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STRICTLY PRIVATE AND CONFIDENTIAL

Dated: 22 September 2022

Ref: DTTILLP/G-200/175

To,

The Board of Directors,
The Tinplate Company of India Limited
4 Bankshall Street,
Kolkata – 700071,
West Bengal, India.

Re: Recommendation of the fair equity share exchange ratio for the purpose of the proposed amalgamation of The Tinplate Company of India Limited into Tata Steel Limited.

Dear Madam/ Sir,

We refer to the engagement letter whereby Audit Committee of The Tinplate Company of India Limited (hereinafter referred to as "TCIL" or the "Company") has appointed Deloitte Touche Tohmatsu India LLP (hereinafter referred to as "DTTILLP" or the "Valuer" or "we" or "us") to recommend the Fair Equity Share Exchange Ratio (defined hereinafter) for the Proposed Amalgamation (defined hereinafter).

TCIL and Tata Steel Limited (hereinafter referred to as "TSL") are together referred to as the "Companies" in this report (the "Report").

SCOPE AND PURPOSE OF THIS REPORT

TCIL is a pioneer and leading tinplate producer in India. TCIL has a 3,79,000 MTPA manufacturing facility at Jamshedpur, Jharkhand. TCIL was founded in 1920 and is headquartered in Kolkata, India. TCIL had reported revenue from operations and profit/ (loss) after tax of INR 42,895 million and INR 3,458 million respectively, for the year ended 31 March 2022. TCIL had a net worth of INR 11,710 million on 31 March 2022. TCIL is a subsidiary of TSL who currently holds 74.96% equity stake in TCIL.

TSL manufactures and distributes steel products in India and internationally. TSL offers hot-rolled and cold-rolled coated steel coils and sheets, precision tubes, tire bead wires, spring wires, and bearings, as well as auto ancillaries; and galvanized iron wires, agriculture and garden tools, and conveyance tubes, etc. TSL was founded in 1907 and is headquartered in Mumbai, India. TSL had reported consolidated revenue from operations and

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profit/ (loss) after tax of INR 2,439,591 million and INR 417,493 million respectively, for the year ended 31 March 2022. TSL had a consolidated net worth of INR 1,144,430 million on 31 March 2022.

The equity shares of TCIL and TSL are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). Further, the Global Depositary Receipts of TSL are also listed on London Stock Exchange and Luxembourg Stock Exchange.

In order to consolidate their operations, the management of TCIL ("Management") and management of TSL are contemplating the Amalgamation of TCIL into TSL on a going concern basis with effect from the proposed Appointed Date as mentioned in the Scheme (defined hereinafter), pursuant to a scheme of Amalgamation under the provisions of Sections 230 to 232 of the Companies Act, 2013 (including any statutory modifications, re-enactment or amendments thereof) and other applicable securities and capital market laws (the "Scheme") (the "Proposed Amalgamation"). In consideration thereof, equity shares of TSL will be issued to the equity shareholders of TCIL, other than in respect of equity shares of TCIL held by TSL which will be cancelled once the Scheme becomes effective. The number of equity shares of TSL of face value of INR 1/- each to be issued for the equity shares of TCIL of face value of INR 10/- each in the event of the Proposed Amalgamation is referred to as the "Fair Equity Share Exchange Ratio".

It is in this connection that TCIL has requested us to render our professional services by way of recommendation of the Fair Equity Share Exchange Ratio for the Proposed Amalgamation on a going concern basis with 21 September 2022 being the "Valuation Date", for the consideration of the Board of Directors (including audit committee, as applicable) of TCIL.

We understand that this Report is required for the internal purpose of the Audit Committee and Board of Directors of TCIL and you did not require us to perform this valuation as a registered valuer under the Companies Act 2013 ("Act"), the Companies (Registered Valuers And Valuation) Rules, 2017 ("Rules") or as per any other rules, regulations, standards, bye-laws, ordinance, notifications issued pursuant to such Act or Rules or under any applicable SEBI regulations. Accordingly, our valuation analysis and this Report does not constitute nor can be construed as a valuation carried out by a registered valuer in accordance with such Act or Rules or such regulations and any such use of our valuation analysis and this Report is not permitted.

