

FAIRNESS OPINION REPORT
BASIS THE REPORT ISSUED BY THE REGISTERED VALUER ON THE NCD
ENTITLEMENT RATIO FOR THE PROPOSED AMALGAMATION OF TMF HOLDINGS
LIMITED WITH AND INTO TATA MOTORS LIMITED.



SBI CAPITAL MARKETS LTD.
Unit No. 1501, 15th floor, A& B Wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex
Bandra (East), Mumbai- 400 051
Tel. (022) 4196 8300
Website: www.sbicaps.com

A Subsidiary of State Bank of India

January 29, 2026

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ABBREVIATIONS

Abbreviations	Nomenclature
BSE	Bombay Stock Exchange
CV	Commercial Vehicle
FY	Financial Year
NCD	Non-Convertible Debentures
NSE	National Stock Exchange
SBICAPS	SBI Capital Markets Limited
TML	Tata Motors Limited
TMFHL	TMF Holdings Limited
TMFBSL	TMF Business Services Limited

1 BACKGROUND

There is a proposal before the Board of Directors of **TATA MOTORS LIMITED** ("Amalgamated Company" or "TML") to amalgamate **TMF Holdings Limited** ("Amalgamating Company 1" or "TMFHL") and **TMF Business Services Limited** ("Amalgamating Company 2" or "TMFBSL") with and into TML under a Composite scheme of arrangement under sections 230-232 of Companies Act, 2013, including the rules and regulations made thereunder (hereinafter referred to as the "Draft Scheme"). The said transaction is referred to as the "**Proposed Composite Scheme of Amalgamation**" or "**Proposed Transaction**".

Tata Motors Limited ("TML") vide offer letter dated January 28, 2026 ("Engagement Letter") has engaged SBI Capital Markets Limited ("SBICAPS"), to provide a Fairness Opinion Report to the Board of Directors of TML on the NCD Entitlement Ratio for the proposed amalgamation of TMFHL with and into TML pursuant to the Proposed Composite Scheme of Arrangement as recommended by PwC Business Consulting Services LLP, Registered Valuer ("PWC" or "Valuer") under their report issued dated January 29, 2026 ("Valuation Report")

1.1 About Companies

1.1.1 Tata Motors Limited:

TATA MOTORS LIMITED (formerly known as TML Commercial Vehicles Limited), is a public limited company incorporated under the laws of India bearing corporate identification number L29102MH2024PLC427506 and having its registered office at Bombay House, 24 Homi Mody Street, Stock Exchange, Mumbai, Maharashtra 400001 ("**Tata Motors**", and for the purpose of Composite Scheme of Amalgamation set out in the Draft Scheme, the "**Amalgamated Company**").

TML is directly and indirectly through its subsidiaries and joint ventures, engaged inter alia in the business of (a) development, design, manufacture, procurement, assembly, sale, services, annual maintenance contracts and distribution of commercial vehicles (including new and/or refurbished vehicles), and sale of related parts and accessories, (b) commercial vehicle related digital businesses including Fleet Edge, E-Dukaan, Fleet Verse, etc., (c) offering an extensive range of integrated, smart and e-mobility solutions in the commercial vehicles space, and (d) other related businesses including equipment business (construction, earth-moving machinery etc.), and contract manufacturing of commercial vehicles and parts under any subsisting arrangement, in each case, in India and / or abroad.

Share Capital details of TML:

The Issued, Subscribed and Paid-up equity share capital of TML as on January 29, 2026, is ~Rs. 736.5 crores consisting of 3,68,23,31,373 equity shares of face value of Rs. 2 each fully paid up.

The equity shareholding pattern is as follows:

Category	Number of Equity Shares	% Shareholding
Promoter & Promoter Group	1,567,369,812	42.6%
Public and Others	2,114,961,561	57.4%
Total	3,682,331,373	100.0%

Source: Based on the information provided by Company

Further, TML has listed outstanding NCDs of INR ~2,300 crores as of January 29, 2026. The details of outstanding NCDs are as follows:

Details of NCDs	Number of NCDs	Face Value (INR)
E-28B Tranche I	2,500	1,000,000
E-28B Tranche II	2,500	1,000,000
E30-A	5,000	1,000,000
E31-A Tranche I	50,000	100,000
E31-A Tranche III	80,000	100,000

Source: Based on the information provided by Company in Draft Composite Scheme of Amalgamation

1.1.2 TMF HOLDINGS LIMITED:

TMF Holdings Limited is a public limited company incorporated under the laws of India bearing corporate identification number U65923MH2006PLC162503. TMFHL, a wholly owned subsidiary of TML, is registered as a systemically important, non-deposit taking core investment company (CIC-ND-SI) with the Reserve Bank of India ('RBI') and is primarily engaged in the business of investing, granting of loans, guarantees and other forms of finance to its subsidiaries and/ or group companies. While the NCDs of TMFHL are listed on NSE, the equity shares of TMFHL are not listed on any recognised stock exchange. As represented by the Management, the paid-up equity share capital of TMFHL as of January 29, 2026 is -INR 2,491.6 crore consisting of 2,491,593,442 equity shares of face value of INR 10/- each fully paid up.

