g) Advertisement and Publicity	419	219	-	-	-	-
(h) Legal and Professional fees	1,073	863	-	-	-	-
(i) IT Outsourcing expenses	620	-	-	-	-	-
(j) Training and recruitment	224	431	-	-	-	-
(k) Stamp Charges	113	79	-	-	-	-
(l) Printing and stationery	87	56	-	-	-	-
(m) Service providers' charges	1,026	418	-	-	-	-
(n) Loan Processing Fees	477	-	-	-	-	-
(o) Telephone, telex and leased line	142	47	-	-	-	-
(p) Travelling and conveyance	733	422	-	-	-	-
(q) Bank charges	38	40	-	-	-	-
(r) Insurance charges	26	2	-	-	-	-
(s) Security Charges	41	16	-	-	-	-
(t) Audit Fees	20	26	-	-	1	1
(u) Directors Fees	7	6	-	-	-	-
(v) AMC Charges	248	380	-	-	-	-
(w) Data Processing Charges	41	47	-	-	-	-
(x) Operating Lease Expenses	184	302	-	-	-	-
(y) Write off's	160	15	-	-	-	-
(z) Donations	14	-	-	-	-	-
(aa) Other expenses	419	56	1	1	-	-
	9,263	**5,351**	**1**	**1**	**1**	**1**

Annexure 6

Statement of Dividends (Unconsolidated) Rs in lakhs

Particulars	For the half year ended Sept 30, 2008	For the yearended March 31,				
		2008	2007	2006	2005	2004
Equity Share Capital	67,003	57,003	3	3	3	3
Dividend Rate	-	-	-	-	-	-
Amount of Dividend	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-
14% Non Cumulative Redeemable Preference Share Capital	-	-	1,600	1,600	1,600	1,600
Dividend Rate	-	-	-	-	-	0.9%
Amount of Dividend	-	-	-	-	-	14
Dividend Distribution Tax	-	-	-	-	-	2
7% Non Cumulative Redeemable Preference Share Capital	-	1,600	1,600	-	-	-
Dividend Rate	-	7%	7%	-	-	-
Amount of Dividend	-	**53	*45	-	-	-
Dividend Distribution Tax	-	9	8	-	-	-
0.1% Compulsory Convertible Non-Cumulative Preference Share Capital	141,759	141,759	-	-	-	-
Dividend Rate	-	0.1%	-	-	-	-
Amount of Dividend	-	***5	-	-	-	-
Dividend Distribution Tax	-	1	-	-	-	-

* for 148 days from 4-Nov-06 (date of allotment) till 31-Mar-07

** for 173 days from 1-Apr-07 till 21-Sept-07 (date of redemption)

*** for 13 days from 19-Mar-08 (date of allotment) till 31-Mar-08

During FY 2006-07, 14% Non Cumulative Redeemable preference shares were converted into 7% Non Cumulative Redeemable Preference Shares.

Annexure 7

Capitalisation Statement (Unconsolidated) Rs. in lakhs

Particulars	As at Sept 30, 2008 Pre Issue	As at Sept 30, 2008 Post Issue *
Secured Loans	209,439	359,439
Unsecured Loans	351,948	351,948
Total Debt	**561,387**	**711,387**
Shareholders' funds		
Share Capital **	208,762	208,762
Reserves	2,231	2,231
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	275	275
Total Shareholders' funds	**210,718**	**210,718**
Debt to Equity Ratio(Number of times)	**2.66**	**3.38**

* Assuming issue of Non Convertible Debenture amounting to Rs.150,000 lakhs has been completed on September 30, 2008.

** Including Rs. 10,000 lakhs being 50,00,00,000 Equity Shares of Rs. 10 each of which Rs. 2 per share is paid up.

Annexure 8

Statement of Accounting Ratios

Particulars	For the half year ended Sept 30, 2008	For the yearended March 31,				
		2008	2007	2006	2005	2004
Earning Per Share (EPS)						
Profit after tax (Rs. in lakhs)	299	921	432	474	42	26
Less: Preference Dividend (including dividend distribution tax) (Rs. in lakhs)	-	68	53	-	-	16
Profit available for equity shareholders (Rs. in lakhs)	299	853	379	474	42	10
Weighted Average Equivalent						
Number of Equity Shares						
- Basic	571,123,566	390,768,375	30,670	30,670	30,670	30,670
- Diluted	1,988,711,066	441,119,844	30,670	30,670	30,670	30,670
EPS (Rs.)						
- Basic	*0.05	0.22	1,237.09	1,544.67	138.93	32.80
- Diluted	*0.02	0.19	1,237.09	1,544.67	138.93	32.80
Return on Net Worth						
Profit after tax (Rs. in lakhs)	299	921	432	474	42	26
Net Worth(Rs. in lakhs)	210,718	200,349	2,682	2,303	1,829	1,787
Return on Net Worth (%)	*0.14	0.46	16.11	20.58	2.30	1.45

Net Asset Value per Equity Share

Particulars	As at Sept 30, 2008	As at March 31,				
		2008	2007	2006	2005	2004
Net Asset Value per Equity Share						
Net Worth (for Equity) (Rs. in lakhs)	68,959	58,590	1,082	703	229	187
Equivalent Number of Equity Shares#	670,030,670	570,030,670	30,670	30,670	30,670	30,670
Net Asset Value per Equity Share(Rs.)	10.29	10.28	3,527.88	2,292.14	746.66	609.72

* This indicates figures are not annualized.

\# 50,00,00,000 partly paid-up equity shares of Rs. 2 each have been considered into 1,00,00,000 fully paid up equity shares of Rs. 10 each for reporting the figure as at September 30, 2008.

Annexure 9

Statement of Tax Shelter

Rs. in lakhs

Particulars	For the half year ended Sept 30, 2008	For the yearended March 31,				
		2008	2007	2006	2005	2004
Profit before Taxes	**449**	**733**	**477**	**480**	**45**	**28**
Statutory Tax Rate	33.99%	33.99%	33.66%	33.66%	36.59%	35.88%
Tax at Statutory Rate	153	249	161	162	16	10
Adjustment for Permanent Differences						
Dividend income exempt	476	1,199	82	39	27	18
Disallowance u/s 14A	(515)	(1,802)	-	-	-	-
Income taxable under the head capital gains	6	2,065	397	443	17	16
Other adjustments	248	(77)	-	3	3	3
Total due to permanent differences	**215**	**1,385**	**479**	**485**	**47**	**37**
Tax savings thereon	73	470	161	163	17	13
Capital Gains Tax	-	-	43	5	2	2
Additional Tax on account of MAT	-	-	1	-	-	-
Total Taxation	80	(221)	44	4	2	(1)
Fringe benefit tax provided in the books	70	29	-	-	-	-
Wealth tax in the books of accounts	-	4	-	-	-	-
Tax on profits before extra-ordinary items	150	(188)	44	4	2	(1)
Adjustments: Excess / Short Provision of Tax	-	-	1	2	1	3
Actual Provision for tax as per Profit and Loss Account	150	(188)	45	6	3	2

The provisions for income taxes as disclosed in books of account are based on our interpretation of the Income Tax Act, 1961 and the tax advice received from time to time. The final adequacy of such provisions will be determined on the completion of assessment by the Income Tax authorities for the relevant assessment years.

Annexure 10

Significant Accounting Policies of Tata Capital Limited (Unconsolidated) annexed to the Statement of Profits and Losses for the half year ended September 30, 2008 and the Statement of Assets and Liabilities as at September 30, 2008

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis for preparation of accounts

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the generally accepted accounting principles and are in accordance with Accounting Standard 25 " Interim Financial Reporting'' and in compliance with the relevant provisions of the Companies Act, 1956. Further, the Company follows the directions issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC).

The results of interim periods are not necessarily indicative of the results that may be expected for any interim period or for the full year.

The financial statements as at and for the years ended March 31, 2007, 2006, 2005 and 2004 have been presented in Indian Rupees. These amounts have been rounded off to nearest lakh and presented in Annexure 1 to 11 as "Rupees in lakhs" solely for the convenience of the readers in India together with the amounts in the financial statements as at and for the period ended September 30, 2008 and for the year ended March 31, 2008 which were presented in Indian rupees in lakhs after rounding off to the nearest lakh.

2. Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities. Management believes that the estimates used in preparation of the financials statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods. Examples of such estimates include provisions for doubtful debts and advances, employee benefit plans and provision for income taxes.

3. Revenue recognition

i) Income on Loan transactions

Income on loan transactions is accounted for by using the internal rate of return method. Consequently, a constant rate of return on net outstanding amount is accrued over the period of the contract, except that no income is recognised on non-performing / doubtful assets as per the prudential norms for income recognition issued by the RBI for NBFCs. Interest income on such assets is recognised on receipt basis.

The Company provides an allowance for loan receivables based on the prudential norms issued by the RBI relating to income recognition, asset classification and provisioning for non-performing assets except for construction equipment, auto and personal loan portfolio where in addition to the provisioning as per RBI norms, the Company also provides for the entire receivables, where any of the installments are overdue for a period exceeding 11 months.

In respect of non-performing assets acquired from other NBFCs / Banks/ Companies, aggregate collections in excess of the consideration paid on acquisition of the portfolio of assets is treated as income.

Upfront / Processing fees collected from the customer for processing loan are primarily towards documentation charges. It is accounted as income when it becomes due provided recovery thereof is not uncertain. (Also see note no B.1)

Dealer subvention income and service charges are collected at the time of inception of the contract. It is accounted over the tenure of the loan in the proportion of interest earned to total interest receivable during the tenure of loan.

ii) Income from Current and Long-term Investments

Income from dividend on shares of corporate bodies and units of mutual funds is accounted on accrual basis when the Company's right to receive dividend is established. Income from Dividend Re-investment Plans of Mutual Funds is accounted on the basis of re-investment done as indicated by the Net Asset Value Statement.

4. Advances

Amounts paid for acquiring non-performing assets from other NBFCs/banks/companies are considered as advances. In accordance with RBI guidelines, such assets are treated as "standard" for a period of 90 days from the date of purchase. Thereafter, actual collections received on such non-performing assets are compared with cash flows estimated while purchasing the asset to ascertain default. If the amount is overdue beyond a period of 90 days, then the assets are classified into sub-standard, doubtful and loss as required by the guidelines on purchase/ sale of non-performing assets issued by the RBI.

5. Fixed Assets

Tangible: Fixed Assets are stated at cost, less depreciation/amortization, which comprises of purchase consideration and other directly attributable cost of bringing the assets to its working condition for the intended use.

Intangible: Acquired intangible assets are measured initially at cost.

Expenses on software support and maintenance are charged to profit and loss account during the period in which such costs are incurred.

Advances given towards acquisition of fixed assets and the cost of assets not ready for use as at the balance sheet date are disclosed under capital work-in-progress.

6. Depreciation and Amortisation

Depreciation on tangible fixed assets is provided on straight-line method at the rates and in the manner as prescribed in Schedule XIV to the Companies Act, 1956 or over the estimated useful life of the asset, whichever is higher.

Purchased Software / Software Products are amortised over the period the benefits expected to accrue, while Goodwill is tested for impairment at each Balance sheet date. An impairment loss is recognised if the carrying amount of Goodwill exceeds its recoverable amount.

All capital assets with individual value less than Rs 5,000 are depreciated fully in the month in which they are purchased.

Depreciation rates used by the Company are:

Leasehold Improvements	**Lease Period**
Construction Equipment	11.31%
Furniture and Fixtures	Higher of 10% or rate determined based on period of lease
Computer Equipment	25% to 33.33%
Office Equipment	10%
Vehicles	23.75%
Software	25%
Building	4%

7. Investments

Investments are classified into current investments and long-term investments.

Long-term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.

Current Investments comprising investments in mutual funds are stated at the lower of cost or market value, determined on scrip-wise basis.

8. Taxation

The Company's income taxes include taxes on the Company's taxable profits, fringe benefits tax, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities/receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or those that have been substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that is no longer probable that sufficient taxable profit will be available to allow all or a part of aggregate deferred tax assets to be utilized.

Fringe benefit tax is the amount of tax payable on the value of benefits provided during the financial year as determined in accordance with the provisions of the Income-tax Act, 1961.

The income tax expense for the interim period within a financial year is allocated to those period based on the management best estimates of the effective income tax rate expected to be appear for the full fiscal year.

9. Miscellaneous expenditure

Miscellaneous expenditure, comprising share issue expenses such as stamp duty and registration fees, has been amortised over a period of 36 months from the month in which the Company has incurred the expenditure.

10. Employee Benefits

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. Liability with regard to gratuity fund (defined benefit retirement plan) is accrued based on actuarial valuation conducted as on the balance sheet date.

The Company provides for Leave encashment benefit, which is a defined benefit scheme based on actuarial valuation as at the balance sheet date conducted by an independent actuary.

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contribution along with interest thereon is paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contribution to the Provident Fund Trust equal to a specified percentage of the covered employee's salary. The Company also contributes to a government administered pension fund on behalf of its employees.

The Company has made contribution towards superannuation for the period.

The interest rate payable by the trust to the beneficiaries every year is being notified by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. Such shortfall is charged to profit and loss account in the period it is determined.

11. Lease

Leases are classified as finance lease where the Company has substantially acquired all risks and rewards of ownership of the assets. Such assets are capitalized at the inception of the lease, at the lower of fair value or present value of minimum lease payment and liability is created for an equivalent amount. Each lease rental paid is allocated between liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases are classified as operating lease where significant portion of risks and reward of ownership of assets acquired under lease are retained by the lessor. Lease rentals for such leases are charged to Profit and Loss account.

Assets given on operating lease are capitalized at cost. Rentals received or receivable by the Company are recognised in the profit and loss account when due provided recovery is not uncertain. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

12. Business segment

The Company has been operating only in one segment viz. financial activities and the operations being only in India, the disclosure requirements of Accounting Standard-17 on Segment Reporting are not applicable.

13. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

14. Earning Per Share

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earning per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.

15. Derivative Transactions

Interest Rate Swaps
Interest Rate Swaps have been marked to market at the period end. Resulting net loss on such mark to market of derivatives is included in the profit and loss account. However, the resulting net gain on such mark to market derivatives, if any will be included under Advance Payments and not recognized in the profit and loss account in view of the recent announcement by the Institute of Chartered Accountants of India (ICAI) which requires the principal of prudence to be followed in accounting for mark to market gains/losses on derivatives.

B. NOTES TO THE ACCOUNTS

1) On 1st April 2008, the Company has changed its policy with respect to recognition of revenue from upfront / processing fees, which upto March 2008 were accounted over a period of tenure of loan, have now been accounted as income when becomes due.

   As a result Rs.308.11 lakhs balance in unamortized upfront/processing fees as on 31st March 2008 has been credited to profit and loss account during the period. Had the Company followed its earlier policy, the net profit after tax would have been lower by Rs.686.95 lakhs.

2) Special reserve of Rs.379 lakhs (as at March 31, 2008: Rs.379 lakhs) represents reserve created pursuant to the Reserve Bank of India (Amendment) Ordinance, 1997, as prescribed by section 45-IC of Reserve Bank of India Act, 1934. The amount transferred to the special reserve is equivalent to 20% of the profit after taxation for the year. This amount is transferred once in a year at the year end and not in any interim period.

3) **Significant Investments**

a) In June 2008, the Company acquired 4,02,56,111 equity shares representing 24% stake in Tata Autocomp Systems Limited (TACO) for a consideration of Rs 16,102 lakhs. TACO Limited is engaged in manufacture of auto parts for the automobile industry.

b) In June 2008, the Company subscribed 1,52,72,727 equity shares representing 44% stake in Quikjet Cargo Airlines Pvt Limited (Quikjet) for a consideration of Rs 1,680 lakhs. Quikjet is a company engaged in the business of transport of goods through air cargo.

c) In September 2008, the Company subscribed 20,00,000 equity shares representing 100% stake in Tata Capital Pte Ltd for a consideration of Rs 648 lakhs. Tata Capital Pte Ltd is the international subsidiary located in Singapore.

d) In August 2008, the Company subscribed additional 39,919 equity shares of Precision Camshafts Limited for a consideration of Rs 1,238 lakhs. Precision Camshafts Limited is engaged in the business of manufacturing of auto components.

e) In September 2008, the Company subscribed additional 1,50,00,000 equity shares of Tata Capital Market Ltd as at Rs 10 each on par.

4) The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

Rs in lakhs

Particulars	As at	As at March 31				
	Sept 30, 2008	2008	2007	2006	2005	2004
Deferred Tax Asset						
Deferred tax assets on account of carry forward of unabsorbed depreciation and business loss	62	142	-	-	-	-
Deferred tax assets on account of provisions for doubtful debt	581	104	-	-	-	-
Other deferred tax assets	100	17	-	-	1	2
Deferred Tax Liability						
Deferred tax liabilities on account of depreciation on fixed assets	(81)	(42)	-	-	-	-
Net deferred tax asset/(liability)	662	221	-	-	1	2

Deferred Tax Asset has been recognised on unabsorbed depreciation, carry forward business loss and other assets on the basis of virtual certainty of the income to be generated from the signed loan contracts.

5) **Contingent Liabilities and Commitments:**

a) Outstanding Letter of credit amounting to Rs.1,680 lakhs (as at March 31, 2008 – Nil)

b) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.373 lakhs (as at March 31, 2008: Rs.742 lakhs).