The scope of our service is to conduct a relative valuation (not an absolute valuation) of the equity shares of the Companies and recommend a Fair Equity Share Exchange Ratio for the Proposed Amalgamation.

We have considered financial information up to 30 June 2022 in our analysis and made adjustments for facts made known (past or future) to us till the date of our Report, including taking into consideration current market parameters, which will have a bearing on the valuation analysis. We have been informed that the business activities of the Companies have been carried out in the normal and ordinary course between 30 June 2022 and the Report date and that no material changes have occurred in their respective operations and financial position

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between 30 June 2022 and the Report date. Further, we have been informed that all material information impacting the Companies have been disclosed to us.

We have relied on the above while arriving at the Fair Equity Share Exchange Ratio for the Proposed Amalgamation.

We have been informed that till the Proposed Amalgamation becomes effective, neither Companies would declare any substantial dividends having materially different yields as compared to past few years.

We have been informed that, in the event that either of the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares before the Proposed Amalgamation becomes effective, the issue of shares pursuant to the fair equity share exchange ratio recommended in this Report shall be adjusted accordingly to take into account the effect of any such corporate actions.

This Report is our deliverable in respect of our recommendation of the Fair Equity Share Exchange Ratio for the Proposed Amalgamation.

The Management has informed us that Rashmi Shah [IBBI/RV/06/2018/10240] and Vikrant Jain [IBBI/RV/05/2018/10204] (together referred as the "Registered Valuers") have been appointed by TCIL and TSL respectively to issue a valuation report on the Fair Equity Share Exchange Ratio, for their regulatory compliance and evaluation purposes for the purpose of the Proposed Amalgamation. Further, at the request of the Management, we have had discussions with the Registered Valuers mentioned above in respect of our valuation analysis.

The Management has informed us that RBSA Capital Advisors LLP (referred as the "Fairness Opinion Provider") has been appointed by TCIL to provide fairness opinion on the Fair Equity Share Exchange Ratio for the purpose of the Proposed Amalgamation. Further, at the request of Management, we have had discussions with the Fairness Opinion Provider in respect of our valuation analysis.

DTTILLP and the Registered Valuers have been appointed severally and not jointly and have worked separately in their analysis and have received information and clarifications from their respective clients. DTTILLP and the Registered Valuers have separately arrived at different values per share of the Companies. However, to arrive at the consensus on the Fair Equity Share Exchange Ratio for the Proposed Amalgamation, appropriate minor adjustments / rounding off has been done in the values arrived at by DTTILLP and the Registered Valuers.

This Report and the information contained herein is absolutely confidential. The Report will be used by TCIL only for the purpose, as indicated in this Report, for which we have been appointed. The results of our valuation analysis and our Report cannot be used or relied by TCIL for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this Report. Any person/ party intending to provide finance/ invest in the shares/ businesses of the

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Companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, 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. If any person/ party (other than TCIL) chooses to place reliance upon any matters included in the report, they shall do so at their own risk and without recourse to us. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this Report or any part thereof, except for the purpose as set out earlier in this Report, without our prior written consent, is not permitted.

DTTILLP owe responsibility to TCIL, under the terms of the engagement, and no other person; and that, to the fullest extent permitted by law, DTTILLP accept no responsibility or liability to any other party, in connection with this Report.

The Report including, (for the avoidance of doubt) the information contained in it is absolutely confidential and intended only for the sole use and information of TCIL. Without limiting the foregoing, we understand that TCIL may be required to submit the Report to or share the Report with TCIL's Fairness Opinion Provider and regulatory authorities/ stock exchanges, in connection with the Proposed Amalgamation (together, "Permitted Recipients"). We hereby give consent to the disclosure of the Report to any of them, subject to TCIL ensuring that any such disclosure shall be subject to the condition and understanding that:

- it will be the TCIL's responsibility to review the Report and identify any confidential information that it does not wish to disclose;
- we owe responsibility to only TCIL that has engaged us and nobody else, and to the fullest extent permitted by law;
- we do not owe any duty of care to anyone else other than TCIL and accordingly that no one other than the TCIL is entitled to rely on any part of the Report;
- we accept no responsibility or liability towards any third party (including, the Permitted Recipients) to whom the Report may be shared with or disclosed or who may have access to the Report pursuant to the disclosure of the Report to the Permitted Recipients. Accordingly, no one other than TCIL shall have any recourse to us with respect to the Report;
- we shall not under any circumstances have any direct or indirect liability or responsibility to any party engaged by TCIL or to whom TCIL may disclose or directly or indirectly permit the disclosure of any part of the Report and that by allowing such disclosure we do not assume any duty of care or liability, whether in contract, tort, breach of statutory duty or otherwise, towards any of the third parties.