The equity shareholding pattern is as follows:

Category	Number of Equity Shares	% Shareholding
Promoter & Promoter Group	2,491,593,442	100.0%
Total	2,491,593,442	100.0%

Source: Based on information provided by the Company

Further, TMFHL has listed outstanding NCDs of INR ~1,700 crores as of January 29, 2026. The details of outstanding NCDs are as follows:

Details of NCDs	Number of NCDs	Face Value (INR)
Series E FY20-21	1,500	1,000,000
Series F FY20-21	1,500	1,000,000
Series G FY20-21	1,500	1,000,000
Series H FY20-21	1,000	1,000,000
Series I FY20-21	1,000	1,000,000
Series A FY21-22	2,500	1,000,000
Series B FY21-22	2,000	1,000,000
NCD A FY22-23 (Zero Coupon Debentures)	6,000	1,000,000

Source: Based on the information provided by Company in Draft Composite Scheme of Amalgamation

Further, it is understood from the Management that TMFHL holds ~4.39% stake in Tata Capital Limited, a listed company on BSE and NSE.

1.1.3 TMF Business Services Limited:

TMF Business Services Limited is a public limited company incorporated under the laws of India bearing corporate identification number U45200MH1989PLC050444. TMFBSL, a wholly owned subsidiary of TMFHL, is engaged in the business of leasing of vehicles manufactured by TML and its group companies. The equity shares of TMFBSL are not listed on any recognised stock exchange. As represented by the Management, the paid-up equity share capital of TMFBSL as of January 29, 2026 is -INR 37.22 crore consisting of 97,965,969 equity shares of face value of INR 3.80/- each fully paid up.

Category	Number of Equity Shares	% Shareholding
Promoter & Promoter Group	97,965,969	100.0%
Total	97,965,969	100.0%

Source: Based on information provided by the Company

We understand that, without approval of the shareholders, there would not be any variation in the equity capital of TML, TMFHL and TMFBSL till the proposed Scheme becomes effective

1.2 Transaction Overview

In accordance with the provisions of the Draft Composite scheme of Amalgamation and Valuation Report of PWC both shared by the Company, it is given to understand that:

- The Proposed Transaction contemplates the amalgamation of TMFHL and TMFBSL with and into TML. While

TMFHL has outstanding NCDs, TMFBSL does not have any outstanding NCDs.

- Pursuant to the proposed Scheme, all outstanding debt instruments of TMFHL and TMFBSL (including NCDs issued by TMFHL) shall be transferred to and vested in TML on the same terms and conditions (including coupon rate, tenure, redemption price, quantum and nature of security) as applicable to TMFHL and TMFBSL as on the record date and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in TML, as if it were the issuers of these NCDs and such NCDs shall continue to remain listed, with TML recognized as the issuer in place of TMFHL. TMFBSL does not have any outstanding NCDs.
- TMFHL is an investment holding company with no operations of its own. Upon amalgamation, TML, an operating company with stable revenues and margins, will assume these NCDs, thereby enhancing the serviceability of the NCDs. Considering the quantum of NCDs to be vested in TML, along with its net worth and margins, PWC ("the Valuer"), expects the credit rating of the NCDs to remain unchanged.
- In consideration of the above, in terms of the proposed Composite Scheme of Amalgamation, the Valuer has arrived at "NCD Entitlement Ratio" as follows:
 - 1 (one) NCD of TML of equivalent face and paid-up value, coupon rate, tenure, redemption price and quantum and nature of security offered etc, for every 1 (One) NCD of TMFHL.
 - As per the Draft Composite Scheme of Amalgamation, it is understood that the appointed Date for the Transaction is 1st April 2026.

TML in terms of the Engagement Letter have requested us to issue our opinion on the fairness of the NCD Entitlement Ratio as recommended by the Valuer ("Fairness Opinion").

