

TMF Holdings Limited

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TMF HOLDINGS LIMITED ("COMPANY" or "TMFHL") AT ITS MEETING HELD ON JANUARY 29, 2026 IN MUMBAI RECOMMENDING THE DRAFT COMPOSITE SCHEME OF AMALGAMATION AMONGST TML AND TMF HOLDINGS LIMITED AND TMF BUSINESS SERVICES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

1. Background:

- 1.1 Based on the recommendations of the Audit Committee of the Company, the Board of Directors of the Company ("**Board**") at its meeting held on January 29, 2026, had, subject to the approval of the members and/ or creditors, as may be required, the Hon'ble National Company Law Tribunal ("**NCLT**") having jurisdiction over Tata Motors Limited (*formerly TML Commercial Vehicles Limited*) "**TML**" or "**Amalgamated Company**", TMF Holdings Limited ("**Company**" or "**TMFHL**" or "**Amalgamating Company 1**"), and TMF Business Services Limited ("**TMFBSL**" or "**Amalgamating Company 2**" collectively with the Amalgamating Company 1 "**Amalgamating Companies**"), receipt of observation or no-objection letters from BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" collectively with the BSE the "**Stock Exchanges**") and the Securities Exchange Board of India ("**SEBI**"), as may be required, and other relevant authorities, approved the draft Composite Scheme of Amalgamation amongst the Company, TML, TMFBSL and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") on the terms and conditions as stated therein ("**Scheme**").
- 1.2 The draft Scheme shall be filed with the stock exchanges on which the shares and non-convertible debentures of the Company, are listed, i.e., BSE and NSE, pursuant to Regulation 59A of the Listing Regulations read with Chapter XII of SEBI Master Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000103 '*Master circular for listing obligations and disclosure requirements for non-convertible securities, securitized debt instruments and/or commercial paper*' dated July 11, 2025 ("**SEBI Scheme Circular – Debt**") for obtaining a no-objection letter from the Stock Exchanges.
- 1.3 The Scheme will be presented before the National Company Law Tribunal, bench at Mumbai ("**NCLT**") under Sections 230 to 232 and other applicable provisions of the Act and will also be in compliance with the applicable provisions of the Income-tax Act, 1961 and the SEBI Scheme Circular - Debt.
- 1.4 The draft Scheme was recommended for final consideration and approval of the Board, by the Audit Committee of the Company at its separate meetings held on January 29, 2026.
- 1.5 As per Section 232(2)(c) of the Act, a report is required to be adopted by the Board of Directors of the Company explaining the effect of the Scheme explaining effect of scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties. Further, pursuant to the requirements of the SEBI Scheme Circular – Debt, the Board is required to also prepare a report recommending the draft Scheme,

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taking into consideration, inter-alia, the Valuation Report and ensuring that the scheme is not detrimental to the holders of the NCDs. This report shall also comment on the following: (i) Impact of the Scheme on the holders of NCDs, (ii) Safeguards for the protection of holders of NCDs, (iii) Exit offer to the dissenting holders of NCDs, if any.

- 1.6 Accordingly, this Report is being prepared to comply with the requirements of the Act read with the SEBI Scheme Circular-Debt and for adoption by the Board.

2. Overview of the Scheme:

The Scheme is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act and provides for *inter alia* the following:

- (a) the amalgamation of the Amalgamating Companies with the Amalgamated Company with effect from the Appointed Date, in accordance with the provisions of Section 2(1B) and other relevant provisions of the Income-tax Act, 1961;
- (b) consequent dissolution of the Amalgamating Companies without being wound up;
- (c) various other matters consequential or otherwise integrally connected therewith in the manner set out in the Scheme.

Words and expressions, used in capitalized form but not defined in this Report, shall have the meaning ascribed to them in the Scheme.

3. Documents Placed before the Board

Having regard to the applicability of the aforesaid provisions, the following documents were placed before the Board:

- a) Draft of the Scheme;
- b) Report dated January 29, 2026 issued by PwC Business Consulting Services LLP, Registered Valuers (IBBI Reg No.: IBBI/RV-E/02/2022/158) on recommendation of fair non-convertible debenture entitlement ratio for the proposed merger of the Company with Amalgamated Company ("**Valuation Report**");
- c) Fairness Opinion dated January 29, 2026 issued by SBI Capital Markets Limited, Independent Merchant Banker, in connection with the non-convertible debenture entitlement ratio for the proposed merger of the Company with Amalgamated Company as recommended in the Valuation Report;
- d) Auditors' Certificate dated January 29, 2026 issued by B.R. Maheswari and Company LLP, Chartered Accountants, Statutory Auditors of the Company, certifying the payment/ repayment capability of the resultant entity and that the Accounting treatment in the draft Scheme is in compliance with all the Accounting Standards specified by the Central Government under Section 133 of the Act

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read with the rules framed thereunder or the Accounting Standards issued by ICAI, as applicable, and other generally accepted accounting principles;

- e) Other presentations, reports, documents and information made to/ furnished before the Board pertaining to the draft Scheme.

