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Mulund Goregaon Link Road, Bhandup (West)
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CA VIKRANT JAIN

B.Com, ACA, Registered Valuer
Registration No. IBBI/RV/05/2018/10204

September 22, 2022

Strictly Private & Confidential

To,
Board of Directors,
Tata Steel Limited
Bombay House
24 Homi Mody Street
Fort, Mumbai – 400 001

TRUE COPY
TATA STEEL LIMITED
Parvathesam
(PARVATHESAM KANCHINADHAM)
COMPANY SECRETARY &
CHIEF LEGAL OFFICER (CORPORATE & COMPLIANCE)

Dear Sir / Madam,

Sub: Recommendation of Share Exchange Ratio for the proposed amalgamation of Tata Metaliks Limited into Tata Steel Limited

I refer to the engagement letter dt. September 13, 2022 whereby, Tata Steel Limited ("TSL" or Client), has engaged me for recommendation of the Share Exchange Ratio for the proposed amalgamation of Tata Metaliks Limited ("TML") into TSL. TSL and TML are together referred to as ("Companies"). Vikrant Jain has been hereafter referred to as 'Registered Valuer' or 'I' or 'me'.

The Share exchange ratio for this report ("Report") refers to number of equity shares of face value of INR 1/- each of TSL which would be issued to the equity shareholders of TML in lieu of number of equity shares of INR 10/- each of TML held by them, pursuant to the Proposed Amalgamation.

SCOPE AND PURPOSE OF THIS REPORT

I understand that the management of the Companies ("Management") is contemplating amalgamation of TML into TSL ("Transaction") pursuant to a Scheme of Amalgamation ("Scheme") to be implemented under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

As a consideration for the amalgamation, equity shareholders of TML (other than TSL) would be issued equity shares of TSL. Share Exchange Ratio for this Report refers to the number of equity shares of face value of INR 1/- each of TSL, which would be issued to the shareholders of TML of face value of INR 10/- each.

For the aforesaid purpose, the Client has engaged the Registered Valuer to submit a report recommending the share Exchange Ratio. The scope of my services is to conduct valuation of the equity shares of the Companies and recommending the Share Exchange Ratio in accordance with internationally accepted valuation standards.

SOURCE OF INFORMATION

My valuation analysis is undertaken on the basis of the following information relating to the business of the Company, furnished to me by the management of the Companies and information available in public domain.

I have been provided with the following documents / information by the Client:

Sr. No.	Class of Shareholders	No. of shared held	% of total Shareholding
1	Promoter & Promoter Group	1,89,57,090	60.03%
2	Public	1,26,20,410	39.97%
	TOTAL	3,15,77,500	100.00%

EXCLUSIONS AND LIMITATIONS

My Report is subject to the scope limitations detailed in engagement letter dt. September 13, 2022. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

No investigation of the Companies' claims to title of assets has been made for the purpose of this valuation and their 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 is assumed for matters of a legal nature.

My work does not constitute certification of the historical financial statements including the working results of the Companies referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in report as per the agreed terms of engagement. It may not be valid or used for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particulars. This report is issued on the understanding that the Client has drawn my attention to all the material information, which it is aware of concerning the financial position of the Company and any other matter, which have an impact on my opinion, on the value of shares of the Companies for the purpose of the proposed amalgamation, including any significant changes that have taken place or are likely to take place in the financial position of the Companies, subsequent to the report date. I have no responsibility to update this report for events and circumstances occurring after the date of the report.

In the course of valuation, I was provided with both written and verbal information. I have evaluated the information provided to me by the Client through broad inquiry, analysis and review but have not carried a due diligence or audit of the information provided for the purpose of this engagement. I assume no responsibility for any errors in the above information furnished by the Client and consequential impact on the present exercise.

My report is not, nor should it be construed as my opinion or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market laws or as regards any legal implications or issues arising from such proposed transaction.

This report is prepared only in connection with the proposed amalgamation exclusively for the use of the Companies and for submission to any regulatory / statutory authority as may be required under the law.

Registered Valuer, nor its managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the



The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. My choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature, regulatory guideline and our reasonable judgement, in an independent and bona fide manner based on my previous experience of assignments.

The Valuation methodologies, as may be applicable which have been used to arrive at the value attributable to the equity shareholders of TSL, are discussed hereunder:

Market Price (“MP”) Method:

The market price of an equity share as quoted on a stock Entitlement is normally considered as the value of the equity shares of that company where such quotations are available from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

In the present case, equity shares of TSL and TML are listed on both BSE and NSE. The share price observed on NSE for an appropriate period prior to the valuation date (upto 12th September 2022) has been considered for determining the value of TSL and TML under the market price method as the traded turnover of shares of TSL and TML is higher on NSE as compared to the turnover of shares on BSE. The market value of TSL and TML is arrived at by considering SEBI formula.

Comparable Companies Market Multiple (“CCM”) Method:

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. I have considered this method for valuing both the companies.

Discounted Cash Flow (“DCF”) Method:

The discounted cash flow method is a modern valuation method which relates the value of an asset to the present value of the expected future cash flows on those assets. Here the projected cash flow is discounted with the weighted average cost of capital to arrive at the value. I have not considered DCF for the present valuation exercise, as the long term financial projections have not been made available being price sensitivity information.

Book Value / Net Assets Value (“NAV”) Method:

In case of Net Assets Method, the value is determined by dividing the net assets of the company by the number of shares. The underlying asset approach represents the value with reference to the historical cost of the assets owned by a company and attached liabilities as at the valuation date.

Since the shares are valued on a “going concern” basis, and there are no intentions to dispose off the assets of the Companies, I have considered it appropriate not to consider this method of valuation for the present valuation exercise.



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FAIR EXCHANGE RATIO FOR AMALGAMATION OF TML into TSL

In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this report, in my opinion, a fair ratio of exchange in the event of amalgamation of TML into TSL would be:

79 equity shares of TSL of Re. 1/- each fully paid up for every 10 equity shares of TML of Rs. 10/- each fully paid up.

Report Submitted

Thanking you,
Yours faithfully,

VIKRANT Digitally signed by
HEMRAJ VIKRANT HEMRAJ
JAIN JAIN
JAIN Date: 2022.09.22
 11:36:25 +05'30'

CA Vikrant Jain
Registered Valuer
IBBI/RV/05/2018/10204





October 10, 2022

The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001, India
Scrip Code: 500470/890144*

Dear Sir, Madam,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation of Tata Metaliks Limited ('TML' / 'Transferor Company') into and with Tata Steel Limited ('TSL' / 'Transferee Company' / 'the Company')

In connection with the above application, we hereby confirm the following:

- a) No material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation
- b) There are no past defaults of listed debt obligations of the entities forming part of the Scheme.

Thanking you.

Yours faithfully,
Tata Steel Limited

Parvatheesam Kanchinadham
Company Secretary &
Chief Legal Officer (Corporate & Compliance)

**Securities in scrip code 890144 stand suspended from trading effective February 17, 2021.*

TATA STEEL LIMITED

Registered Office Bombay House 24 Homi Mody Street Fort Mumbai 400 001 India
Tel 91 22 6665 8282 Fax 91 22 6665 7724 Website www.tatasteel.com
Corporate Identity Number L27100MH1907PLC000260