Subsequent to the half year ended on September 30, 2008, the Company agreed to invest upto Rs. 30,000 lakhs in Tata Motors Limited as a long term investment.

There were no contingent liabilities as at and for the financial years ended March 31, 2007, 2006, 2005 and 2004.

6) **Earnings per Share:**

Prticulars		**For the half year ended Sept**	**For the year ended March 31,**					
			30, 2008	**2008**	**2007**	**2006**	**2005**	**2004**
Basic earnings / (loss) per share								
Profit / (Loss) after tax -	Rs. in lakhs		299	921	432	474	42	26
Less: Preference dividend (including Dividend distribution tax)	Rs. in lakhs		-	68	53	-	-	16
Profit / (Loss) after tax for Basic EPS - Rs. in lakhs			299	853	379	474	42	10
Weighted Average Number of Equity Shares used in computing Basic earnings per share -	Nos		571,123,566	390,768,375	30,670	30,670	30,670	30,670
Face value of equity shares	Rs.		10	10	10	10	10	10
Basic earnings / (loss) per share	Rs.		*0.05	0.22	1,237.09	1,544.67	138.93	32.80
Diluted earnings / (loss) per shares								
Profit / (Loss) after tax for Basic EPS - Rs. in lakhs			299	853	432	474	42	26
Add: Preference dividend on Compulsorily Convertible Non-Cumulative Preference shares	Rs. in lakhs		-	6	-	-	-	-
Profit / (Loss) after tax for diluted EPS	Rs. in lakhs		299	859	432	474	42	26
Weighted Average Number of Equity Shares used in computing Basic earnings per share	Nos		571,123,566	390,768,375	30,670	30,670	30,670	30,670
Add: Potential weighted average number of Equity shares that could arise on conversion of preference shares	Nos		1,417,587,500	50,351,469	-	-	-	-
Weighted average number of shares in computing Diluted earnings per share	Nos		1,988,711,066	441,119,844	30,670	30,670	30,670	30,670
Face value of equity shares	Rs.		10	10	10	10	10	10
Diluted earnings / (loss) per shares	Rs.		*0.02	0.19	1,237.09	1,544.67	138.93	32.80

* This indicates figures are not annualized

7) Disclosure of details as required by Revised Para 13 of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, earlier Para 9BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1999

Liabilities Side:

Rs. in lakhs

Particulars		**Amount Outstanding**			
	As at March 31, 2007	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**	**As at March 31, 2004**
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid					
(a) Debentures: Secured	-	-	-	-	-
Unsecured	-	-	-	-	-
(other than those falling within the meaning of Public deposit)					
(b) Deferred Credits	-	-	-	-	-
(c) Term Loans	107,500	-	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-	-
(e) Commercial Paper	71,443	-	-	-	-
(f) Public Deposits	-	-	-	-	-
(g) Other loans					
(i) Loan from Banks					
-Working Capital					
Demand Loan	28,092	-	-	-	-
- Overdraft	20,785	-	-	-	-
(ii) Security Deposit Lease	-	-	-	-	-

Note - The amount overdue for the FY 03-04, FY 04-05, FY 05-06, FY06-07 & FY 07-08 is 'NIL'

Assets side: Rs. in lakhs

Particulars		Amount Outstanding			
	As at March 31, 2007	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**	**As at March 31, 2004**
2) Break up of Loans and Advances including bills receivables (other than those included in (3) below)					
a) Secured	217,555	-	16	135	18
b) Unsecured	126,050	-	-	-	-
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities					
a) Lease assets including lease rentals under sundry debtors:					
1) Financial Lease	-	-	-	-	-
2) Operating Lease	-	-	-	-	-
b) Stock on hire including hire charges under sundry debtors					
1) Assets on hire	-	-	-	-	-
2) Repossessed assets	-	-	-	-	-
c) Other loans counting towards AFC activities					
1) Loans where assets have been repossessed	-	-	-	-	-
2) Other loans	-	-	-	-	-
4) Break up of Investments					
a) Current Investments					
1) **Quoted**:					
- Shares: Equity					
Preference	-	-	-	-	-
Units of Mutual Funds	-	-	670	39	46
2) **Unquoted**					
- Units of Mutual Funds	23,037	972	-	-	-
b) Long-Term Investments					
1) Quoted:					
- Shares: Equity	23,601	1,585	1,634	1,660	1,620
Preference	9	-	-	-	-
2) Unquoted					
-Shares: Equity	24,409	3	3	4	2
Preference	2,350	-	-	-	-
- Debentures and Bonds	-	-	-	-	-
- Units of Mutual Funds	-	-	-	-	-
-GOI Securities	-	-	-	-	-
-Others			-	-	-
TOTAL	**73,406**	**2,560**	**2307**	**1,703**	**1,668**

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Rs. in lakhs

	Amount Net of Provisions					
	Secured		Unsecured		Total	
	As at March 31, 2008	As at March 31, 2007	As at March 31, 2008	As at March 31, 2007	As at March 31, 2008	As at March 31, 2007
a) Related Parties						
1) Subsidiaries	-	-	100	-	100	-
2) Companies in the same group	-	-	1,597	-	1,597	-
3) Other related Parties	-	-	-	-	-	-
b) Other than related parties	217,555	-	124,353	-	341,908	-
TOTAL	**217,555**	**-**	**126,050**	**-**	**343,605**	**-**

Note- The classification of assets as per the above table was not applicable for the FY 03-04, FY 04-05 & FY 05-06

6(a) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Rs. in lakhs

	Market Value/Break up or fair value or NAV				
	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004
a) Related Parties					
1) Subsidiaries	6,712	-	-	-	-
2) Companies in the same group	123	3	-	-	-
3) Other related Parties	-	-	-	-	-
b) Other than related parties	66,980	3,213	3,675	1,817	1,046
TOTAL	**73,815**	**3,216**	**3,675**	**1,817**	**1,046**

6(b) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Rs. in lakhs

	Book Value (Net of provisions)				
	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004
a) Related Parties					
1) Subsidiaries	6,712	-	-	-	-
2) Companies in the same group	123	3	-	-	-
3) Other related Parties	-	-	-	-	-
b) Other than related parties	66,571	2,557	2,306	1,703	1,667
TOTAL	**73,406**	**2,560**	**2,306**	**1,703**	**1,667**

Notes:

a) Market Value/Break up Value or Fair Value or NAV is taken as same as book value in case of unquoted shares in absence of market value/break up value or fair value or NAV.

b) Companies in the same group mean companies under the same management as per Sec 370 (1B) of the Companies Act, 1956.

7) Other Information Rs. in lakhs

	As at March 31, 2008
a) Gross Non-Performing Assets	
1) Related parties	-
2) Other than related parties	2,191
b) Net Non-Performing Assets	
1) Related parties	-
2) Other than related parties	1,445
c) Assets acquired in satisfaction of debt	-

Note: The figures for the FY 03-04, FY 04-05, FY 05-06, FY06-07 & FY 07-08 is 'NIL'

This is annual reporting requirement; therefore, this statement has not been prepared for interim period.

8) Previous periods figures have been regrouped wherever necessary.

Annexure 11

Disclosure pertaining to transactions with related parties

1) Disclosure as required by Accounting Standard (AS) – 18 on "Related Party Disclosures" notified under the Companies (Accounting Standard) Rules, 2006:

(a) List of related parties and relationship:

i) Holding Company

Tata Sons Limited

ii) Subsidiary

Tata Securities Limited

Tata Capital Markets Limited

Tata Capital Pte Limited

iii) Associates

Hemisphere Properties India Limited

Quickjet Cargo Airlines Private Limited

E-nxt Financials Private Limited

Tata Autocomp Systems Limited

Precision Camshafts Limited

iv) Fellow Subsidiaries with which the Company has transactions:

Tata Teleservices (Maharashtra) Limited

Tata Teleservices Limited

Tata Consultancy Services Limited

Wireless TT & Info Services Limited

Tata Investment Corporation Limited

(v) Key Management Personnel

Mr. Praveen P Kadle

(b) Related Party Transactions

For the period ended September 30, 2008

Rs. in Lakhs

Sr. No.	Party Name	Nature of transaction	For the half year ended Sep 30, 2008	For the year ended Mar 31, 2008
1	Tata Sons Ltd (Holding Company)	A) Equity Shares issued	10,000	57,000
		B) Preference Shares		
		- Redeemed	-	1,600
		- Payment of dividend	-	53
		C) Expenditure		
		- Brand Equity Contribution	23	38
		D) Investments		
		- Sale of Shares	-	1,000
		- Purchase of Shares	-	16,577
		E) Balance-Receivable / (Payable)		
		- Receivable towards expenses incurred on their behalf	-	521
		- Payable towards BEBP provision	(61)	(38)
2	Tata Securities Limited (Subsidiary Company)	A) Advance for Equity Shares	1,200	-
		B) Inter-corporate deposit given	2,960	100
		C) Income		
		- Interest income on ICD given	21	-
		D) Balance Receivable		
		- Inter-corporate deposit Receivable	-	100
		- Receivable on a/c of expenditure incurred on their behalf	78	87
3	Tata Capital Markets Limited (Subsidiary Company)	A) Investment		
		- Equity shares subscribed	1,500	600
		B) Expenditure		
		C) - Expenditure incurred on their behalf and not recoveredBalance Receivable-	-	29
		Receivable towards expenses incurred on their behalf	231	2
		- Receivable towards advance paid on their behalf	25	-
4	Tata Capital Pte Limited (Subsidiary Company)	A) Investment		
		- Equity shares subscribed	648	-
		B) Balance Receivable- Receivable towards expenses incurred on their behalf	231	-

Sr. No.	Party Name	Nature of transaction	For the half year ended Sep 30, 2008	For the year ended Mar 31, 2008
5	Quickjet Cargo Airlines Private Limited (Associate Company)	A) Investment - Equity shares subscribed	1,680	-
		B) Advance paid towards share application money, pending allotment	-	625
6	E-nxt Financials Limited(Associate Company)	A) Investment - Equity shares subscribed	-	270
		B) Inter-corporate deposit given	-	1,582
		C) Loan given	1,630	-
		C) Income		
		- Interest income on ICD given	83	16
		- Interest income on loan given	40	-
		D) Expenditure		
		- Outsourcing expenses	805	421
		E) Balance Receivable/(Payable)		
		- Inter-corporate deposit receivable	1,582	1,582
		- Outstanding balance towards loan	1,639	-
		- Balance Receivable on account of expenditure incurred on their behalf	51	-
		- Balance payable	(385)	(229)
7	Tata Autocomp Systems Limited (Associate Company)	A) Investment - Equity shares subscribed	16,102	-
8	Precision Camshaft Limited (Associate Company)	A) Investment - Equity shares subscribed	1,238	1,150
		- Preference shares subscribed	-	2,350
9	Tata Teleservices (Maharashtra) Limited (Fellow Subsidiary)	A) Expenditure - Communication Expenses	28	8
10	Tata Teleservices Limited (Fellow Subsidiary)	A) Expenditure - Communication Expenses	27	5
11	Tata Consultancy Services Limited (Fellow Subsidiary)	A) Income - Dividend received	-	3

Sr. No.	Party Name	Nature of transaction	For the half year ended Sep 30, 2008	For the year ended Mar 31, 2008
		B) Expenditure		
		- Professional Charges	620	250
		C) Balance Receivable / (Payable)		
		- Payable for professional charge	(620)	(250)
		- Recoverable on account of expenses incurred on their behalf	234	-
12	Wireless TT and Info Services	A) Loan given	-	5,000
		B) Income		
		- Interest income on loan given	264	87
		C) - Outstanding of loan on reporting date	5,000	5,000
13	Tata Investment Corporation Limited (Fellow Subsidiary)	A) Investment - Purchase of equity shares of Tata Securities Limited	-	3,127
14	Key Management Personnel	A) Remuneration to Key Management Personnel	105	51*

* Borne by Tata Sons Limited

Note: There were no disclosures in respect of related party transactions in the financial statements of the Company as at and for the years ended on March 31, 2007, 2006, 2005 and 2004.

Annexure 12

Statement of Profits and Losses

Rs. in lakhs

Particulars	For the half year ended Sept 30, 2008	For the period from November 26, 2007 to March 31, 2008
Income		
Dividend Income	24	5
Total	**24**	**5**
Expenditure		
Employee Cost	158	-
Operating Expenses	109	1
Share Issue Expenses	1	-
Depreciation	1	-
Total	**269**	**1**
Profit / (Loss) before tax	**(245)**	**4**
Fringe Benefit Tax	1	-
Profit / (Loss) after tax	**(246)**	**4**

Annexure 13

Statement of Assets and Liabilities

Rs in lakhs

	Particulars	As at Sept 30, 2008	As at March 31, 2008
A	**Fixed Assets**		
	Gross Block	2	1
	Less: Depreciation	1	-
	Net Block	**1**	**1**
B	**Current Assets, Loans and Advances**		
	Cash and Bank Balances	23	90
	Loans and Advances	56	10
		79	**100**
C	**Liabilities and Provisions**		
	Current Liabilities and Provisions	(281)	(3)
		(281)	**(3)**
D	***Investments***	**2,053**	**505**
E	***Networth***	**1,852**	**603**
F	**Represented by**		
	1. *Share Capital*	2,100	600
	2. *Reserves*	(242)	4
	3. *Miscellaneous Expenditure (to the extent not written off or adjusted)*	(6)	(1)
	Networth	**1,852**	**603**

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Annexure 14

Statement of Cash flows

Rs. in lakhs

Particulars	For the half year ended September 30,2008	For the period from November 26, 2007 to March 31, 2008
(A) Net cash used in operating activities	**(38)**	**(8)**
(B) Cash flow from investing activities		
Purchase of Fixed assets (including Capital Advances)	-	(1)
Purchase/Redemption of Mutual Funds (net of dividend reinvested)	(1,524)	(500)
Net cash used in investing activities	**(1,524)**	**(501)**
(C) Cash flow from financing activities		
Issue of Equity share capital	1,500	600
Share issue expenses	(5)	(1)
Net cash provided by financing activities	**1,495**	**599**
(D) Net increase/(decrease) in cash and cash equivalents	**(67)**	**90**
Cash and cash equivalents as at the beginning of the period	**90**	**-**
Cash and cash equivalents as at the end of the period	**23**	**90**

Annexure 15

Significant Accounting Policies of Tata Capital Markets Limited annexed to the Statement of Profits and Losses for the half year ended September 30, 2008 and the Statement of Assets and Liabilities as at September 30, 2008

A. SIGNIFICANT ACCOUNTING POLICIES

1. Tata Capital Markets Limited (the 'Company) was incorporated on November 26, 2007 and the date of commencement of business was December 13, 2007. The Company is a wholly owned subsidiary of Tata Capital Limited. The main objects of the company, inter alia are to carry out the business of merchant bankers, investment bankers, and to provide services in the areas of issue management.

2. **Basis for preparation of accounts:**

   The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the generally accepted accounting principles and are in compliance with the relevant provisions of the Companies Act, 1956.

   The financial statements as at and for the period of six months ended September 30, 2008 and for the year ended March 31, 2008 have been presented in Indian Rupees. These accounts have been rounded off and presented in Annexure 12 to 15 as "Rupees in lakhs" solely for the convenience of the readers in India.

3. **Use of Estimates**

   The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year.

4. **Revenue recognition**

   Revenue from advisory services is recognized in the period when services are rendered.

   Income from Current Investments:

   Income from Dividend Re-investment Plans of Mutual Funds is accounted on the basis of re-investment made as indicated by the Net Asset Value Statement.

5. **Fixed Assets**

   Tangible Fixed Assets are stated at cost, which comprises of purchase consideration and other directly attributable cost of bringing the assets to its working condition for the intended use.

6. **Depreciation**

   Depreciation on tangible fixed assets is provided on straight-line method at the rates and in the manner as prescribed in Schedule XIV to the Companies Act, 1956 or over the estimated useful life of the asset, whichever is higher.

   Depreciation rates used by the company are:

   Computers – 33.33%

   Office Equipment – 10%

7. **Investments**

   Current Investments comprising investments in mutual funds are stated at the lower of cost or market value, determined on an individual investment basis.

8. **Taxation**

Income tax

The Company's income taxes include taxes on the Company's taxable profits, fringe benefits tax and changes in deferred tax. Valuation of all tax liabilities/receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or those that have been substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a year different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

Fringe benefit tax

Fringe benefit tax is the amount of tax payable on the value of benefits provided during the financial year as determined in accordance with the provisions of the Income-tax Act, 1961.

9. **Miscellaneous expenditure**

Miscellaneous expenditure comprising pre-incorporation / shares issue expenses such as stamp duty and registration fees has been amortised over a period of 36 months from the month in which the Company has incurred the expenditure.

10. **Business segment**

The Company has been operating only in one segment viz, merchant banking and the operations being only in India, hence the disclosure requirements of Accounting Standard-17 Segment Reporting are not applicable.

11. **Provisions**

Provisions are recognized when the Company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation.

B. NOTES TO THE ACCOUNTS

1) The company was incorporated on November 26, 2007, accordingly there are no corresponding figures for the condensed profit and loss and condensed cash flow for the previous period.