4. Rationale of the Scheme

The rationale of the Scheme is as stated below:

- (a) Rationalisation and simplification of structure by reducing the number of legal entities thereby reducing structural complexity, and facilitating more efficient management;
- (b) Elimination of administrative duplications, consequently reducing administrative and other associated costs of maintaining separate entities;

5. Effect of the Scheme on equity shareholders (promoter and non-promoter shareholders) of the Company:

- (a) The Amalgamating Companies are direct and indirect wholly-owned subsidiaries of the Amalgamated Company. Upon the Scheme becoming effective, the shares directly and indirectly held by the Amalgamated Company in the Amalgamating Companies will stand cancelled and no consideration shall be paid by the Amalgamated Company for the mergers.
- (b) There will be no change in the economic interest of the shareholders and shareholding pattern of the Amalgamated Company, before and after Scheme; and
- (c) Upon the Scheme becoming effective, the Amalgamating Company 1 and Amalgamating Company 2 shall be dissolved without being wound up.

6. Effect of the Scheme on Directors and Key Managerial Personnel of the Company:

- (a) The Scheme is not expected to have any effect on the directors and key managerial personnel of the Company. Further, no change in the Board of Directors of the Company is envisaged on account of the Scheme.
- (b) The directors holding shares of the Company do not have any other interest in the Scheme otherwise than that as shareholders of the Company. Further, none of the key managerial personnel and / or relatives of the directors of the Company are concerned or interested, financially or otherwise in the proposed Scheme. Save as aforesaid, none of the directors of the Company have any material interest in the proposed Scheme.

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7. Effect of the Scheme on NCD holders

For Amalgamating Company 1 NCDs:

- (a) **Impact of the Scheme on the holders of the NCDs:** Pursuant to the Scheme, there will be no change in terms and conditions of the Amalgamating Company 1 NCDs as prevailing on the Record Date (other than change in the issuer of the relevant NCDs). Amalgamating Company 1 NCDs shall become the NCDs of Amalgamated Company pursuant to this Scheme. It is clarified that the Amalgamating Company 1 NCDs, as on the Record Date, shall stand vested in or be deemed to have been vested in and shall be exercised by or against the Amalgamated Company, on the same terms and conditions applicable on the Record Date, as if it was the issuer of such NCDs pursuant to this Scheme.
- (b) **Safeguards for the protection of the holders of Amalgamating Company NCDs:** Pursuant to the Scheme, the Amalgamating Company 1 NCDs shall be vested with the Amalgamated Company on same terms, including the coupon rate, tenure, redemption price, quantum, and nature of security as applicable on the Record Date. Therefore, the Scheme will not have any adverse impact on the holders of the Amalgamating Company 1 NCDs and thus adequately safeguarding the interest of the holders of the Amalgamating Company 1 NCDs.
- (c) **Exit offer:** Since the Scheme is between the wholly owned subsidiary and the holding company and envisages that the holders of the Amalgamating Company 1 NCDs will become holders of NCDs of the Amalgamated Company, no exit offer is required.

For Amalgamated Company NCDs:

- (a) **Impact of the Scheme on the holders of the NCDs:** Pursuant to this Scheme, there will be no change in terms and conditions of the Amalgamated Company NCDs as prevailing on the Record Date.
- (b) **Safeguards for the protection of the holders of Amalgamating Company NCDs:** Pursuant to the Scheme, the Amalgamated Company NCDs shall not be transferred and shall continue to be vested with the holders of the Amalgamated Company NCDs on same terms, including the coupon rate, tenure, redemption price, quantum, and nature of security and ISIN.
- (c) **Exit offer:** No exit offer is required as there will be no change to the terms and conditions of Amalgamated Company NCDs and they shall not be transferred and will continue to be vested with holders of Amalgamated Company NCDs on same terms, including coupon rate, tenure, redemption price, ISIN, quantum, nature of security etc. as prevailing on the Record Date.

8. Adoption of the Report by the Board of Directors

The Report of the Audit Committee, the Valuation Report, the Fairness Opinion and draft certificates of the Statutory Auditors of the Amalgamated Company have been taken on record by the Board, and the Board has come to the conclusion that:

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- (a) the Scheme is fair and reasonable to shareholders/ key managerial personnel / employees of the Amalgamated Company;
- (b) the Scheme is fair and not detrimental to the NCD holders of Amalgamated Company and there shall be no prejudice caused to them in any manner by the Scheme.

The Board has adopted this Report after noting and considering the information set forth in this Report. The Board or any fully authorized committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.



Name: Varsha Purandare
Designation: Independent Director
DIN: 05288076
Date: January 29, 2026
Place: Mumbai