1.3 Sources of Information

In connection with the exercise, SBICAPS has used the following information received from the Management / Company and gathered from the public domain:

1. Valuation Report issued by the Registered Valuer for the Proposed Transaction dated January 29, 2026.
2. Draft Composite Scheme of Amalgamation for the Proposed Transaction.
3. Unaudited financials of TML, TMFHL & TMFBSL for the period ended on September 30, 2025.
4. Terms of NCDs, applicable coupon rate, interest coupon basis (floating/ fixed), coupon reset period, residual tenor of NCDs, nature of security, etc., issued by TMFHL
5. Terms of NCDs, applicable coupon rate, interest coupon basis (floating/ fixed), coupon reset period, residual tenor of NCDs, nature of security, etc to be issued by TML as per the proposed Composite Scheme of Amalgamation.
6. Credit ratings of existing NCDs of TMFHL and TML
7. Other relevant information and documents for the purpose of this engagement available on public domain & provided by the Company with respect to proposed Composite Scheme of Amalgamation.
8. Such other information and explanations / clarifications as required, and which have been provided by the Management with respect to proposed Composite Scheme of Amalgamation.
9. Such other Information received during discussion with the Registered Valuer, if any.

2 VIEW ON FAIRNESS OF THE TRANSACTION

As understood from the Draft Composite Scheme of Amalgamation and Valuation Report of PWC dated January 29, 2026, both shared by the Company, upon the Draft Scheme being effective, the NCDs of TMFHL shall be transferred to and vested in TML on the same terms and conditions (including coupon rate, tenure, redemption price, quantum and nature of security) as applicable to TMFHL as on the record date and all rights, powers, duties

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and obligations in relation thereto shall be and stand transferred to and vested in TML and such NCDs shall continue to remain listed, with TML recognized as the issuer in place of TMFHL.

In accordance with Regulation 59A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the relevant SEBI Master Circular thereto, based on our examination of the Valuation Report received from Registered Valuer, such other information/undertakings/representations provided to us by the Management and our high level analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, SBICAPS is of the opinion that the recommendation made by the Registered Valuer of the NCD Entitlement Ratio is fair which is as under:

The NCD Entitlement Ratio for the for the proposed amalgamation of TMF Holdings Limited with and into Tata Motors Limited pursuant to a composite scheme of amalgamation is as under:

1 (one) NCD of TML of equivalent face and paid-up value, coupon rate, tenure, redemption price and quantum and nature of security offered etc, for every 1 (One) NCD of TMFHL.

PWC, the Valuer has not applied any of the valuation methods to arrive at value per NCD, since the NCD holders of TMFHL would hold same instruments in TML and thus, as per their report dated January 29, 2026, there will be no change in the value of the NCD.

Consideration of factors for opining on the comments on the impact of the Composite Scheme of Amalgamation on NCD holders:

- It may be noted from the information received from the Company and Valuation Report of the Valuer dated January 29, 2026, the NCDs of TMFHL shall be transferred to and vested in TML on the same terms and conditions (including coupon rate, tenure, redemption price, quantum and nature of security) as applicable to TMFHL as on the record date and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in TML and such NCDs shall continue to remain listed, with TML recognized as the issuer in place of TMFHL pursuant to the Composite Scheme of Amalgamation.
- It is expected that TML, being an operational Company, there will be operational cashflows available for servicing of NCDs. In addition to the above, there is also an investment of 4.39% stake in Tata Capital Ltd which is held by TMFHL (Amalgamating Company 1).
- Hence, based on the foregoing considerations, examination of the Valuation Report, such other information / undertakings / representations provided to us by the Management and our broad analysis of such information and subject to the scope limitations as mentioned hereinabove, we are of the opinion that since the NCDs of TMHFL will be transferred and vested into TML on the same terms and conditions applicable to TMFHL as on the record date upon the proposed Scheme coming into effect, the overall economic interest of NCD holders of TMFHL will not be adversely affected by the proposed Composite Scheme of Amalgamation.

While we have provided our recommendation on the fairness of the NCD Entitlement Ratio based on the information available to us, information provided by the Company, Valuation report dated January 29, 2026 and within the scope and constraints of our engagement, others may have a different opinion as to the NCD Entitlement Ratio. The final responsibility for the determination of the NCD Entitlement Ratio at which the Proposed Transaction shall take place will be with the Board of Directors of the respective companies who should take into account other factors such as their own assessment of the proposed Scheme and input of other advisors.

Yours Sincerely,

For SBI Capital Markets Limited

Sanku Sanku
Authorized Signatory