2) The Deferred Tax liability of Rs 11,758/- as at September 30, 2008 (as at March 31, 2008: Rs 9,757/-) is on account of depreciation.

Annexure 16

Statement of Profits and Losses Rs. in lakhs

Particulars	**For the half year ended Sept 30, 2008**	**For the year ended March 31, 2008**
Income		
Brokerage	417	869
Interest Income	9	22
Other Income	25	57
Exceptional items	-	474
Total	**451**	**1,422**
Expenditure		
Employee Cost	826	726
Administrative, establishment and other charges	524	516
Interest and Finance charges	21	-
Depreciation	35	34
Provision for doubtful debts / deposits / advances written off / (back)	-	6
Total	**1,406**	**1,282**
Profit / (Loss) before tax	**(955)**	**140**
Current Tax	-	10
Current Tax for Earlier Years	-	39
Deferred Tax	-	30
Fringe Benefit Tax	10	10
Profit / (Loss) after tax	**(965)**	**51**

Note: Financial statements of Tata Securities Limited have been given from the Financial Year in which it became a subsidiary of the Company.

Annexure 17

Statement of Assets and Liabilities Rs. in lakhs

Particulars		As at Sept 30, 2008	As at March 31, 2008
A	**Fixed Assets**		
	Gross Block	581	535
	Less: Depreciation	333	298
	Net Block	248	237
	Capital Work in Progress	5	4
		253	**241**
B	**Current Assets, Loans and Advances**		
	Sundry Debtors	165	251
	Cash and Bank Balances	712	383
	Loans and Advances	909	849
	Other current assets	9	4
		1,795	**1,487**
C	**Liabilities and Provisions**		
	Unsecured Loans	-	(100)
	Current Liabilities and Provisions	(600)	(415)
		(600)	**(515)**
D	***Investments***	**50**	**50**
E	***Networth***	**1,498**	**1,263**
F	**Represented by**		
	1. Share Capital	102	102
	2. Share Application Money	1,200	-
	3. Reserves	196	1,161
	Networth	**1,498**	**1,263**

Annexure 18

Statement of Cash flows

Rs. in lakhs

Particulars	For the half year ended September 30,2008	For the year ended March 31, 2008
(A) Net cash used in operating activities	**(708)**	**(811)**
(B) Cash flow from investing activities		
Purchase of Fixed assets (including Capital Advances)	(48)	(234)
Sale of Fixed Assets	1	1
Purchase of Investments	(278)	(1,451)
Sale of Investments	278	2,678
Interest & Dividend received (see note below)	5	23
Net cash used in investing activities	**(42)**	**1,017**
(C) Cash flow from financing activities		
Share application money	1,200	-
Payment of Dividend (includes dividend distribution tax)	-	(180)
Inter Corporate Borrowings	(100)	100
Interest on Inter Corporate Deposit	(21)	-
Net cash provided by financing activities	**1,079**	**(80)**
(D) Net increase/(decrease) in cash and cash equivalents	**329**	**126**
Cash and cash equivalents as at the beginning of the period	**333**	**207**
Cash and cash equivalents as at the end of the period	**662**	**333**

Note: Dividend aggregating Rs.0.5 lakhs for the half year ended on September 30, 2008 and Rs.46 lakhs for the year ended on March 31, 2008 reinvested in mutual fund schemes forming part of the Company's investments has, alongwith the corresponding investment, been treated as a non-cash item and both these elements accordingly been excluded from the cash flow statement for the year.

Note to Annexure 17 and 18: Financial statements of Tata Securities Limited has been given from the Financial Year in which it became a subsidiary of the Company.

Annexure 19

Significant Accounting Policies of Tata Securities Limited annexed to the Statement of Profits and Losses for the half year ended September 30, 2008 and the Statement of Assets and Liabilities as at September 30, 2008

A. Significant Accounting Policies:

(i) Accounting convention

These financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") under the historical cost convention on accrual basis of accounting to comply with the mandatory Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 and other applicable provisions of the Companies Act, 1956.

(ii) Basis of accounting

The Company follows the mercantile system of accounting and recognizes revenue and expenditure on accrual basis.

The financial statements as at and for the period of six months ended September 30, 2008 and for the year ended March 31, 2008 have been presented in Indian Rupees thousand. These accounts have been rounded off and presented in Annexure 16 to 19 as "Rupees in lakhs" solely for the convenience of the readers in India.

(iii) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

(iv) Fixed assets

Tangible fixed assets

Tangible fixed assets acquired by the Company are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition value includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use.

Depreciation is provided on a straight line basis at rates and in the manner specified in Schedule XIV to the Companies Act, 1956, unless the use of a higher rate is estimated by the management.

Assets acquired upto the fifteenth day of any month are depreciated from the first day of the month of purchase. Depreciation on assets capitalised after fifteenth day of the month is charged from the first day of the subsequent month.

Leasehold improvements are depreciated on a straight line basis over the primary period of lease if such period is lower than the period derived from corresponding rates specified in Schedule XIV. Motor cars are depreciated over 4 years. Assets individually costing less than Rs. 5,000 are fully depreciated in the year of purchase.

Intangible assets

Intangible assets are valued at cost less amortisation. Intangible assets are reported at acquisition value, with deductions for accumulated amortisation and impairment losses, if any.

Intangible assets are amortised on a straight line basis over the asset's anticipated useful life estimated by management.

An impairment test of intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Profit and Loss Account.

Intangible assets comprise of Trading Rights in Bombay Stock Exchange Limited (BSEL) and purchased software licenses. These are amortised as under:

a) The cost of BSEL Trading Right is amortised evenly over period of ten years.

b) Cost of software licenses are amortised evenly over a period of five years unless the licenses are expected to be used for shorter period in which case such costs are amortised over a shorter period. Expenses on software support and maintenance are charged to profit and loss account during the period in which such costs are incurred.

(v) Impairment of assets

The carrying values of assets forming part of any cash generating units at each balance sheet are reviewed for impairment at each balance sheet date. If any indication for such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

(vi) Investments and investment income

Long term Investments are carried at cost, less provision for diminution other than temporary, in value, if any. Current investments are stated at cost or fair value whichever is lower. Cost includes the purchase and related expenses such as brokerage and stamp duties. The difference between the cost and the redemption / sale proceeds net of expenses is recognised in the profit and loss account. For calculation of profit / loss on investment, cost is calculated on weighted average basis. Dividend income is accounted when the right to receive the income is established.

(vii) Revenue

Revenues from brokerage are earned from distribution of financial products to investors (upfront brokerage) and on the basis of the average assets held by the investor over a specific period (annualised brokerage) or continued holding by the investor over a year (trail brokerage). Brokerage also includes additional fees for marketing and promotion of financial products which are negotiated on a case by case basis.

Brokerage revenues are based largely on pre-defined rates and the amounts invested. Revenue from upfront brokerage is recognised when the service is performed i.e. when the applications along with the accompanying payments are delivered to the collection centers and the collectibility is reasonably assured. Revenue from annualised and trail brokerage are recognised at the end of the measurement period when the pre-defined thresholds are met and there is no material contingency associated with the receipt of fees. Revenues are recognised after the services are performed; factors giving rise to contingencies, if any, are determined; and there are no significant uncertainties as to recoveries of such amounts.

Revenue is net of taxes and sub-brokerage.

(viii) Employee Benefits

a) The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or similar securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

Defined-contribution plans –

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

Defined-benefit plans –

Expenses for defined-benefit gratuity plan are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life.

b) Other Employee Benefits

Company recognizes the undiscounted amount of short-term employee benefits like Short Term Compensated Absences, Leave Travel Assistance, etc. during the accounting period based on service rendered by employee.

Liability for Long Term Compensated Absences is estimated by independent actuaries as at the balance sheet date.

(ix) Operating Leases

Leasing of assets whereby the lessor essentially remains the owner of the asset is classified as operating leases. The payments made by the Company as lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively.

(x) Taxation

The Company's income taxes include taxes on the Company's taxable profits, fringe benefits tax, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities/receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or those that have been substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that is no longer probable that sufficient taxable profit will be available to allow all or a part of aggregate deferred tax assets to be utilized.

(xi) Provisions and Contingencies

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A Contingent asset is neither recognised nor disclosed in the financial statements.

B. NOTES TO THE ACCOUNTS

1. These Condensed Financial Statements have been prepared in accordance with the Accounting Standard (AS) 25 on "Interim Financial Reporting" prescribed under the Companies (Accounting Standards) Rules, 2006, in terms of section 211 (3C) of the Companies Act, 1956. These Condensed Financial Statements should

be read in conjunction with the annual financial statements of the Company as at / for the year ended 31st March, 2008. In the opinion of the Management all adjustments which are necessary for a fair presentation have been included. The accounting policies followed in the preparation of the Condensed Financial Statements are consistent with those followed in the preparation of Annual Financial Statements. The results of the interim period are not necessarily indication of the result that may be expected for any interim period / for full year.

2. During the period, the Company has offered 4,90,196 equity shares of Rs 10 each at a premium of at Rs. 602/- per share (the issue price of Rs. 612/- per share), on rights basis to Tata Capital Limited, its Holding Company. According to the terms of the offer, Tata Capital Limited was eligible to subscribe to the said issue in one or more tranches. In the first tranche, Tata Capital Limited subscribed to 1,96,078 Equity shares and Rs. 1,200 lakhs was received as application money. The increase of share capital, allotment of additional shares including the rights issue requires prior approval from the Bombay Stock Exchange Limited (BSEL) and the National Stock Exchange of India Limited (NSEIL). The Company has made applications to BSEL and NSEIL in this regard and their approval is awaited. Pending such approval, the amount received is reflected as ‘Share Application Money’ in the Balance Sheet.

3. **Capital commitment**

Capital commitment amounts to Rs. 20 lakhs (Previous year Rs. 4 lakhs) against which an advance of Rs. 6 lakhs (Previous year Rs. 4 lakhs) has been made

4. **Turnover based membership fees payable to SEBI**

The Company had received a ‘No Dues’ certificate from Securities and Exchange Board of India (SEBI). Subsequently, SEBI has cancelled the ‘No Dues’ certificate and a Fee Liability Statement was received by the Company and consequently the Company had to pay Rs. 77 lakhs as “Turnover Fees” for Bombay Stock Exchange (BSE) membership and receive Rs. 43 lakhs being the excess membership fees paid to National Stock Exchange (NSE). The Company has paid Rs. 77 lakhs to SEBI. The Company has given an indemnity bond on 13th June, 2006 to SEBI through NSE as required by SEBI to process the refund. The amount receivable has been disclosed as part of “Loans and Advances” and is considered good for recovery.

5. **Sale of Shares of the Bombay Stock Exchange Limited**

Upon conversion of BSE into a corporate body (Bombay Stock Exchange Limited (BSEL) in terms of the BSE (Corporatisation and Demutualisation) Scheme, 2005, the Company had been allotted 10,000 fully paid up equity shares of face value of Re 1 each for cash at par. The Company treated the sum of Rs 10,000 paid by it for shares in BSEL as a long term investment. During the year ended 31st March, 2008, the Company had accepted the invitation from BSEL to offer the shares for sale and accordingly sold 9,123 equity shares at Rs.5,200 per share amounting to Rs.474.40 lakhs. The profit on sale of these equity shares amounting to Rs.474.30 lakhs has been disclosed as exceptional item.

The trading rights in BSEL flow out of the BSE membership card held by the Company and therefore this right continues to be treated as part of the Company’s intangible fixed assets and is being amortised over the estimated balance useful life.

6. **Segment Reporting**

The Company operates in a single business segment viz. broking and distribution services. Also, its operations are restricted to a single geographic segment i.e. within India. As the Company operates in a single business and geographic segment, segment information as required by the Accounting Standard (AS) 17 on “Segment Reporting” has not been furnished.

7. **Deferred Tax**

The Company has deferred tax assets arising on account of brought forward losses, unabsorbed depreciation and timing differences in respect of depreciation, employee benefits and provision for doubtful debts which have not been recognised due to lack of virtual certainty backed by convincing evidence, of sufficient future taxable income against which such credit could be availed.

8. **Earnings per share**

Earnings per share are calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The numbers used in calculating basic earnings per share are as stated below:

Particulars	**As at Sept 30, 2008**	**As at Sept 30, 2007**
Profit / (Loss) after taxation for the year (A) (Rs. in lakhs)	(965)	491
Weighted average number of equity shares (B)	1,023,828	1,023,828
Earning per Share – (Basic and Diluted)(A) / (B) – Rs.	*(94.27)	*47.99
Nominal value per equity share – Rs.	10	10

* This indicates figures are not annualised

9. Figures for the previous period have been regrouped and rearranged where necessary to confirm to current period's presentations.

Annexure 20

Statement of Profits and Losses

Particulars	**For the period from Apr 25, 2008 to Sept 30, 2008**	
	Singapore $	**Rs. in lakhs**
Income	-	-
Total	-	-
Expenditure		
Other operating expenses	1,091,031	362
Total	1,091,031	362
Profit / (Loss) before tax	**(1,091,031)**	**(362)**
Current Tax	-	-
Earlier Years	-	-
Deferred Tax	-	-
Fringe Benefit Tax	-	-
Profit / (Loss) after tax	**(1,091,031)**	**(362)**

Annexure 21

Statement of Assets and Liabilities

Particulars		As at Sept 30, 2008	
		Singapore $	Rs. in lakhs
A	Fixed Assets		
	Gross Block	19,464	6
	Less: Depreciation	1,622	1
	Net Block	17,842	5
	Capital Work in Progress	-	-
		17,842	**5**
B	Current Assets, Loans and Advances		
	Cash and Bank Balances	1,523,210	504
	Loans and Advances	102,572	34
	Other current assets	-	-
		1,625,782	**538**
C	Liabilities and Provisions		
	Secured Loans	-	-
	Unsecured Loans	-	-
	Current Liabilities and Provisions	(734,655)	(243)
		(734,655)	**(243)**
D	Investments	-	-
E	Deferred Tax Asset / (Liability)	-	-
F	**Networth**	**908,969**	**300**
G	Represented by		
	Share Capital	2,000,000	662
	Share Application Money	-	
	Reserves	(1,091,031)	(362)
	Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-
	Networth	**908,969**	**300**

Note: Figures mentioned above are for the period from April 25, 2008 (date of incorporation) to September 30, 2008.

TATA

Annexure 22

Statement of Cash flows

Particulars	For the period from April 25, 2008 to September 30,2008	
	Singapore $	Rs. in lakhs
(A) Net cash used in operating activities	**(457,326)**	**(152)**
(B) Cash flow from investing activities		
Purchase of Fixed assets	(19,464)	(6)
Net cash used in investing activities	**(19,464)**	**(6)**
(C) Cash flow from financing activities		
Issue of Equity share capital	2,000,000	662
Net cash provided by financing activities	**2,000,000**	**662**
(D) Net increase/(decrease) in cash and cash equivalents	**1,523,210**	**504**
Cash and cash equivalents as at the beginning of the period	**-**	**-**
Cash and cash equivalents as at the end of the period	**1,523,210**	**504**

Annexure 23

Statement of changes in equity

Particulars	Share Capital		Accumulated losses		Total	
	Singapore $	Rs. in lakhs	Singapore $	Rs. in lakhs	Singapore $	Rs. in lakhs
Issue of shares	2,000,000	662	-	-	2,000,000	662
Loss for the financial period	-	-	(1,091,031)	(362)	(1,091,031)	(362)
Balance at September 30, 2008	2,000,000	662	(1,091,031)	(362)	908,969	300

discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest rate basis for debt instruments.

Financial assets

Bank balances

Bank balances comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Other receivables

Other receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit and loss statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through the profit and loss statement to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other payables

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

LEASES - Lease are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

EQUIPMENT - Equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment - 1 year

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit and loss statement.

Fully depreciated assets still in use are retained in the financial statements.

IMPAIRMENT OF ASSETS - At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss statement.

PROVISIONS - Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the company’s obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company’s liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The financial statements of the Company is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency).The financial statements of the Company are presented in Singapore dollar, which is the functional currency of the Company.

Transactions in currencies other than the Company’s functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The management is of the opinion that:

i) any instances of application of judgments are not expected to have a significant effect on the amounts recognised in the financial statements; and

ii) there are no key sources of estimation uncertainty at the balance sheet date that have a significant effect on the amounts of assets and liabilities within the next financial year.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPTIAL RISKS MANAGEMENT

Details of the Company's financial risk management objectives and policies are as follows:

(i) Foreign exchange risk

The company is not exposed substantially to foreign currency risk as its activities are mainly transacted in Singapore dollars. The management has assessed that for a 10% change in the relevant foreign currencies, impact to the company's profit or loss is minimal.

(ii) Interest rate risk

The company is exposed to minimal interest rate risk as it does not hold any significant interest-yielding asset or interest-bearing liability.

No sensitivity analysis is prepared as the company does not expect any material effect on the company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the balance sheet date.

(iii) Credit risk

The Company's credit risk is primarily attributable to its cash at bank and other receivables. The company places its cash with creditworthy financial institutions.

(iv) Liquidity risk

The Company has sufficient funds to meet its obligations when they fall due. The directors are satisfied that the Company would be able to obtain financial support from its holding company, Tata Capital Limited as and when required.

