

June 4, 2024

To,

**The Board of the Directors**

Tata Capital Limited  
11th Floor, Tower A,  
Peninsula Business Park,  
Ganpatrao Kadam Marg,  
Lower Parel, Mumbai – 400013

**Sub: Fairness opinion report on Share and NCD Exchange Ratio Report for the Proposed Amalgamation of Tata Motors Finance Limited into Tata Capital Limited (the "Report")**

This has reference to our ongoing discussions and engagement letter ("**Engagement Letter**") with Tata Capital Limited ("**Company**" or "**TCL**") whereby TCL has engaged ICICI Securities Limited ("**I-Sec**"), a registered Merchant Banker which is independent to the Valuer, *inter alia*, to provide a fairness opinion to the Company on the Share and NCD Exchange Ratio Report, dated June 4, 2024 ("**Share and NCD Exchange Ratio Report**"), issued by Ernst & Young Merchant Banking Services LLP (IBBI Registration No. IBBI/RV-E/05/2021/155) in their capacity as independent registered valuer ("**Valuer**") for the Proposed Amalgamation of Tata Motors Finance Limited ("**TMFL**") into TCL ("**Proposed Amalgamation**"). We do not have any conflict in carrying out this fairness opinion.

Proposed Amalgamation is through a Scheme of Arrangement under the provisions of Sections 230-232 read with Section 52 and Section 66 and the other applicable provisions of the Companies Act, 2013 and Rules made there under ("**Proposed Scheme**").

**Brief Background of the Proposed Scheme**

The Proposed Scheme envisages, *inter alia*, the amalgamation of TMFL with TCL, whereby equity shares of TCL will be issued to the shareholders of TMFL.

For the aforesaid purpose, the management of TCL has appointed the Valuer to prepare a Share and NCD Exchange Ratio Report (including the approach for recommendation of transfer of NCDs of TMFL to TCL), as may be applicable for the Proposed Scheme, to be placed before the Board and its committees of the Company.

 

The Company appointed Valuer in the Share and NCD Exchange Ratio Report has arrived at a share exchange ratio of 37 (Thirty Seven) shares of TCL (of Rs 10 each fully paid up) for every 100 (One Hundred) shares of TMFL (of Rs 100 each fully paid up).

The Value has recommended NCD exchange ratio of:

*For every 1 (One) NCD of TMFL, 1 (One) NCD of TCL of equivalent face and paid-up value, coupon rate, tenure, redemption price and quantum and nature of security offered, etc.*

In this connection we have been requested by the Company to render our advice by way of a fairness opinion on the Share and NCD Exchange Ratio Report from a financial point of view to the Board of Directors of TCL through audit committee of the board as to whether the share exchange ratio and NCD exchange ratio, as recommended by the Valuer in the Share and NCD Exchange Ratio Report and based on the valuation analysis carried out by the Valuer, which forms the basis for the Proposed Scheme, is fair and reasonable.

The fairness opinion is intended only for the sole use and information of the Company only in connection with the Proposed Scheme including for the purpose of obtaining judicial and regulatory approvals for the Proposed Scheme. We are not responsible in any way to any other person / party for any decision of such person or party based on the fairness opinion. Any person / party intending to provide finance / invest in the shares / business of any of the Companies or their subsidiaries/joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of the fairness opinion or any part thereof, other than in connection with the Proposed Scheme as aforesaid can be done only with our prior permission in writing. We acknowledge that the fairness opinion will be shared to the extent as may be required, with the relevant High Court, shareholders and creditors at their respective meetings, NCLT, stock exchanges, advisor of the Company in relation to the Proposed Scheme, as well as with the statutory authorities.

#### **SOURCES OF INFORMATION**

In arriving at the opinion set forth below, we have reviewed:

- (a) Share and NCD Exchange Ratio Report issued by the Valuer

  




- (b) Draft Scheme of Arrangement for the Proposed Amalgamation
- (c) Audited consolidated financial statements for the year ended 31 March 2024 for TCL
- (d) Audited financial statements for the year ended 31 March 2024 for TMFL
- (e) Consolidated financial projections of TCL and financial projections of TMFL for the period from 1 April 2024 to 31 March 2027
- (f) Financial and listed stock price information of comparable companies to the extent available in the public domain
- (g) Other relevant information, discussions (including orally) and documents as provided by Company for purpose of this engagement

### SCOPE LIMITATIONS

Our fairness opinion is subject to the scope limitations detailed hereinafter. As such the fairness opinion is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements including the working results of the Company or their businesses referred to in the fairness opinion. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in the fairness opinion.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the Share and NCD Exchange Ratio Report for the Proposed Scheme. It may not be valid for any other purpose or if done on behalf of any other entity.

Our analysis and results are also specific to the date of the fairness opinion and based on information upto 31<sup>st</sup> March, 2024. An exercise of this nature involves consideration of various factors. The fairness opinion is issued on the understanding that the Company has drawn our attention to all the matters, which they are aware of concerning the financial position of the Company, their businesses, and any other matter, which may have an impact on our opinion, on the Share and NCD Exchange Ratio Report for the Proposed Scheme, including any significant changes that have taken place or are likely to take place in the financial position of the Company or their businesses subsequent to the proposed appointed date for the Proposed Scheme. We have no responsibility to update the fairness opinion for events and circumstances occurring after the date of the fairness opinion.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that

