

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



we were entitled to rely upon and evaluate the information provided by the Company without detailed inquiry. We have been given to understand by the management of the Company that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the Company and their impact on the present exercise.

We express no opinion whatever and make no recommendation at all to Tata Capital Limited to affect the Proposed Scheme or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Proposed Scheme. We also express no opinion and accordingly accept no responsibility as to the financial performance of the Companies following the consummation of the Proposed Scheme.

No investigation of the Company's claim to title of assets has been made for the purpose of this exercise and the Company's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Our fairness opinion is not and should not be construed as our opining or certifying the compliance of the Proposed Scheme with the provisions of any law including company, taxation and capital market related laws or as regards any legal implications or issues arising from such Proposed Scheme.

We have not conducted or provided an analysis of due diligence or appraisal of the assets and liabilities of the Company and have wholly relied on information provided by the Company in that regard.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the ICICI Securities Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any Company that may be involved in the Proposed Scheme.

It is understood that this Report is for the benefit of and confidential use by the Board of Directors of Tata Capital Limited for the purpose of this Proposed Scheme and may not be relied upon by any other person and may not be used or disclosed for any



other purpose without obtaining our prior written consent, except as mentioned in the Report earlier.

**CONCLUSION**

Based on our examination of the Share and NCD Exchange Ratio Report, such other information/ undertakings/ representations provided to us by the Company, and our independent analysis and evaluation of such information, and subject to the scope limitations as mentioned hereinabove, and to the best of our knowledge and belief, we are of the opinion that the share exchange ratio is fair for the shareholders of the Company.

Further, considering that both TCL and TMFL are part of the same business group, the average yield of listed NCDs of TMFL and TCL are not materially different and other terms including the coupon rate, tenure, redemption price, quantum, and nature of security are proposed to remain same, we are of the opinion that the proposed NCD exchange ratio, carried out by independent Valuer is fair and reasonable based on the facts, information an explanation given to us.

Yours faithfully,  
For ICICI Securities Limited,



Authorized Signatory

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