(v) Fair value of financial assets and financial liabilities

The carrying amounts of other receivables and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(vi) Capital risk management policies and objectives

The Company reviews its capital structure on annual basis to ensure that the Company will be able to continue as a going concern. The capital structure of the Company comprises only issued capital and accumulated losses.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company's is a wholly-owned subsidiary of Tata Capital Limited, incorporated in India. The Company's ultimate holding company is Tata Sons Limited, incorporated in India. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the current period, the Company entered into the following transactions with its immediate holding companies:

Charged paid / payables to immediate holding company - Singapore Dollars 712,193 (Rs. 236 lakhs)

6 OTHER RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Compensation of key management personnel

The remuneration of key management during the period were as follows:

Short-term benefits Singapore Dollars 110,000 (Rs. 36 lakhs)

7 OTHER RECEIVABLES

	Singapore $	Rs. in lakhs
Other Receivables	18,912	6
Deposits	83,660	28
	102,572	**34**

8 EQUIPMENT

Office equipment	**Singapore $**	**Rs. in lakhs**
Cost:		
Additions during the period and balance at September 30, 2008	19,464	6
Accumulated depreciation:		
Depreciation for the year and balance at September 30, 2008	1,622	1
Carrying amount at September 30, 2008	17,842	5

9 OTHER PAYABLES

Balance mainly relates to accrual for ongoing operating costs.

10 DUE TO IMMEDIATE HOLDING COMPANY

Balance represents expenses charged by the holding company.

Of the total amount due to immediate holding company, an amount of $3,860 equivalent to Rs. 1 lakh was denominated in United States Dollars and the remaining was denominated in Indian Rupees.

11 SHARE CAPITAL

Issued and paid up:	No. of shares	Singapore $	Rs. in lakhs
At the date of incorporation	1,000,000	1,000,000	331
Issued during the period	1,000,000	1,000,000	331
At the end of financial period	**2,000,000**	**2,000,000**	**662**

The Company has one class of ordinary share which has no par value, carry one vote per share and a right to dividend when declared by the Company.

12 INCOME TAX

Domestic income tax is calculated at 18% of the estimated assessable loss for the period.

The total charge for the period can be reconciled to the accounting loss as follows:

	Singapore $	Rs. in lakhs
Loss before tax	1,091,031	362
Tax credit calculated at domestic tax rate of 18%	(196,386)	(65)
Effect of expenses that are not deductible in determining taxable profit	196,386	65
Tax expense for the period	-	-

13 LOSS FOR THE PERIOD

	Singapore $	Rs. in lakhs
Depreciation of equipment	1,622	1
Directors' remuneration	-	-
Employee benefits expense (including directors remuneration)		
Salaries and others	587,131	194
Defined contribution plans	6,615	2

14. OPERATING LEASE ARRANGEMENTS

The Company as lessee

	Singapore $	Rs. in lakhs
Minimum lease payments under operating leases recognised as an expense during the current period	20,202	7
At the balance sheet date, the Company has outstanding commitments under non-cancellable operating leases, which fall due as follows:		
	Singapore $	**Rs. in lakhs**
Within one year	94,400	31

Operating lease payments represent rental payable by the Company for office premises. Leases are negotiated for an average term of half years.

15 EVENTS AFTER THE BALANCE SHEET DATE

The following significant events took place subsequent to September 30, 2008:

(i) The Company incorporated two wholly-owned subsidiaries, Tata Capital Advisors Pte. Ltd. and Tata Capital Markets Pte. Ltd.

(ii) There has been an additional infusion of capital of $ 14,730,000 equivalent to Rs. 4,877 lakhs by Tata Capital Limited. Consequently, 14,730,000 new ordinary shares were allotted on December 17, 2008.

(iii) The Company has entered into a Purchase Agreement to invest in a Delaware Corporation at a total consideration of US$ 10,000,000 equivalent to Rs. 4,877 lakhs.

16 COMPARATIVE FIGURES

The financial statements cover the financial period from the date of incorporation on April 25, 2008 to September 30, 2008.This being the first set of financial statements, there are no comparative figures.

DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

A. Details of Secured Borrowings:

The Company's secured borrowings as on December 31, 2008 amount to Rs. 451,937 lakhs. The details of the individual borrowings are set out below:

(Rs. In lakhs)

Term Loans

Lender	Date of the financing document	Amount outstanding as on December 31, 2008	Date of repayment
State Bank of Indore	December 18, 2007	5,000	Between September 30, 2009 and December 31, 2009
State Bank of Indore	December 18, 2007	5,000	Between March 31, 2010 and June 30, 2010
State Bank of Patiala	December 19, 2007	10,000	December 20, 2009
State Bank of Patiala	December 19, 2007	10,000	June 20, 2010
State Bank of Travancore	September 28, 2007	15,000	September 28, 2010
Union Bank of India	September 4, 2007	15,000	Between October 20, 2010 and December 20, 2010
Central Bank	March 11, 2008	10,000	March 14, 2011
Union Bank of India	September 4, 2007	10,000	March 27, 2009
Union Bank of India	June 30, 2008	20,000	Between March 30, 2011 and June 30, 2011
Syndicate Bank	October 15, 2008	10,000	Between June 16, 2010 and October 16, 2010
Syndicate Bank	December 30, 2008	25,000	Between August 31, 2010 and December 31, 2010
Union Bank of India	November 17, 2008	20,000	November 17, 2011
Dena Bank	October 22, 2008	20,000	Between January 5 and January 6, 2009
Bank of Baroda	December 15, 2008	20,000	December 17, 2010
Dhanlakshmi Bank	December 22, 2008	6,000	December 26, 2010
SICOM Limited	December 8, 2008	4,000	December 12, 2009
Lakshmi Vilas Bank	December 31, 2008	5,000	April 30, 2009
Total		**210,000**	

(Rs. In lakhs)

Working Capital Demand Loans

Lender	Date of the financing document	Amount Outstanding	Date of repayment
Standard Chartered Bank	October 17, 2008	6,400	January 7, 2009
Bank of India	December 28, 2007	10,000	January 7, 2009
Kotak Mahindra Bank	January 14, 2008	1,000	January 7, 2009
State Bank of Mysore	October 13, 2008	5,000	January 13, 2009
State Bank of Indore	October 13, 2008	7,500	February 10, 2009
State Bank of India	September 28, 2007	30,000	February 26, 2009

Lender	Date of the financing document	Amount Outstanding	Date of repayment
Bank of India	December 28, 2007	10,000	February 3, 2009
Union Bank of India	September 4, 2007	5,000	May 12, 2009
Bank of India	December 16, 2008	20,000	December 16, 2009
Kotak Mahindra Bank	January 14, 2008	4,000	June 6, 2009
State Bank of Mysore	October 13, 2008	5,000	June 5, 2009
Andhra Bank	December 1, 2008	20,000	March 31, 2009
Total		**123,900**	

(Rs. In lakhs)

Cash Credit	Date of the financing document	Amount outstanding as on December 31, 2008
Federal Bank	November 19, 2008	4,817
Karnataka Bank	September 22, 2008	9,942
Oriental Bank of Commerce	October 13, 2008	19,825
Punjab National Bank	May 27, 2008	12,852
United Bank of India	September 17, 2007	12,931
Standard Chartered Bank	September 4, 2007	192
State Bank of India	September 28, 2007	452
Bank of India	November 19, 2008	9,751
Total		**70,762**

The security for the above borrowings is governed primarily by the security trustee agreement cum deed of hypothecation dated January 15, 2008 entered into between the Company with IL& FS Trust Company Limited ("**Security Trustee**") along with the following lenders:

1. Bank of India;
2. Barclays Bank;
3. HDFC Bank;
4. Standard Chartered Bank;
5. State Bank of India;
6. State Bank of Indore;
7. State Bank of Patiala;
8. State Bank of Travancore;
9. Union Bank of India; and
10. United Bank of India

(the "**Existing Lenders**")

Pursuant to the terms of the Security Trustee Agreement, Security Trustee has agreed to act as security trustee for holding the interest in the security to be created on the current assets, present and further of the Company for the benefit of the Existing Lenders as well as any future lenders who accede to the terms of the Security Trustee Agreement. The lenders that have acceded to the terms of the Security Trustee Agreement are set out below:

1. Kotak Mahindra Bank Limited;
2. Central Bank of India;
3. ABN AMRO Bank N.V.;
4. Punjab National Bank;

5. Karnataka Bank Limited;
6. Oriental Bank of Commerce;
7. State Bank of Mysore;
8. Syndicate Bank;
9. Dena Bank;
10. The Federal Bank Limited;
11. Dhanlakshmi Bank;
12. Bank of Baroda;
13. SICOM Limited;
14. Lakshmi Vilas Bank;
15. Bank of India; and
16. Andhra Bank.

(the "**New Lenders**")

The New Lenders and Existing Lenders are collectively referred to as the "**Lenders**"

Under the Security Trustee Agreement, the Company is permitted to raise Rs. 1,500,000 lakhs. The security created under the Security Trustee Agreement is a hypothecation on the current assets present and future of the Company in favour of the Security Trustee, to be held in trust for the benefit of the Lenders. The security created or to be created under the Security Trustee Agreement is a continuing security ranking *pari passu inter se* without any preference or priority to one Lender over the others and shall remain in full force and effect over all amounts outstanding to the Lenders are discharged.

The Company has issued secured redeemable non convertible debentures of face value of Rs.10 lakh each on a private placement basis of which Rs. 47,302 lakhs is outstanding as on December 31, 2008, the details of which are set out below:

(Rs. In lakhs)

Pay in Date	Description of NCD	Number of NCDs	Outstanding amount*	Redemption Month
August 28, 2008	Secured, Redeemable Non Convertible Debentures in the nature of Zero Coupon Debentures - TCL NCD 'A' FY 2008-09	750	6,885	September, 2009
September 1, 2008	Secured, Redeemable Non Convertible Debentures in the nature of Zero Coupon Debentures -TCL NCD 'F' FY 2008-09	500	4,190	June, 2010
August 27, 2008	Secured, Redeemable Non Convertible Debentures - TCL NCD 'B' FY 2008-09	150	1,500	April, 2010
August 28, 2008	Secured, Redeemable Non Convertible Debentures - TCL NCD 'C' FY 2008-09	100	1,000	February, 2010
August 28, 2008	Secured, Redeemable Non Convertible Debentures - TCL NCD 'C' FY 2008-09	150	1,500	February, 2010
August 29, 2008	Secured, Redeemable Non Convertible Debentures - TCL NCD 'D' FY 2008-09	500	5,000	November, 2009
August 29, 2008	Secured, Redeemable Non Convertible Debentures - TCL NCD 'E' FY 2008-09	800	8,000	February, 2010
September 1, 2008	Secured, Redeemable Non Convertible Debentures - TCL NCD 'G' FY 2008-09	500	5,000	November, 2009
September 2, 2008	Secured, Redeemable Non Convertible Debentures - TCL NCD 'H' FY 2008-09	150	1,500	October, 2009

Pay in Date	Description of NCD	Number of NCDs	Outstanding amount*	Redemption Month
September 5, 2008	Secured, Redeemable Non Convertible Debentures - TCL NCD 'I' FY 2008-09	500	5,000	April, 2010
October 13, 2008	Secured, Redeemable Non Convertible Debentures - TCL NCD 'J' FY 2008-09	130	1,300	September, 2010
October 15, 2008	Secured, Redeemable Non Convertible Debentures - TCL NCD 'K' FY 2008-09	250	2,500	October, 2010
October 15, 2008	Secured, Redeemable Non Convertible Debentures - TCL NCD 'K' FY 2008-09	90	900	October, 2010
November 28, 2008	Secured, Redeemable Non Convertible Debentures - TCL NCD 'L' FY 2008-09	300	3,000	May, 2010
Total			**47,275**	

***Net of unamortized discount of Rs. 1,425 lakhs**

B. Details of Unsecured Borrowings:

The unsecured loans of the Company outstanding as on December 31, 2008 is as follows:

(Rs. In lakhs)

Unsecured Short Term Loans

Lender	Date of the financing document	Amount Outstanding	Date of repayment
HDFC Bank	December 19, 2008	15,000	Between January 31, 2009 and February 28, 2009
Punjab National Bank	October 14, 2008	30,000	January 12, 2009
Quikjet Cargo Airlines Private Limited	October 29, 2008	2,000	Between January 31, 2009 and February 28, 2009
JM Financial Products Private Limited	August 27, 2008	5,000	August 27, 2009
ECL Finance Limited	August 27, 2008	10,000	August 31, 2009
United Bank of India	October 15, 2008	15,000	October 15, 2009
Total		**77,000**	

(Rs. In lakhs)

Unsecured term Loans

Lender	Date of the financing document	Amount Outstanding	Date of repayment
South Indian Bank	December 20, 2007	7,500	January 20, 2009
Syndicate Bank	September 12, 2007	10,000	Between July 28, 2009 and September 28, 2009
Syndicate Bank	March 27, 2008	15,000	Between December 27, 2009 and February 27, 2010
Yes Bank	April 10, 2008	10,000	Between July 10, 2009 and September 10, 2009
Citibank N.A.	April 10, 2008	10,000	Between July 15, 2009 and August 17, 2009
Yes Bank	May 15, 2008	12,000	Between November 15, 2009 and January 15, 2010

Lender	Date of the financing document	Amount Outstanding	Date of repayment
Yes Bank	June 26, 2008	8,000	Between July 26 and September 26, 2009
Total		**72,500**	

C. Other money market instruments

We also have commercial papers aggregating to Rs. 93,265 lakhs * as at December 31, 2008 repayable between January 1, 2009 and September 24, 2009.

*Net of unamortized discount of Rs. 2,735 lakhs as at December 31, 2008.

D. Asset Liability Mismatch

As detailed above, a portion of our funding requirements is met through short-term funding sources, i.e. bank loans, working capital demand loans, cash credit, short term loans and commercial papers and would be due for repayment/ rollover in the short term. Further, a large portion of our assets have medium or long-term maturities which creates/may create funding mismatches. The ALCO monitors the risk associated with lending/borrowings and the resultant gaps.

Based on the structural liquidity position of the Company as on December 31, 2008, as per the RBI norms, the Company has an asset liability mismatch of Rs. 274,300 lakhs over the next 6 months till June 30, 2009. The Company expects to fund the gap through undrawn committed bank lines and through rollover of existing bank lines of Rs 333,500 lakhs through interest rate reset. As on January 19,2009, out of Rs. 333,500 lakhs, the Company has already rolled over Rs 52,400 lakhs of bank lines for the next 3-6 months.

The coupon rate (XIRR in case of zero coupon debentures) on the privately placed long term secured redeemable non-convertible debentures varies from 12.20% to 14.00% per annum. The interest rates on other secured debt are either fixed rates or floating rates which are usually linked to the prime lending rates of the individual lending banks.

Corporate Actions

Some of the corporate actions for which the Company requires the prior written consent of lenders include the following:

1. to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless the Company has paid to the lender the dues payable by the Company in that year;
2. to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction;
3. to create or permit any charges or lien on any mortgaged properties;
4. to amend its MOA and AOA or alter its capital structure; and
5. to make any major investments by way of deposits, loans, share capital etc. in any manner.

Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities.

As on the date of this Prospectus, there has been no default in payment of principal or interest on any term loan and debt security issued by the Issuer in the past.

Prior Consent of Debenture Trustees

As per the debenture trust deed dated September 25, 2008 entered into between the Company and the Debenture Trustee, consent from the Debenture Trustee is required for the creation of additional security, which has been obtained through letter dated December 23, 2008.

Annexure 24

NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2008

1 GENERAL

The Company (Registration No. 200808106W) is incorporated in Singapore with its principal place of business at 3 Temasek Avenue Level 21, Centennia Tower, Singapore 839190 and registered office at 8 Cross Street #11-00, PWC building, Singapore 048424. The financial statements are stated in Singapore Dollars which is the currency of the country in which the Company is incorporated and operates. The translation of Singapore dollar amounts into Rupees in lakhs are incorporated solely for the convenience of the readers in India and have been made at the rate of 1 Singapore Dollar to Rs. 33.1074, the approximate free rate of exchange at September 30, 2008. Such translation should not be construed as representation that the Singapore Dollar amounts could be converted into Indian Rupees on any other date.

Financial statements have been convenience translated in Indian Rupees using the exchange rate 1 Singapore Dollar = Rs.33.1074

The principal activity of the Company is that by itself and through its subsidiaries (Note 15) carries out business activities in areas of financial services.

Since the date of incorporation, the Company incurred a net loss of approximately Singapore Dollar 1,091,031 (Rs. 362 lakhs).

The financial statements for the financial period from April 25, 2008 (date of incorporation) to September 30, 2008 have been prepared solely for the use by Tata Capital Limited in connection with their debt issue.

The financial statements of the Company for the period from April 25, 2008 (date of incorporation) to September 30, 2008 were authorised for issue by the Board of Directors on December 19, 2008.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with Singapore Financial Reporting Standards (“FRS”).

At the date of authorisation of these financial statements, the following FRS that is relevant to the company was issued but not effective:

FRS 1 - Presentation of Financial Statements (Revised)

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above FRS and amendments to FRS in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption except for the following:

FRS 1 - Presentation of Financial Statements (Revised)

FRS 1 (Revised) will be effective for annual periods beginning on or after January 1, 2009, and will change the basis for presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Company’s balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly

MATERIAL DEVELOPMENTS

1. In July 2008, the Company had invested Rs. 2,000 lakhs in Optionally Convertible Bonds of Steel Strips Wheels Limited, of which Rs. 1,000 lakhs have been converted to 5,07,614 equity shares on December 17, 2008, representing 3.88% of the total paid up equity share capital of Steel Strips Wheels Limited.
2. Subsequent to the half year ended on September 30, 2008, the Company had agreed to invest in the Rights Issue of Tata Motors Limited up to Rs. 30,000 lakhs in Tata Motors Limited as a long term investment. The Company has subscribed to the Rights Issue of Tata Motors Limited to the extent of 44,11,765 equity shares amounting to Rs. 15,000 lakhs representing 0.86% of the total paid up equity share capital on October 27, 2008 and closed the above commitment.
3. The Company has invested Rs. 2,421 lakhs in 67,23,860 equity shares and 40,34,316 Cumulative Convertible Preference shares, representing 16.80% (19.56% after conversion) of the total paid up equity share capital of International Asset Reconstruction Company Private Limited on November 3, 2008.
4. The Company has invested Rs. 1,350 lakhs in non-convertible cumulative preference shares of e-Nxt Financials Limited, an associate company, for which share allotment is pending during November and December 2008 and is likely invest a further Rs. 150 lakhs in the said preference shares. The Company currently holds 40% of the share capital of e-Nxt Financials Limited.
5. The Company has incorporated a subsidiary, namely Tata Capital Housing Finance Limited to undertake the Housing Finance business. An investment of Rs. 1,000 lakhs has been made in the form of 1,00,00,000 equity shares of Tata Capital Housing Finance Limited on December 8, 2008. As on date, Tata Capital Limited holds 100% equity share capital of Tata Capital Housing Finance Limited.
6. The Company has invested USD 10 million (Rs. 4,996 lakhs converted at exchange rate on the date of the transaction) in 1,47,30,000 equity shares of Tata Capital Pte. Limited on December 17, 2008. As on date, Tata Capital Limited holds 100% equity share capital of Tata Capital Pte. Limited.
7. The Company has invested Rs. 2,500 lakhs in 2,50,00,000 equity shares of TC Travel and Services Limited on November 26, 2008. TC Travel and Services Limited has acquired the ticketing business of Inditravel Private Limited in December 2008. As on date, Tata Capital Limited holds 100% equity share capital of TC Travel and Services Limited.
8. The Company has invested Rs. 1800 lakhs in its wholly owned subsidiary Tata Securities Limited. These equity shares have been allotted on January 19, 2009.
9. Tata Capital Pte. Ltd. has set up the following subsidiaries in Singapore:

Sr no.	Name of company	Date of incorporation
a.	Tata Capital Advisors Pte. Ltd.	April 25, 2008
b.	Tata Capital Markets Pte. Ltd.	October 29, 2008

10. The Company had acquired 4,02,56,111 equity shares representing 23.99% of the equity capital of Tata Autocomp Systems Limited (TACO) for an aggregate consideration of Rs. 16,102 lakhs on June 28, 2008. Pursuant to a rights issue by TACO, the Company has further invested in 8,051,222 equity shares of Rs.10 each at a premium of Rs. 20 per share for a consideration of Rs. 2,416 lakhs on January 20, 2009. Post the rights issue, the Company's investment in TACO stands at 48,307,333 equity shares representing 23.99% of the equity capital of TACO.
11. The Company is in an advanced discussion with Tata Consultancy Services for providing information technology services to TCL and its subsidiaries.
12. As per the management, the Company has incurred provisional losses of approximately Rs. 1,800 lakhs (before tax) for the nine months period ended December 31, 2008, which the management believes are due to the prevailing market conditions and the high cost of borrowings.

SECTION VI : ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The NCDs being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Company, the terms of this Prospectus, Application Form and other terms and conditions as may be incorporated in the Debenture Trust Deed. In addition, the NCDs shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI/the Government of India/RBI and/or other authorities and other documents that may be executed in respect of the NCDs.

Ranking of secured Non-convertible Debentures

The NCDs would constitute direct and secured obligations of ours and shall rank pari passu inter se and (subject to any obligations preferred by mandatory provisions of the law prevailing from time to time) shall also, as regards amount invested and any benefits payable thereon by us out of our own funds, rank pari passu with all our other existing direct and secured borrowings. The claims of these NCD holders shall be superior to the claims of other unsecured creditors and other investors (subject to any obligations preferred by applicable law prevailing from time to time).

Debenture Redemption Reserve

Section 117C of the Act states that any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company till the redemption of the debentures. However, the MCA has, through its circular dated April 18, 2002, specified that NBFCs which are registered with the RBI under Section 45-IA of the RBI Act shall create DRR to the extent of 50% of the value of debentures issued through public issue. Accordingly, our Company shall be required to create DRR of 50% of the issue size in terms of this Prospectus, for the redemption of the NCDs. The Company shall credit adequate amounts to DRR, from its profits every year until such NCDs are redeemed. The amounts credited to DRR shall not be utilized by the company except for the redemption of the NCDs.

Face Value

The face value of the NCDs shall be Rs. 1,00,000 for Option I and Rs. 1,000 for Options II, III and IV.

NCD holder not a Shareholder

The NCD holders will not be entitled to any of the rights and privileges available to the equity and preference shareholders of the Company.

Rights of NCD holders

Some of the significant rights available to the NCD holders are as follows:

1. The NCDs shall not, except as provided in the Act, confer upon the holders thereof any rights or privileges available to our members including the right to receive notices or annual reports of, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the NCDs is to be placed before the shareholders, the said resolution will first be placed before the concerned registered NCD holders for their consideration. In terms of Section 219(2) of the Act, holders of NCDs shall be entitled to a copy of the balance sheet on a specific request made to us.

2. The rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. The registered NCD holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/

her voting rights shall be in proportion to the outstanding nominal value of NCDs held by him/her on every resolution placed before such meeting of the NCD holders.

4. The NCDs are subject to the provisions of the Act, the Memorandum and Articles, the terms of this Prospectus and Application Form. Over and above such terms and conditions, the NCDs shall also be subject to other terms and conditions as may be incorporated in the Debenture Trustee Agreement/ Letters of Allotment/ NCD certificates, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Stock Exchanges and/or other authorities and other documents that may be executed in respect of the NCDs.

5. A register of NCD holders will be maintained in accordance with Section 152 of the Act and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD holders as on the 7record date.

6. NCDs can be rolled over only with the consent of 75% of the NCD holders after providing at least 21 days prior notice for such roll over and in accordance with the Debt Regulations.

For further details please refer to the section titled "Material Contracts and Documents for Inspection" on page 150.

Market Lot & Trading Lot

Under Section 68B of the Act, the NCDs shall be allotted only in dematerialized form. As per the SEBI Guidelines, the trading of the NCDs shall be in dematerialised form only. Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Allotment in the Issue will be in electronic form in multiples of one NCD. For details of allotment refer to chapter titled "Issue Procedure" under section titled "Issue Related Information" beginning on page 129 of the Prospectus.

Nomination facility to NCD holder

In accordance with Section 109A of the Act, the sole NCD holder or first NCD holder, along with other joint NCD holders (being individual(s)) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCD. A person, being a nominee, becoming entitled to the NCD by reason of the death of the NCD holder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the NCD(s), in the event of his death, during the minority. A nomination shall stand rescinded upon sale of a NCD by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCD is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office or at such other addresses as may be notified by us.

NCD holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD holder(s). The signature can be provided in the application form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Section 109B of the Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, shall upon the production of such evidence as may be required by our Board, elect either:

(a) to register himself or herself as the holder of the NCDs; or

(b) to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

Notwithstanding anything stated above, since the allotment of NCDs in this Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Mumbai, India.

Application in the Issue

NCDs being issued through this Prospectus can be applied for in the dematerialised form only.

Period of Subscription

The subscription list for the public issue shall remain open for subscription at the commencement of banking hours and close at the close of banking hours on the dates indicated below or earlier or on such date as may be decided at the discretion of the Committee of Directors of the Company subject to necessary approvals:

Issue Opens on	**February 2, 2009**
Closing Date	**February 24, 2009**

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as provided in our Articles. Please refer to the section titled "Summary of the Key Provisions of the Articles of Association" on page 148 of this Prospectus.

ISSUE STRUCTURE

Public Issue of NCDs aggregating Rs. 50,000 lakhs with an option to retain over-subscription of Rs. 1,00,000 lakhs for issuance of additional NCDs

Particulars	Category I investor	Category II investor
Minimum number of NCDs per application	Option I – 1 NCD Options II, III & IV – 10 NCDs	Option I – 1 NCD Options II, III & IV – 10 NCDs
Mode of allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Terms of Payment	Full amount on application	Full amount on application
Trading Lot	One NCD	One NCD
Who can Apply	• Public Financial Institutions, Statutory Corporations, Commercial Banks, Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs; • Provident Fund, Pension Funds, Superannuation Fund and Gratuity Fund, which are authorised to invest in the NCDs; • Venture Capital fund registered with SEBI; • Insurance Company registered with the IRDA; • National Investment Fund; and • Mutual Funds.	• Resident Indian individuals; • Hindu Undivided Families through the Karta; • Companies; Bodies Corporate and Societies registered under the applicable laws in India and authorised to invest in NCDs; • Public/Private Charitable/ Religious Trusts which are authorised to invest in the NCDs; • Scientific and/or Industrial Research Organisations, which are authorised to invest in the NCDs; and • Partnership firms in the name of the partners

It may be noted that participation by any of the above-mentioned investor class in the issue will be subject to necessary approvals and applicable laws.

In case of the Application form being submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Application form.

Applicants can invest only upto the extent permissible under the laws and corporate authorisations applicable to the applicant.

For further details, please read "Issue Procedure" on page 129.

Principal Terms and Conditions of the issue

Nature of the NCDs

We are offering secured NCDs which shall have a fixed rate of interest. The NCDs will be issued at their respective face values. Interest on the NCDs shall be payable on monthly, quarterly, annually, or cumulative basis depending on the option selected by the NCD holder as provided below:

Options	I	II	III	IV
Interest Payment	Monthly	Quarterly	Annual	Cumulative
Minimum Application	Rs.1,00,000/-	Rs.10,000/-*	Rs.10,000/-*	Rs.10,000/-*
In Multiples of	Rs.100,000/-	Rs.1000/-	Rs.1,000/-	Rs.1,000/-
Face Value of NCDs (Rs. / NCD)	Rs.100,000/-	Rs.1,000/-	Rs.1,000/-	Rs.1,000/-
Mode of Interest Payment	ECS only	Through Various options available **	Through Various options available **	Through Various options available **
Coupon (%)	11% per annum	11.25% per annum	12 % per annum	12 % per annum to be compounded annually
Yield on redemption	11.57%	11.73%	12%	12%
Put and call option	36 months	42 months	36 months	36 months
Tenor	60 months	60 months	60 months	60 months
Redemption Date ***	5 years from the deemed date of allotment	5 years from the deemed date of allotment	5 years from the deemed date of allotment	5 years from the deemed date of allotment
Redemption Amount	Face value plus any interest that may have accrued.	Face value plus any interest that may have accrued	Face value plus any interest that may have accrued	Face value plus any interest that may have accrued

* For Option II, III and IV, the minimum application size is Rs. 10,000 for all three options taken together.

** For various options of interest payment, please refer page 121 of this Prospectus.

** Subject to the exercise of the put / call option in the manner set out in this Prospectus

Monthly Payment of Interest

For NCDs subscribed under Option I, interest of 11% per annum will be paid on the first day of every month except the first interest payment. The first interest payment for the period commencing from the Deemed Date of Allotment till the end of the month in which such Deemed Date of Allotment falls will be paid along with the subsequent interest payments which shall be made on the first day of the next month, i.e. May 1, 2009. The last interest payment will be made at the time of redemption of the NCD (subject to the exercise of the put option on the Company / call option exercisable by the Company) on a pro rata basis.

INVESTORS TO NOTE THAT INTEREST PAYMENTS FOR NCDS ALLOTTED UNDER OPTION I SHALL BE MADE THROUGH ECS MECHANISM ONLY.

Quarterly Payment of Interest

For NCDs subscribed under Option II, interest of 11.25% per annum will be paid on the first day of June, September, December and March every year except for the first interest payment. The first interest payment for the period commencing from Deemed Date of Allotment till May 31, 2009 shall be made on June 1, 2009. The last interest payment will be made at the time of redemption of the NCD on a pro rata basis.

Annual Payment of Interest

For NCDs subscribed under Option III, interest of 12% per annum will be paid on the first day of March every year. The first interest payment will be made on March 1, 2010 for the period commencing from the Deemed Date of Allotment until the first date of payment of interest. i.e. February 28, 2010. The last interest payment will be made at the time of redemption of the NCD on a pro rata basis.

Cumulative Payment of Interest

For NCDs subscribed under Option IV, interest of 12% per annum will be paid at the time of redemption or on the date of early redemption subject to the exercise of put option on the Company/call option exercisable by the Company. The interest payable under this option shall be compounded annually.

Maturity

The NCDs issued pursuant to this Prospectus have a fixed maturity date. The date of maturity of the NCDs is 5 years from the deemed date of allotment subject to exercise of the put/call option.

Redemption

Subject to the exercise of the put option on the Company / call option exercisable by the Company, the redemption shall be as per the schedule below:

Options	If put / call option is exercised	At the end of maturity period
I	36 months from the deemed date allotment	5 years from the deemed date allotment
II	42 months from the deemed date allotment	5 years from the deemed date allotment
III	36 months from the deemed date allotment	5 years from the deemed date allotment
IV	36 months from the deemed date allotment	5 years from the deemed date allotment

Interest

In case of Option I, interest would be paid at the rate of 11% per annum on the amount outstanding from time to time from the Deemed Date of Allotment of each NCD. Investors to note that interest payments shall be made through ECS mechanism only.

In case of Option II, interest would be paid at the rate of 11.25% per annum on the amount outstanding from time to time from the Deemed Date of Allotment of each NCD.

In case of Option III, interest would be paid at the rate of 12% per annum on the amount outstanding from time to time from the Deemed Date of Allotment of each NCD.

In case of Option IV, interest would be compounded at the rate of 12% per annum on an annual basis on the amount outstanding from time to time from the Deemed Date of Allotment of each NCD.

If the date of interest payment falls on a Saturday, Sunday or a public holiday in Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest would be paid on the next working day. Payment of interest would be subject to the deduction of I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on NCD held in dematerialised form.

However in case of NCDs held in physical form, as per the current provisions of the I.T. Act, tax will not be deducted at source from interest on NCD (in case of resident individual NCD holders), if such interest does not exceed Rs.2,500, respectively in any financial year. If interest exceeds the prescribed limit of Rs.2,500 on account of interest on NCD, then the tax will be deducted at applicable rate. However in case of NCD holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 65 years or more (ii) Form 15G which can be given by all applicants (other than companies, firms and NR), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form 13. The aforesaid documents, as may be applicable, should be submitted to Company quoting the name of the sole/ first NCD holder, NCD folio number and the distinctive number(s) of the NCD held, prior to the record date to ensure non-deduction/ lower deduction of tax at source from interest on NCD. The investors need to submit Form 15H/ 15G/ certified true copy of certificate from Assessing Officer for each financial year to ensure non-deduction or lower deduction of tax at source from interest on NCD.

Interest on Application Money

The Company shall pay interest on application money on the amount allotted, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable, if it exceeds the prescribed limit of 5000/- in any financial year to any investor from the date of realization of the cheque(s)/ demand draft(s) or 5 (five) days from the date of application whichever is later upto one day prior to the Deemed Date of Allotment, at the rate of 8% per annum.

The Company may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the applicants or the interest warrant will be dispatched along with the Letter(s) of Allotment at the sole risk of the applicant, to the sole/first applicant. However, in case interest on application money is less than or equal to Rs. 500/-, than the same would be paid along with the first interest payment to the sole / first applicant.

Deemed Date of Allotment

Deemed date of allotment shall be the date of issue of the letter of allotment / regret.

Application Size

Option I

Applications should be for a minimum of 1 NCD and multiples thereof for Option I. The minimum application size would be Rs.100,000/- and multiples of Rs. 1,00,000/- thereof for Option I.

Option II, Option III and Option IV

Applications should be for a minimum of 10 NCDs and multiples of 1 NCD thereof for Option II, Option III and Option IV. The minimum application size would be Rs. 10,000 and multiples of Rs. 1,000 thereof for Options II, III and IV.

For Option II, III and IV, the minimum application size is Rs. 10,000 for all three options taken together.

Applicants should apply for any or all types of NCDs offered hereunder (any/all options) using the same application form.

Terms of Payment

The entire issue price of Rs.100,000 per NCD for Option I and Rs. 1,000 per NCD for Options II, III and IV is payable on application only. In case of allotment of lesser number of NCDs than the number applied, the Company shall refund the excess amount paid on application to the applicant in accordance with the terms of this Prospectus.

Payment of Interest

Payment of Interest will be made to those NCD holders whose names appear in the register of NCD holders (or to first holder in case of joint-holders) as on record date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate for such banks.

We may offer the facility of ECS, NEFT, RTGS, Direct Credit and any other method permitted by the RBI and SEBI from time to time to help investors for Option II, III and IV. However, for Option I, only the ECS facility is available. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Refer to the paragraph on "Payment of interest/Refund/Redemption" appearing on page 122 of this Prospectus.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar prior to the record date or as specifically required. Tax applicable on coupon will be deducted at source on accrual thereof in the Company's books and/ or on payment thereof, in accordance with the provisions of the Income Tax Act, 1961 and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Record Date

The record date for payment of interest or repayment of principal shall be 15 days prior to the date on which interest is due and payable, or the date of redemption or early redemption.

Payment of Interest / Refund / Redemption

Subject to the exercise of the put option on the Company / call option exercisable by the Company, the manner of payment of interest / refund / redemption is set out below:

For NCDs applied / held in electronic form: The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be.

For NCDs held in physical form: The bank details will be obtained from the Registrar to the Issue or NCD Holder for payment of interest / refund / redemption as the case may be.

Applicants who have applied or holding the NCD in electronic form, are advised to immediately update their bank account details as appearing on the record of depository participant. Please note that failure to do so could result in delays in credit of refunds to Applicants at the Applicants sole risk and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for the same.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

Investors having their bank account with the Refund Banks shall be eligible to receive funds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

2. ECS

Payment of interest/refund/redemption shall be undertaken through ECS for applicants having an account at any of the following 72 centers:

1. Ahmedabad 2. Nashik 3. Sholapur 4. Gorakhpur 5. Bangalore 6. Panaji 7. Ranchi 8. Jammu 9. Bhubaneshwar 10. Surat 11. Tirupati (non- MICR) 12. Indore 13. Kolkata 14. Trichy 15. Dhanbad(non-MICR) 16. Pune 17. Chandigarh 18. Trichur 19. Nellore (non-MICR) 20. Salem 21. Chennai 22. Jodhpur 23. Kakinada(non-MICR) 24. Jamshedpur 25. Guwahati 26. Gwalior 27. Agra 28. Visakhapatnam 29. Hyderabad 30. Jabalpur 31. Allahabad 32. Mangalore 33. Jaipur 34. Raipur 35. Jalandhar 36. Coimbatore 37. Kanpur 38. Calicut 39. Lucknow 40. Rajkot 41. Mumbai 42. Siliguri (non-MICR) 43. Ludhiana 44. Kochi/ Ernakulam 45. Nagpur 46. Pondicherry 47. Varanasi 48. Bhopal 49. New Delhi 50. Hubli 51. Kolhapur 52. Madurai 53. Patna 54. Shimla (non-MICR) 55. Aurangabad 56. Amritsar 57. Thiruvananthapuram 58. Tirupur 59. Mysore 60. Haldia (non- MICR) 61. Baroda 62. Burdwan (non-MICR) 63. Erode 64. Vijaywada 65. Dehradun 66. Durgapur (non-MICR) 67. Udaipur 68. Bhilwara 69. Asansol 70. Udipi 71. Belgam 72. Bijapur

This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. One of the methods for payment of interest payment / refund / redemption is through ECS for applicants having a bank account at any of the abovementioned centers.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/refund/redemption amount exceeds Rs.10 lakhs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive interest payment/refund/redemption through RTGS are required to provide the IFSC code in the Application Form or intimate the Company before the record date. In the event the same is not provided, interest payment/refund/redemption shall be made through ECS. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT

Payment of interest payment/refund/redemption shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment/refund/redemption orders shall be dispatched under certificate of posting for value up to Rs. 1,000 and through Speed Post/Registered Post for refund orders of Rs. 1,000 and above.

Please note that applicants are eligible to receive refunds through the modes detailed in (1), (2) and (3) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed/available.

Please note that the Company shall not be responsible for any delay to the holder of NCD receiving credit of interest/refund/redemption so long as the Company has initiated the process of such request in time.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the applicant's bank account are mandatorily required to be given for printing on the orders/warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account rematerialisation or transfer, the investors are advised to submit their bank account details with the company/registrar before the record date failing which the orders/warrants will be dispatched to the postal address of the holder of debenture as held in the records of the Company.

Bank account particulars will be printed on the orders/warrants which can then be deposited only in the account specified.

Loan against NCDs

The Company at its discretion may consider granting of a loan facility to the investors of NCDs against the security of such NCDs. Such loans shall be subject to the terms and conditions as may be decided by the Company from time to time.

Lien

We shall have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD holder or deposits held in the account of the NCD holder, whether in single name or joint name, to the extent of all outstanding dues by the NCD holder to the Company.

Lien on Pledge of NCDs

We, at our discretion, may note a lien on pledge of NCDs if such pledge of NCD is accepted by any bank/institution for any loan provided to the NCD holder against pledge of such NCDs as part of the funding.

Buy Back of NCDs

The Company may from time to time, consider subject to all statutory approvals, buyback of NCDs on terms and conditions to be decided by the Company.

Form and Denomination

In case of NCDs held in physical form, a single certificate will be issued to the NCD holder for the aggregate amount ("Consolidated Certificate") for each type of NCDs to be allotted to him. The applicant can also request for the issue of NCD certificates in denomination of one NCD ("Market Lot").

In respect of Consolidated Certificates, we will, only upon receipt of a request from the NCD holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the Investor(s). The charge for splitting into lots other than Market Lot, will be borne by the NCD holder subject to the maximum amount agreed upon by us with the Stock Exchanges where the NCDs are proposed to be listed. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Procedure for Redemption by NCD holders

Subject to the exercise of the put option by the NCD holder / call option by the Company, the procedure for redemption is set out below:

NCDs held in physical form: No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD holders whose names stand in the register of NCD holders maintained by us on the Record Date fixed for the purpose of Redemption. However, the Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) to be surrendered for redemption on maturity and should be sent by the NCD holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment. Also see the para "Payment on Redemption" given below.

NCDs held in electronic form: No action is required on the part of NCD holder(s) at the time of redemption of NCDs.

Payment on Redemption

Subject to the exercise of the put option on the Company / call option exercisable by the Company, the manner of payment of redemption is set out below:

NCDs held in physical form: Despatch in respect of payment on redemption of the NCDs will be made by way of cheque/ pay order/ electronic modes. However, if the Company so requires, the aforementioned dispatch would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s)). Despatch of cheques/pay order, etc. in respect of such payment will be made on the Redemption Date or (if so requested by the Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the date of Redemption to those NCD holders whose names stand in the register of NCD holders maintained by us on the Record date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us before the Record Date. In case the transfer documents are not lodged with us before the Record Date and we despatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrars.

Our liability to NCD holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of early redemption/ redemption in all events and when we despatch the redemption amounts to the NCD holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

NCDs held in electronic form: On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished through appropriate debit corporate action. It may be noted that in the entire process mentioned above, no action is required on the part of NCD holders.

Our liability to NCD holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of early redemption/ redemption in all events and when we despatch the redemption amounts to the NCD holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Redemption in case of exercise of put / call option

The terms of redemption in case of exercise of put / call option will be as decided by the Company.

Redemption Date

The NCDs will be redeemed on five years from the date of allotment unless a put / call option has been exercised.

Put/Call Option

The NCD holder shall at the expiry of 36 months (for Option I, III and IV) or 42 months (for Option II) have the right to seek redemption of their NCDs.

The Company shall at the expiry of 36 months (for Option I, III and IV) or 42 months (for Option II) have the right to redeem all the NCDs.

Please note that the put/call option shall only be exercisable if the NCD Holder wishes to redeem all the NCDs held by him.

Procedure for Exercise of Put Option

At the expiry of 36 months (for Options I, III and IV) or 42 months (for Option II) from the Deemed date of Allotment ("**Early Redemption Date**"), the NCD holder has the right to exercise his put within 30 days ('Early Redemption Period").

During the Early Redemption Period, the NCD holder can approach the Company in writing of his intention to redeem all of the NCDs held by him under the specific Option (a separate letter will be required for redemption under each Option). Part-redemption of NCDs held under a single Option by a NCD holder is not permitted.

The NCDs will be redeemed within 90 days from the Early Redemption Date.

Procedure for Exercise of Call Option

At the expiry of 36 months (for Options I, III and IV) or 42 months (for Option II) from the Deemed date of Allotment ("**Early Redemption Date**"), the Company has the right to exercise its call within 30 days ("**Early Redemption Period**").

During the Early Redemption Period, the Company can send a notice in writing to the NCD Holders (as on record on the Early Redemption Date) calling for redemption of NCDs that are outstanding. The Call can be exercised for NCDs outstanding under one or more Options.

The NCDs will be redeemed within 90 days from the Early Redemption Date.

Method for calculation for Early Redemption

On exercise of put / call option by the investor / Company, as the case may be, the NCDs will be redeemed at their respective face value along with interest accrued.

Right to Reissue NCD(s)

Subject to the provisions of the Act, where we have redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs alive without extinguishment for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. This includes the right to reissue original NCDs.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Act. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the Act shall apply, mutatis mutandis (to the extent applicable to Debentures) to the NCD(s) as well. A suitable instrument of transfer as may be prescribed by the Company may also be used for the same. In respect of the Debentures held in physical form, a suitable instrument of transfer as may be prescribed by the Issuer may be used for the same. The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the record date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of Debenture Holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer.

For NCDs held in electronic form: The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of these NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

In case the transferee does not have a DP account, the seller can re-materialise the NCDs and thereby convert his demat holding into physical holding. Thereafter the NCDs can be transferred in the manner as stated above.

In case the buyer of the NCDs in physical form wants to hold the NCDs in dematerialised form, he can choose to dematerialise the securities through his Depository Participant.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD holders available with us, our subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD holder(s) required to be given by us or the Trustees will be sent by post/ courier to the Registered Holders of the NCD(s) from time to time.

Issue of Duplicate NCD Certificate(s)

If any NCD certificate(s) is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued.

Security

The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest, all costs, charges, all fees, remuneration of Trustees and expenses payable in respect thereof shall be secured by way of first *pari passu* charge in favour of the Trustees of receivables of the Company and an identified immovable property and the future receivables of the Company as may be decided by between the Company and the Debenture Trustee.

The Company will create appropriate security in favour of the Debenture Trustee for the NCD holders on the following assets to ensure 100% asset cover for the NCDs:

The Company intends to enter into an agreement with the Debenture Trustee ('**Debenture Trust Deed**'), the terms of which will govern the appointment of the Debenture Trustee.

Under the terms of the Debenture Trust Deed, the Company will covenant with the Debenture Trustee that it will pay the NCD holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified under the Debenture Trust Deed.

The redemption of the NCDs, payment of all interest, liquidated damages, remuneration of the Debenture Trustee and all other fees, costs, charges, expenses and other monies payable by the Company in respect of the NCDs shall be secured by a mortgage and charge over the Security.

The Debenture Trust Deed will provide that the Company will have the right, to withdraw any portion of the Security and replace the same with property or receivables of a value equal to or greater than the value of the property proposed to be withdrawn. In case of any default under the Debenture Trust Deed, the Debenture Trustee may, in its discretion, and will, upon the request in writing from the holders of the NCDs of an amount representing not less then three-fourth in value of the nominal amount of the NCDs, for the time being outstanding, or by a special resolution duly passed at a meeting of the NCD holders, by a notice in writing to the Company declare the principal amount of the NCDs, all interest and all other monies to be due and payable and the Security would become enforceable. The Debenture Trustee would be entitled to certain rights such as the right to sell, assign or otherwise liquidate the Security to pay off all outstanding amounts.

The Company proposes to complete the execution of the security documents during the subscription period after the minimum subscription for the issue has been achieved and utilize the funds after the stipulated security has been created.

Defaults: Limitation of Remedies

A “default” occurs if we fail to pay the full amount of principal on the date of maturity of the NCDs or if we fail to pay interest due on the NCDs on any date on which such interest is to be paid and such failure to pay continues for a period of 30 days. The occurrence of any of the events listed down below and continuance of the same for a period of 30 days also would constitute a Default:

1. Default is committed by us in the performance or observance of any covenant, condition or provision contained in the Terms of the NCDs (other than the obligation to pay principal and interest) and such default continues for 30 days after written notice has been given thereof by the Trustee to us requiring the same to be remedied (except where the Trustee certifies that such default is in their opinion incapable of remedy, in which case no notice shall be required).
2. Any information contained in this Prospectus or any information provided to the NCD holders specifically for the purpose of this issue of the NCDs or any of the warranties given/deemed to have been given by us to the NCD holders/Trustee is misleading or incorrect in any material respect.
3. We are unable to or have admitted in writing our inability to pay our debts as they mature.
4. A court receiver or a liquidator has been appointed in respect of all or a substantial part of our assets and such receiver or liquidator is not dismissed within 60 days of appointment.
5. We cease to carry on our business. If a Default occurs which is continuing, the Trustee or the holders of atleast 50 percent in aggregate in principal amount of all the NCDs, by written notice to us (and to the Trustee if the NCD holders are giving the notice), may and the Trustee at the request of such NCD holders shall institute proceedings of the amounts due or compliance with the defaulted covenant or agreement or to obtain our bankruptcy (or any analogous proceeding which may be available from time to time under the laws of India).

In case of default in the redemption of NCDs, in addition to the payment of interest and all other monies payable hereunder on the respective due dates, the Company shall also pay on the defaulted amounts. Arrears of liquidated damages shall carry interest at 2 % on the NCDs and shall be payable on the footing of compound interest with quarterly rests.

The holders of a majority in aggregate in principal amount of all the NCDs may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, subject to the limitations specified in the Trust Deed. However, the Trustee may refuse to follow any direction that conflicts with law or the Trust Deed, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of NCD holders not joining in the giving of such direction, and may take any other action it deems proper that is not inconsistent with any such direction received from NCD holders.

Trustees for the NCD holders

We have appointed IL&FS Trust Company Limited to act as the Debenture Trustees for the NCD holders. We and the Trustees will enter into a Trust Deed, inter alia, specifying the powers, authorities and obligations of the Trustees and us. The NCD holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the NCD holder(s). Any payment made by us to the Trustees on behalf of the NCD holder(s) shall discharge us pro tanto to the NCD holder(s).

The Trustees will protect the interest of the NCD holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also issue Debentures/NCDs/ other securities in any manner having such ranking in priority, pari passu or otherwise and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD holders or the Trustees in this connection.

ISSUE PROCEDURE

1. How to Apply?

i. Availability of Prospectus and Application Forms

The abridged Prospectus containing the salient features of the Prospectus together with Application Forms and copies of the Prospectus may be obtained from our Registered Office, Lead Manager(s) to the Issue, Registrar to the Issue and at branches/collection centers of the Bankers to the Issue, as mentioned on the application form.

In addition, application forms would also be made available to the stock exchanges where listing of the NCDs are sought and to brokers, on their request.

We may provide application form for being downloaded at such website as it may deem fit.

ii. Who can Apply

The following categories of persons are eligible to apply in the Issue:

Category I

- Public Financial Institutions, Statutory Corporations, Commercial Banks, Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs;
- Provident Fund, Pension Funds, Superannuation Fund and Gratuity Fund, which are authorised to invest in the NCDs
- Venture Capital fund registered with SEBI;
- Insurance Company registered with the IRDA
- National Investment Fund; and
- Mutual Funds.

Category II

- Resident Indian individuals;
- Hindu Undivided Families through the Karta;
- Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorised to invest in NCDs;
- Public/Private Charitable/Religious Trusts which are authorised to invest in the NCDs;
- Scientific and/or Industrial Research Organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partner;

It may be noted that participation by any of the above-mentioned investor class in the issue will be subject to necessary approvals and applicable laws.

Applications not to be made by:

- Minors without a guardian name
- Foreign nationals
- Non resident Indians (NRIs)
- Foreign Institutional Investors
- Overseas Corporate Bodies

The Lead Managers, associates and affiliates of the Lead Managers are permitted to subscribe in the Issue. However, it may be noted that the lead managers or any of their associates/affiliates are not underwriting the issue or any part of the issue thereof.

The information below is given for the benefit of the investors. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Investors are advised to ensure that NCDs applied for under any single applications form, from them does not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law.

Applications by Mutual Funds

No mutual fund scheme shall invest more than 15% of its NAV in debt instruments issued by a single Company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of Asset Management Company

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and Trust Deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories.

Application by Scheduled Banks, Co-operative Banks and Regional Rural Banks

Scheduled Banks, Co-operative banks and Regional Rural Banks can apply in this public issue based upon their own investment limits and approvals. The application must be accompanied by certified true copies of (i) Board Resolution authorising investments; (ii) Letter of Authorisation.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

iii. Applications cannot be made by:

a) Minors without a guardian name

b) Foreign nationals

c) Non resident Indians (NRIs)

d) Foreign Institutional Investors

e) Overseas Corporate Bodies

3. Escrow Mechanism

We shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Applicants shall make out the cheque or demand draft in respect of their application. Cheques or demand drafts received for the application Amount from investors would be deposited in the respective Escrow Account. The Escrow Collection

Bank(s) will act in terms of this Prospectus and the Escrow Agreement. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein. In terms of SEBI Debt Regulations, it is mandatory for the Company to keep the proceeds of the Issue in an escrow account until the documents for creation of security as stated in this Prospectus are executed. Upon creation of security as disclosed in this Prospectus, the Escrow Collection Bank(s) shall transfer the monies from the Escrow Accounts to a separate bank account as per the terms of the Escrow Agreement. Payments of refund to the Applicants shall also be made from the Escrow Accounts/refund account(s) as per the terms of the Escrow Agreement and this Prospectus.

4. Filing of the Prospectus with ROC

A copy of the Prospectus shall be filed with the registrar of companies, Maharashtra, in terms of section 56 and section 60 of the Act.

5. Pre-Issue Advertisement

Our Company will issue a statutory advertisement after filing of the Prospectus with ROC. This advertisement will contain the information as prescribed under Debt Regulation. Material updates, if any, between the date of filing of the Prospectus with ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

6. General Instructions

Do's

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as allotment of NCDs will be in the dematerialized form only;
- Ensure that you mention your PAN allotted under the IT Act
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects.

Don'ts:

- Do not apply for lower than the minimum application size;
- Do not apply on another Application Form after you have submitted original application;
- Do not pay the application amount in cash;
- Do not fill up the Application Form such that the NCDs applied for exceeds the issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit application accompanied with Stockinvest.

7. Instructions for completing the Application Form

A. Submission of Application Form

- Applications to be made in prescribed form only
- The forms to be completed in block letters in English
- Applications should be in single or joint names and should be applied by Karta in case of HUF
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal.

- All application Forms duly completed together with cheque/bank draft for the amount payable on application must be delivered before the closing of the subscription list to any of the Bankers to the Public Issue or collection centre(s)/ agent(s) as may be specified before the closure of the Issue. Applicants at centres not covered by the branches of collecting banks can send their forms together with a cheque/draft drawn on/payable at a local bank in Hyderabad to the Registrar to the Issue by registered post.
- No receipt will be issued for the application money. However, Bankers to the Issue and/or their branches receiving the applications will acknowledge the same.
- Every applicant should hold valid Permanent Account Number (PAN) and mention the same in the application form.
- All applicants are required to tick the relevant column "Category of Investor" in the Application Form.

All applicants should apply for one or more type of NCDs and/or one or more option of NCDs in a single Application Form only.

B. Applicant's Bank Account Details

It is mandatory for all the applicants to have their NCDs allotted in dematerialised form. The Registrars to the Issue will obtain the applicant's bank account details from the Depository. The Applicant should note that on the basis of the name of the Applicant, Depository Participant's (DP) name, Depository Participants identification number and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Applicant's DP A/c, the Applicant's bank account details. The investors are advised to ensure that bank account details are updated in their respective DP A/cs as these bank account details would be printed on the refund order(s), if any. Please note that failure to do so could result in delays in credit of refunds to Applicants at the Applicants sole risk and neither the LM nor our Company nor the Refund Banker nor the Registrar shall have any responsibility and undertake any liability for the same.

C. Applicant's Depository Account Details

IT IS MANDATORY FOR ALL THE APPLICANTS TO HAVE THEIR NCDs IN DEMATERIALISED FORM. ALL APPLICANTS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM.

Applicant should note that on the basis of name of the applicant, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the investor such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the applicants including mailing of the refund orders/ Allotment Advice and printing of bank particulars on the refund order and the Demographic Details given by applicant in the Application Form would not be used for these purposes by the Registrar.

Hence, applicants are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Application Form, Applicant would have deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. Refund Orders/Allotment Advice would be mailed at the address of the applicant as per the Demographic Details received from the Depositories. Applicant may note that delivery of refund orders/ allotment advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicant's sole risk and neither we nor the LMs shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

However in case of applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of Refund Orders/ECS refunds for credits/Allotment Advice, the demographic details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic details as given in the Application Form instead of those obtained from the Depositories.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such applications are liable to be rejected.

D. Applications under Power of Attorney by limited companies, corporate bodies, registered societies etc.

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies etc, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form, Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

E. Permanent Account Number

The applicant or in the case of applications made in joint names, each of the applicant, should mention his or her Permanent Account Number (PAN) allotted under the I.T. Act. In accordance with the SEBI Guidelines, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground. In case the Sole/ First Applicant and Joint Applicant(s) is/are not required to obtain PAN, each of the Applicant(s) shall mention "Not Applicable" and in the event that the sole Applicant and/or the joint Applicant (s) have applied for PAN which has not yet been allotted each of the Applicant (s) should Mention "Applied for" in the Application Form.

Further, where the Applicant(s) has mentioned "Applied for" or "Not Applicable", the Sole/First Applicant and each of the Joint Applicant(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other valid and acceptable documentary evidence in support of address given in the declaration.

F. **Terms of Payment**

The entire issue price for the NCDs is payable on application only. In case of allotment of lesser number of NCDs than the number applied, our Company shall refund the excess amount paid on application to the applicant.

G **Payment Instructions for Applicants**

- In pursuance of Debt Regulations, we shall open Escrow Account with the Escrow Collection Banks(s) for the collection of the application amount payable upon submission of the Application Form.
- Payment may be made by way of cheque/bank draft drawn on any bank, including a co-operative bank which is situated at and is member or sub-member of the Bankers' clearing-house located at the place where the Application Form is submitted, i.e. at designated collection centres. Outstation cheques /bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Payment though stockinvest would also not be allowed as the same has been discontinued by the RBI vide notification No. DBOD.NO.FSC.BC. 42/24.47.001/2003-04 dated November 5, 2003. Cash/Stockinvest/Money Orders/ Postal Orders will not be accepted. In case payment is effected in contravention of conditions mentioned herein, the application is liable to be rejected and application money will be refunded and no interest will be paid thereon. A separate cheque / bank draft must accompany each application form.
- All application forms received with outstation cheques, post dated cheques, cheques / bank drafts drawn on banks not participating in the clearing process, Money orders/postal orders shall be rejected and the collecting bank shall not be responsible for such rejections.
- All cheques / bank drafts accompanying the application should be crossed "A/c Payee only" and must be made payable to "Escrow Account TCL NCD Public Issue"**.**
- The Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into a separate bank account after the creation of security as disclosed in this Prospectus.

8. **Submission of Completed Application Forms**

- All applications duly completed and accompanied by account payee cheques / drafts shall be submitted at the branches of the Bankers to the Issue (listed in the Application Form) or our Collection Centre(s)/ agent(s) as may be specified by us before the closure of the Issue. Our collection centre/ agent at, however, will not accept payments made in cash. However, application forms duly completed together with cheque/bank draft drawn on/payable at a local bank in Hyderabad for the amount payable on application may also be sent by Registered Post to the Registrar of the Issue, so as to reach the Registrar prior to closure of the Issue. Applications at centers not covered by the branches of collecting banks can send their application forms together with cheque / draft drawn on / payable at a local bank in Hyderabad to the Registrar to the Issue by registered post.
- No separate receipts shall be issued for the application money. However, Bankers to the Issue at their designated branches/our Collection Centre(s)/ agent(s) receiving the duly completed Application Forms will acknowledge the receipt of the applications by stamping and returning the acknowledgment slip to the applicant.
- Applications shall be deemed to have been received by us only when submitted to Bankers to the Issue at their designated branches or at our Collection Centre/ agent or on receipt by the Registrar as detailed above and not otherwise.

9. On-line Applications

We may decide to offer online application facility for NCDs, as and when it is permitted by law subject to terms and conditions as may be prescribed.

10. Other Instruction

A. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the first named applicant whose name appears in the Application Form and at the address mentioned therein.

B. Additional Applications

An applicant is allowed to make one or more applications for the NCDs for the same or other options. Such applications will not be deemed as multiple applications and shall not be rejected.

C. Depository Arrangements

As per the provisions of Section 68B of the Act, the allotment of NCDs of our Company can be held in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the Statement issued through electronic mode).

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. Please note that a tripartite agreement has been executed between the Company, CDSL and the Registrar and a tripartite agreement between NSDL, the Registrar and the Company shall be executed prior to filing the Prospectus with the ROC.

As per the provisions of Depositories Act, 1996, the NCDs issued by us can be held in a dematerialised form i.e. they shall be fungible and be represented by a statement issued through electronic mode. In this context:

i Tripartite Agreement dated December 19, 2008 and January 16, 2009 between us and CDSL and NSDL respectively for offering depository option to the investors.

ii. An applicant who wishes to apply for NCDs in the electronic form must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.

iii. The applicant seeking allotment of NCDs in the Electronic Form must necessarily fill in the details (including the beneficiary account number and DP's ID) appearing in the Application form under the heading 'Request for NCDs in Electronic Form'.

iv. NCDs allotted to an applicant in the Electronic Account Form will be credited directly to the applicant's respective beneficiary account(s) with the DP.

v. For subscription in electronic form, names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.

vi. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrars to this Issue.

vii. If incomplete/incorrect details are given under the heading 'Request for NCDs in electronic form' in the application form, it will be deemed to be an application for NCDs in physical form and thus will be rejected.

viii. In case of allotment of NCDs in electronic form, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the application form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Company would not be liable for losses, if any.

ix. It may be noted that NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. All the Stock Exchanges where our NCDs are proposed to be listed have connectivity with NSDL and CDSL.

x. Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ Book Closure Date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

xi. The trading of the NCDs shall be in dematerialized form only.

D. Communications

- All future Communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the applicant and its application.
- Applicants can contact the Compliance Officer of the Company/Lead Managers or the Registrar to the Issue in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of letters of allotment / credit of NCDs in depository's beneficiary account / refund orders, etc., applicants may contact the Compliance Officer of the Company/Lead Manager or Registrar to the Issue.

11. Rejection of Application

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Applications not duly signed by the sole/joint Applicants;
- Amount paid doesn't tally with the amount payable for the NCDs applied for;
- Age of First Applicant not given;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors (without the name of guardian) and insane persons;
- GIR number furnished instead of PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by any persons outside India;
- Application for an amount below the minimum application size;
- Application for number of NCDs, which are not in multiples of one;
- Category not ticked;
- Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Application Form does not have Applicant's depository account details;

- Applications accompanied by Stockinvest/money order/postal order;
- Signature of sole and/ or joint Applicant(s) missing;
- Application Forms not delivered by the applicant within the time prescribed as per the Application Form and the Prospectus and as per the instructions in the Prospectus and the Application Form; or
- In case the subscription amount is paid in cash.
- Application from investor subscribing for Option I, wherein ECS facility is not available
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the applicant, the Depositary Participant's Identity and the beneficiary's account number;

For further instructions regarding application for the NCDs, investors are requested to read the application form

12. Letters of Allotment / NCD Certificates / Refund Orders

The unutilised portion of the application money will be refunded to the applicant by an A/c Payee cheque/demand draft. In case the at par facility is not available, the Company reserves the right to adopt any other suitable mode of payment.

The Company shall credit the allotted NCDs to the respective beneficiary accounts/despatch the Letter(s) of Allotment or Letter(s) of Regret/Refund Orders in excess of Rs.1,000/-, as the case may be, by Registered Post/ Speed Post at the applicant's sole risk, within 10 weeks from the date of closure of the Issue. Refund Orders up to Rs. 1,000/- will be sent under certificate of posting. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through ECS/Direct Credit/RTGS/NEFT.

Further,

a) Allotment of NCDs offered to the public shall be made within a time period of 30 days from the date of closure of the Issue;

b) Credit to demat account will be given within 2 working days from the date of allotment

c) Interest @15 per cent per annum will be paid if the allotment has not been made and/or the Refund Orders have not been dispatched to the applicants within 30 days from the date of the closure of the Issue, for the delay beyond 30 days.

The Company will provide adequate funds to the Registrars to the Issue, for this purpose.

13. Retention of oversubscription

The Company is making a public Issue of secured NCDs aggregating Rs. 50,000 lakhs with an option to retain oversubscription up to Rs 1,00,000 lakhs.

14. Basis of Allotment

A. If the Issue is oversubscribed (i.e. if the subscription received is greater than the base issue amount of Rs. 50,000 lakhs), the Company, Lead Manager and the Registrar to the Issue, in consultation with the Designated Stock Exchange, shall carry out the allotments in the following manner:

1. First, allotment in consultation with Designated Stock Exchange, to applicants with single application amount upto Rs. 100,000 other than Category I investors then on a first come first serve basis, based on the date the application was made the first time ;
2. Thereafter, allotment in consultation with Designated Stock Exchange to applicants with single application above Rs.100,000 other than Category I investors on a first come first serve basis, based on the date the application was made the first time; and
3. Thereafter, allotment in consultation with Designated Stock Exchange to Category I investors on a first come first serve basis, based on the date the application was made the first time

15. **Utilisation of Application Money**

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

16. **Utilisation of Issue Proceeds**

a) All monies received out of Issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Act.;

b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and

c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

d) We shall utilize the Issue proceeds only upon the execution of the documents for creation of security as stated in this Prospectus on page 127.

SECTION VII : LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND STATUTORY DEFAULTS

As on the date of the Prospectus, there are no defaults in meeting statutory dues, institutional dues, and towards holders of instrument like debentures, fixed deposits and arrears on cumulative preference shares, etc, by the Company or by Indian public companies promoted by the same promoter and listed on stock exchange:

There are no outstanding litigations pertaining to —

a. matters likely to affect operation and finances of the Company including disputed tax liabilities of any nature; and

b. criminal prosecution launched against the Company and the Directors for alleged offences under the enactments specified in Paragraph 1 of Part I of Schedule XIII to the Act.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of the Company held on December 1, 2008, the Directors approved the issue of NCDs to the public upto an amount not exceeding Rs.2000 crore, in pursuance of Section 292(1)(b) of the Act.

Prohibition by SEBI

Our Company and our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Disclaimer Clause of the NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREIN AFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE ITS LETTER REF: NSE/LIST/97316-K DATED JANUARY 20, 2009 PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINISED THIS DRAFT OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITIES FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER.

EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of the RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED 10/03/1999 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

Listing

An application has been made to the NSE for permission to deal in and for an official quotation of our NCDs. NSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by NSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days from the date of allotment.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Statutory Auditors, Bankers to the Company and Bankers to the Issue; and (b) Lead Managers, Registrar to the Issue, Lead Brokers to the Issue , Advisors to the Issue, Legal Advisors to the Issuer and Legal Advisor to Lead Manager(s), Credit Rating Agencies and the Debenture Trustee to act in their respective capacities, have been obtained and filed along with a copy of the Prospectus with the ROC.

Expert Opinion

Except the report of ICRA and CARE in respect of the credit rating of this Issue, furnishing the rationale for its rating, our Company has not obtained any expert opinions.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the Debentures and the provisions of the Companies Act, 1956 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

If the Company does not receive the minimum subscription of 40 % of the base issue amount of Rs.50,000 lakh i.e. Rs.20,000 lakh, the entire subscription shall be refunded to the applicants within 15 days from the date of closure of the Issue. If there is delay in the refund of subscription by more than 8 days after the Company becomes liable to pay the subscription amount, the Company will pay interest for the delayed period, at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act, 1956.

Debenture Redemption Reserve

Section 117C of the Act states that any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company till the redemption of the debentures. However, the MCA has, through its circular dated April 18, 2002, specified that NBFCs which are registered with the RBI under Section 45-IA of the RBI Act shall create DRR to the extent of 50% of the value of debentures issued through public issue. Accordingly, our Company shall be required to create DRR of 50% of the issue size in terms of this Prospectus, for the redemption of the NCDs. The Company shall credit adequate amounts to DRR, from its profits every year until such NCDs are redeemed. The amounts credited to DRR shall not be utilized by the company except for the redemption of the NCDs.

Issue Related Expenses

The expenses of this Issue include, among others, Fees for the Lead Managers, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses to be incurred for the Issue size of 150,000 lakhs (assuming the full subscription including the retention of over subscription of Rs. 100,000 lakhs) are as follows:

(Rs. in lakhs)

Activity	Expenses
Lead Management Fee	1,275
Advertising and Marketing Expenses	400
Printing and Stationery	200
Others (Brokerage, Debenture Trustee Fees, Registrars Fee, Credit Rating Fee, Legal Fees, Etc.)	2,175
Total	4,050

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of allotees, market conditions and other relevant factors.

Underwriting

This Issue has not been underwritten.

Details regarding the capital issue during the last three years by the Company and other listed companies under the same management within the meaning of section 370(1B):

The Company has not made any public or rights or composite issue of capital during the last three years. The other listed companies under the same management within the meaning of Section 370(1)(B) of the Companies Act, 1956 are : a) Tata Consultancy Services Limited b) Tata Investment Corporation Limited; c) Tata Teleservices (Maharashtra) Limited; d) Tata Elxsi Limited; and e) CMC Limited

Details of the companies under the same management which have made a public or rights issue in the last three years are set forth below:

Name of the company	Tata Investment Corporation Limited	Tata Teleservices (Maharashtra) Limited
Year of issue	2008-09	2006
Type of issue (Public/rights/composite)	Rights Issue of Zero Coupon Convertible Bonds (with detachable warrants)	Rights Issue
Amount of issue (Rs. Crores)	447.99	491.15
Date of closure of issue	October 16,2008	December 20, 2006
Date of completion of delivery of share/debenture certificates	October 31, 2008.	January 15, 2007
Date of completion of the project, where object of the issue was financing of a project	Not Applicable	Not Applicable
Rate of dividend paid	150% for the year 2007-08	NIL

Public / Rights Issues

The Company has not made any public or rights issuances in the last five years.

Previous Issues

Other than as specifically disclosed in this Prospectus, the Company has not issued any securities for cash.

Dividend

Our Company has no stated dividend policy. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Company has not paid any dividend on its equity shares in the last five years.

Revaluation of assets

The Company has not revalued its assets in the last five years.

Trading of Debentures

The privately placed debentures issued by the Company are listed on the WDM segment of NSE. The privately placed debentures on the recognised stock exchange have not been traded till date.

Mechanism for redressal of investor grievances

The MoU between the Registrar to the Issue and the Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed a Shareholders/Investors Grievance Committee on January 15, 2009 comprising of Mr. Janki Ballabh and Mr. Praveen Kadle. For further details, please refer to the chapter titled 'Our Management' beginning on page 40.

Mr. Shailesh Rajadhyaksha has been appointed as the Compliance Officer of the Company.

Change in auditors of the Company during the last three years

There has been no change in the auditors of the Company during the last 3 years except that in the FY 2007-08, M/s. Dhanbhoora & Co. have been replaced by M/s. Deloitte Haskins & Sells.

The earlier statutory auditors of the Company, i.e. M/s Dhanboora & Co. had expressed their desire not to be re-appointed at the conclusion of Annual General Meeting held on July 17, 2007. In view of the above, M/s Deloitte Haskins and Sells were appointed as statutory auditors of the Company at the said Annual General Meeting.

REGULATIONS AND POLICIES

The regulations set out below are not exhaustive and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for professional legal advice. Taxation statutes such as the Income Tax Act, 1961, Central Sales Tax Act, 1956 and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations such as the Trade and Merchandise Marks Act, 1958 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

1. Regulation of NBFCs registered with the RBI

NBFCs are primarily governed by the RBI Act, 1934 ("**RBI Act**"), the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2007 ("**APD Directions**"), the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (**"Non- Deposit Accepting Companies Directions")** and to a certain extent by the provisions of the Non- Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines, etc. issued by the RBI from time to time.

2. Types of Activities that NBFCs are permitted to carry out

Typically, an NBFC is a company registered under the Act which, either as its principal or part of its business is engaged in the activities of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/construction of immovable property.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important, key differences. The most important distinctions are as follows:

(i) an NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. This also implies that NBFCs are not permitted to issue negotiable instruments, such as cheques. For the same reason, NBFCs are not permitted to issue debit cards or stored value cards; and

(ii) the RBI generally (and in most cases, automatically) permits banks to act as authorised dealers, i.e. persons authorised to deal in foreign exchange. NBFCs will not be allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard.

3. Types of NBFCs:

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities.

In addition, the RBI has further stipulated that any company in which (i) financial assets represent more than 50% of its total assets and (ii) the income from such financial assets represents more than 50% of its gross income, would also be required to register itself with the RBI as an NBFC.

Further, an NBFC may be registered as a deposit accepting NBFC ("**NBFC-D**") or as a non-deposit accepting NBFC ("**NBFC-ND**"). NBFC-ND are further classified into Systemically Important NBFC-ND ("**NBFC-ND-SI**"). Thus, all NBFCs-ND with total asset size of Rs. 1,00,00,00,000 (Rupees hundred crore only) or more as per the last audited balance sheet are classified as NBFC-ND-SI. The Company has been registered with the RBI as a NBFC-ND-SI.

NBFCs registered with RBI are further classified as:

(i) asset finance companies;

(ii) investment companies; and/or

(iii) loan companies.

The Company has been classified as an investment/ loan Company.

4. Regulatory Requirements of an NBFC under the RBI Act

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a net owned fund of Rs. 2,00,00,000 (Rupees two crore only). For this purpose, the RBI Act has defined "net owned fund" to mean:

(a) the aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting:

- (i) accumulated balance of losses;
- (ii) deferred revenue expenditure; and
- (iii) other intangible assets.

(b) further reduced by the amounts representing:

- (i) investment by such companies in shares of its subsidiaries, companies in the same group, other NBFCs; and
- (ii) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group.

to the extent such amount exceeds 10% of (a) above.

5. Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such withdrawal.

6. Obligations of NBFC-ND under the Non-Deposit Accepting Companies Directions

NBFCs such as the Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D and are governed by the RBI's Non- Deposit Accepting Companies Directions.

NBFC ND-SIs are required to comply with prescribed capital adequacy ratios, single and group exposure norms, and other specified prudential requirements prescribed under these Directions. Some of the important obligations are as follows (there are certain relaxations and exceptions available, but the following provides a summary of applicable restrictions):

(i) Capital Adequacy Ratio: NBFCs-ND-SI are required to maintain a minimum capital to risk-weighted assets ratio ("**CRAR**") of 10%. However, by recent amendments vide circular dated August 1, 2008, the RBI has increased the minimum CRAR, and NBFCs-ND-SI have been directed to achieve 12% CRAR by March 31, 2009 and 15% CRAR by March 31, 2010.

(ii) Single/Group Lending Exposure: There are restrictions on lending by an NBFC-ND-SI to a single borrower or a single group of borrowers. As per these restrictions, no NBFC-ND can lend to any 'single borrower' in excess of 15% of its owned funds and to any 'single group of borrowers' in excess of 25% of its owned funds.

(iii) Single/Group Investment Exposure: The Non-Deposit Accepting Companies Directions also prohibit an NBFC-ND-SI to invest in the shares of another company in excess of 15% of its owned funds and to invest in the shares of a 'single group of companies' in excess of 25% of its owned funds.

(iv) Single/Group Lending and Investment Exposure: No NBFC-ND-SI can lend and invest together in excess of 25% of its owned funds to a 'single party' and in excess of 40% of its owned fund to a 'single group of parties'.

(v) All NBFC-ND-SI are required to submit a monthly compliance report to the RBI.

(vi) Recently, the RBI has introduced a system of reporting for NBFCs-ND-SI whereby regular reports (in the prescribed formats) on short term dynamic liquidity, structural liquidity and interest rate sensitivity would have to be submitted. Such requirement for such reporting has commenced with effect from the period ending September 30, 2008. The periodicity of the statement of short term dynamic liquidity is monthly and it is required to be furnished to the RBI within 10 days of the close of the month to which it relates. The periodicity of the statement of structural liquidity is half-yearly and the statement is required to be submitted to the RBI within 20 days of the close of the half-year to which it relates. However, in order to enable NBFCs to finetune their system, the first return for the period ended September 2008 is required to be submitted by the first week of January 2009.

Apart from the above, every NBFC-ND is required to pass a resolution, within thirty days of each financial year to the effect that the company has neither accepted public deposit, nor would accept any public deposit, during the said financial year. Copies of such resolutions are required to be submitted to the statutory auditor of the company and also to be filed with the RBI.

An NBFC-ND is also required to inform the RBI of any change in the address, telephone nos, etc. of its Registered Office; names and addresses of its directors/ auditors; names and designations of its principal officers; the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

All NBFCs (whether accepting public deposits or not) having an asset base of Rs 100 crore or more or holding public deposits of Rs 20 crore or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System. Similarly, all NBFCs are required to comply with "Know Your Customer Guidelines – Anti Money Laundering Standards" issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

7. Corporate Governance

Pursuant to RBI circular (DNBS.PD/CC 94/03.10.042/2006-07) dated May 8, 2007, the RBI has proposed certain corporate governance guidelines for the consideration of all NBFC–D with an asset size of Rs. 20 crore or more and all NBFC-ND-SI. The guidelines recommend that the aforesaid types of NBFCs constitute an Audit Committee, a Nomination Committee (to ensure that fit and proper persons are nominated as directors on their respective boards) and a Risk Management Committee to institute risk management systems. The guidelines have also issued instructions relating to credit facilities to directors, loans and advances to relatives of the directors of the said NBFCs or to the directors of other companies and their relatives and other entities, timeframe for recovery of such loans, etc. Such NBFCs are also required to frame internal corporate governance guidelines based on the guidelines issued by the RBI on May 8, 2007.

8. Accounting Standards & Accounting policies

Subject to the changes in Indian Accounting Standards and regulatory environment applicable to an NBFC or even otherwise we may change our accounting policies in the future and it might not always be possible to determine the effect on Profit and Loss account of these changes in each of the accounting years preceding the change.

In such cases our profit/ loss for the preceding years might not be strictly comparable with the profit/ loss for the period for which such accounting policy changes are being made.

9. Reporting by Statutory Auditor

The statutory auditor of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

10. Other Regulations

In addition to the above, the Company is required to comply with the provisions of the Act, Foreign Exchange Management Act, 1999, taxation and other applicable statutes of both the State and Central Government.

11. Exchange Control Regulations governing NBFCs

The exchange control laws of India regulates and governs foreign investment in certain categories of financial service companies in India and the categories of activities which can be carried on by such companies after they have received foreign direct investment.

SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

Article 19 provides that the Board has the discretion to refuse applications for sub-division or consolidation of debentures in denominations of less than the marketable lot.

Article 20 requires that the Company shall within three months after the allotment of debentures and within two months of after the application for registration of transfer of such debentures, complete and deliver or dispatch the certificates of all the debentures allotted or transferred unless the conditions of the issue of debentures provide otherwise.

Article 79 authorizes the Directors of the Company to borrow or raise money for the purposes of the Company. However, the total amount of borrowings of the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate of the paid up capital of the Company and its free reserves without being granted the consent of the Company in General Meeting.

Article 80 provides that the Directors of the Company may secure the payment of such amounts by *inter alia* issue of perpetual or redeemable debentures or debenture stock. According to **Article 172**, the Board of Directors can exercise the power to issue debentures only by means of resolutions passed at their duly constituted meetings.

Article 81 provides that any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Directors of the Company who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.

Article 82 provides that the debentures, debenture stock and other securities of the Company may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Article 83 provides the Company may issue any bonds, debentures, debenture stock, or other securities at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending and voting at general meeting of the Company, appointment of Directors of the Company and otherwise. However, an option to call for or be allotted shares of the Company or the privilege to vote at the general meetings of the Company apart from the situation when any interest is in arrears shall not be attached to any bonds, debentures, debenture stock or other securities except with the sanction of the Company in general meeting.

Article 130 provides that as long as any moneys by way of loans/ privately placed debentures remain owing by the Company to any financial institution as defined under the Act, the financial institutions shall jointly have a right to nominate such number of persons as Directors on the Board of the Company as may be agreed to by the Directors.

Article 131 provides that as long as any debentures issued by the Company remain outstanding the holders of such debentures shall in accordance with trust deed securing such debentures have the right to appoint and nominate any person or persons as a Director or Directors on the Board of the Company. Such Directors would be known as 'Debenture Director(s)'. The Board of Directors of the Company shall have no power to remove the Debenture Director. The Debenture Director shall have all the rights and privileges as any other Director other than a managing or whole time director and would not be liable to retire by rotation but would be subject to the provisions of the trust deed securing such debentures.

If a person holding any debenture of the Company fails to pay any amounts due on such debentures, such debentures would be forfeited by a resolution of the Board after a due notice has been served on the debenture holder in this regard. **Article 44** states that the provisions in the Articles with regard to forfeiture and lien in respect of the shares of the Company (Article 32 to Article 43) shall apply *mutatis mutandis* to debentures of the Company in this regard.

Article 56 (b) provides that on the death of a debenture holder of the Company, the Company shall confer the debentures or the interest of the deceased debenture holder to the person/ persons nominated by the debenture holder in accordance with the rules framed by the Board or if no such person is nominated, to the heir or legal representative of the deceased debenture holder. This Article also states that nomination and transmission of shares and debentures will be governed by the provisions of section 109A and 109B of the Act as amended from time to time.

Article 46 provides that subject to the provisions of section 108 of the Act or any other applicable provisions thereof, the shares in the Company shall be transferred by an instrument in writing in such form and by such procedure as may be prescribed by law from time to time. Subject thereto, the Directors of the Company may prescribe a common form or instrument of transfer which may from time to time be altered by the Directors of the Company.

Article 50 provides that subject to section 111 of the Act, the Directors of the Company may at their absolute and uncontrolled discretion, decline to register or acknowledge any transfer of shares and shall not be bound to give any reason for such refusal.

Article 195 provides that the Company in its general meeting may, upon the recommendation of the Board of the Company, resolve that any amounts standing to the credit of the securities premium account or the capital redemption reserve account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realization and, where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the general reserve, reserve or any reserve fund or any other fund of the Company or in the hands of the Company and available for dividend be capitalized :

(a) by the issue and distribution as fully paid up, of shares and if and to the extent permitted by the Act, of debentures, debenture stock, bonds or other obligations of the Company, or

(b) by crediting shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.

Such issue and distribution and such payment to credit to unpaid share capital shall be made to, among and in favour of the members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution or payment, as the case may be, shall be made on the footing that such members become entitled thereto as capital.

For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.

Article 201 states that if the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid-up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively. If the assets available are more than sufficient to repay the whole of paid up capital at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to capital which was paid-up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively. This Article does not prejudice the rights of the holders of shares issued upon special terms and conditions.

Article 202 (1) states that if the Company is wound up the liquidators may with the sanction of a special resolution, divide amongst the contributories in specie or in kind, any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees of trusts created for the benefits of the contributories.

Article 202 (2) provides that if considered expedient and subject to the provisions of the Act, the division of the assets of the Company may be done in a manner otherwise than in accordance with the legal rights of the contributories (except where such rights are unalterably fixed by the Memorandum of Association of the Company). In particular any class may be given preferential or special rights or may be excluded all together or in part. In such a case, any contributory who would be prejudiced shall have a right to dissent and ancillary rights as if such determination of division of assets were a special resolution passed pursuant to section 494 of the Act.

TATA

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company situated at One Forbes, Dr. V B Gandhi Marg, Fort, Mumbai – 400 001 from 10.00 AM to 5 P.M on any business days from the date of this Prospectus until the date of closure of the Issue.

A. Material Contracts

1. Engagement Letter dated January 01, 2009 received from the Company appointing ICICI Securities Limited, Citigroup Global Markets India Private Limited and DSP Merill Lynch Limited to act as Lead Managers to the Issue.
2. MOU dated January 21, 2009 between the Company and the Lead Managers
3. MOU dated January 16, 2009 with Registrar to the Issue
4. Form of the Debenture Trust Deed to be executed between the Company and the Debenture Trustee
5. Escrow agreement dated January 21, 2009 executed by the the Company, the Registrar, the Escrow Collection Bank(s) and the Lead Managers

B. Material Documents

1. Certificate of Incorporation of the Company dated March 8, 1991.
2. Memorandum and Articles of the Company.
3. Shareholders Resolution passed at the Annual General Meeting held on June 17, 2008 appointing M/s. Deloitte Haskins & Sells, Chartered Accountants, as statutory auditors for FY 2008-09.
4. Credit rating letter dated December 8, 2008 and January 6, 2009 from ICRA and CARE respectively.
5. Copy of the resolution dated September 18, 2007 appointing the Managing Director of the Company.
6. Copy of the Board Resolution dated December 1, 2008 approving this Issue.
7. Resolution passed by the shareholders of the Company at the Extra-Ordinary General Meeting held on December 18, 2007 approving the overall borrowing limit of Company.
8. Consents of the Directors, Auditors, Lead Managers to the Issue, Lead Brokers to the Issue, Advisors to the Issue, Debenture Trustee, Credit Rating Agencies, Legal Advisor to the Issuer, Legal Advisor to Lead Manager(s), Bankers to the Issue, Bankers to the Company and the Registrars to the Issue, to include their names in the Prospectus to act in their respective capacities.
9. Board resolution dated December 18, 2007 for appointment of Company Secretary as Compliance Officer and consent dated December 31, 2008 thereto.
10. The Report of the Auditors as set out herein dated January 16, 2009 in relation to the financials of the Company for the last five financial years i.e. FY 2003-04 to FY 2007-08 and half year ended September 30, 2008.
11. Annual Reports of the Company for the last five Financial Years i.e. FY 2003-04 to FY 2007-08 and for half year ended September 30, 2008.
12. NSE in-principle listing approval letter dated January 20, 2009.
13. Due Diligence certificate dated January 21, 2009 filed by the Lead Managers and the Debenture Trustee respectively.
14. Tripartite agreement with CDSL dated December 19, 2008.

15. Tripartite agreement with NSDL dated January 16, 2009.
16. Copy of the agreement appointing the Managing Director of the Company dated October 21, 2008.
17. Tata Brand Equity and Business Promotion Agreement dated July 2, 2007 entered into between Company and Tata Sons Limited for use of the Tata brand name.
18. Investment Agreement dated December 15, 2007 (along with the Supplemental Investment Agreement dated October 17, 2008) entered into by the Company for the subscription towards equity share capital of e-NXT Financials Limited.
19. Approval dated February 14, 2008 from the Central Government in relation to the remuneration of the Managing Director.
20. Subscription agreement dated March 14, 2008 between the Company and Travorto Holdings Limited.

DECLARATION

We, the Directors of the Company, certify that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines issued thereunder, as the case may be

Yours faithfully

On behalf of the Board of Directors of Tata Capital Limited

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F K Kavarana

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Ishaat Hussain

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F.N.Subedar

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H.N.Sinor

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Janki Ballabh

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Praveen P Kadle

Place : Mumbai

Date : January 21, 2009