It is clarified that reference to this valuation Report in any document and/ or filing with aforementioned regulatory authorities/ stock exchanges/ Fairness Opinion Provider, in connection with the Proposed Amalgamation, shall

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not be deemed to be an acceptance by us of any responsibility or liability to any person/ party other than the Board of Directors of TCIL.

This Report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

Valuation analysis was undertaken on the basis of the following relating to the Companies, furnished to us by TCIL and information available in public domain:

- Annual Reports for the financial year ended 31 March 2022 and earlier periods for the Companies
- Audited financial results and unaudited provisional balance sheet for the quarter ended 30 June 2022 for TCIL
- Limited reviewed consolidated financial results and unaudited provisional balance sheet for the quarter ended 30 June 2022 for TSL
- Discussions with the Management and representatives of TCIL in connection with the operations of the respective Companies, past and present activities, share capital of the Companies, etc.
- Information relating to the subsidiaries and associates of the Companies and such other information, data, analysis and enquiries, as we considered necessary

We have also obtained the explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise from the Management and representatives of TCIL. TCIL has been provided with the opportunity to review the draft report (excluding the recommended Fair Equity Share Exchange Ratio) for this engagement to make sure that factual inaccuracies are avoided in our final report.

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information
- Used data available in public domain related to the Companies and its peers
- Discussions (over call) with the Management and its representatives to:
    - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
- Undertook Industry Analysis:
    - Research publicly available market data including economic factors and industry trends that may impact the valuation
    - Analysis of key trends and valuation multiples of comparable companies/comparable transactions using: Proprietary databases subscribed by us or our network firms

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- Selection of internationally accepted valuation methodology/(ies) as considered appropriate by us.
- Arriving at the relative valuation of the equity shares of the Companies in order to determine the Fair Equity Share Exchange Ratio for the Proposed Amalgamation

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

This Report is subject to the limitations detailed in our engagement letter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Report, its content, and the results herein are specific to (i) the purpose of valuation and the Valuation Date mentioned in the Report and agreed as per the terms of our engagement; ii) the Report Date; iii) Audited financial results and unaudited provisional balance sheet of TCIL and limited reviewed consolidated financial results and unaudited provisional balance sheet of TSL for the three months ended 30 June 2022 and (iv) other information obtained by us from time to time. We have been informed that the business activities of the Companies have been carried out in the normal and ordinary course between 30 June 2022 and the Report date and that no material changes have occurred in their respective operations and financial position between 30 June 2022 and the Report date.

Valuation analysis and results are specific to the purpose of valuation and as per the agreed terms of the engagement. It may not be valid 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 particular as in effect on and the information made available to us as of, the date hereof. This Report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on valuation analysis for the Proposed Amalgamation. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation rendered in this Report only represents our recommendation based upon information received from TCIL and other sources and the said recommendation shall be considered to be in the nature of non-binding advice (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). You acknowledge and agree that you have the final responsibility for the determination of the Fair Equity Share Exchange Ratio at which the Proposed Amalgamation shall take place and factors other than our valuation Report will need to be taken into account in determining the Fair Equity Share Exchange Ratio; these will include your own assessment of the Proposed Amalgamation and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data. In accordance with the terms of our engagement, we have carried out relevant analysis and evaluations through discussions, calculations and such other means, as may be applicable and available, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available, sourced from subscribed databases and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by TCIL. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information. Our valuation does not constitute as an audit or review in accordance with the auditing standards applicable in India, accounting/ financial/ commercial/ legal/ tax/ environmental due diligence or forensic/ investigation services, and does not include verification or validation work. In accordance with the terms of our engagement letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence, or otherwise investigated the historical financial information, if any, provided to us regarding the Companies/ their holding/ subsidiary/ associates/ joint ventures/ investee companies, if any. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financials/ financial statements. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by TCIL that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the assumptions and information given by/on behalf of TCIL. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by TCIL and their impact on the Report.

This Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/ unaudited balance sheets of the Companies/ their holding/ subsidiary/ associates/ joint ventures/ investee companies, if any. Our conclusion of value assumes that the assets and liabilities of the Companies reflected in their respective latest audited balance sheets remain intact as of this Report date. No investigation of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been

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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.

Our Report is not, nor should it be construed as our opinion or certification of the compliance of the Proposed Amalgamation with the provisions of any law/ standards including companies, foreign exchange regulatory, securities market, accounting and taxation (including transfer pricing) laws/ standards or as regards any legal, accounting or taxation implications or issues arising from such Proposed Amalgamation.

We have not carried out any physical verification of the assets and liabilities of the Companies and take no responsibility for the identification of such assets and liabilities.

Our Report is not, nor should it be construed as our recommendation of the Proposed Amalgamation or anything consequential thereto/ resulting therefrom. This Report does not address the relative merits of the Proposed Amalgamation as compared with any other alternatives or whether or not such alternatives could be achieved or are available. Any decision by the Companies/ their shareholders/ creditors regarding whether or not to proceed with the Proposed Amalgamation shall rest solely with them. We express no opinion or recommendation as to how the shareholders/ creditors of the Companies should vote at any shareholders'/ creditors' meeting(s) to be held in connection with the Proposed Amalgamation. This Report does not in any manner address, opine on or recommend the prices at which the securities of the Companies could or should transact at following the announcement/ consummation of the Proposed Amalgamation. Our Report and the opinion/ valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion.

The fee for our valuation analysis and the Report is not contingent upon the results reported.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Amalgamation, without our prior written consent.

This valuation Report is subject to the laws of India.

Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding-off.

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SHARE CAPITAL DETAILS OF THE COMPANIES

The Tinplate Company of India Limited

As at the Valuation Date, the paid up equity share capital of TCIL was ~ INR 1,049 million consisting of 104,667,638 equity shares of face value of INR 10/- each fully paid up, which we have considered for the purpose of the valuation analysis.

Category	No of Shares	% shareholding
TSL	78,457,640	74.96
Public	26,209,998	25.04
Total	**104,667,638**	**100.00**

Tata Steel Limited

As at the Valuation Date, the paid up equity share capital of TSL was ~ INR 12,224 million consisting of 12,223,453,300 equity shares of face value of INR 1/- each of which 12,221,220,420 equity shares of INR 1/ each are fully paid up and 2,232,880 equity shares of INR 1/- each are partly paid up. We have considered 12,223,453,300 equity shares for the purpose of the valuation analysis.

Category	No of Shares	% shareholding
Promoter Group	4,143,586,570	33.90
Public	8,079,866,730	66.10
Total	**12,223,453,300**	**100.00**

APPROACH – BASIS OF AMALGAMATION

The Scheme contemplates the Proposed Amalgamation under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and rules issued thereunder to the extent applicable.

Arriving at the Fair Equity Share Exchange Ratio for the purposes of an amalgamation such as the Proposed Amalgamation, would require determining the relative values of each company involved and of their equity shares. These values are to be determined independently but on a relative basis, and without considering the effect of the amalgamation.

The three main valuation approaches are the asset approach, income approach and income approach. There are several commonly used and accepted methods within the market approach, income approach and asset approach, for determining the relative fair value of equity shares of a company, which can be considered in the present valuation exercise, to the extent relevant and applicable, to arrive at the Fair Equity Share Exchange Ratio for the purpose of the Proposed Amalgamation, such as:

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1. Asset Approach - Net Asset Value (NAV) Method
2. Income Approach
   - Discounted Cash Flow (DCF) Method
   - Earnings Capitalisation Value (ECV) Method
3. Market Approach
   - Market Price Method
   - Comparable Companies Multiples (CCM) Method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies/ businesses, and other factors which generally influence the valuation of companies and their assets.

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 purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of method of valuation has been arrived at using usual and conventional methods adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Asset Approach - Net Asset Value Method

Under the asset approach, the net asset value method is considered, which is based on the underlying net assets and liabilities of the company, taking into account operating assets and liabilities on a book value basis and appropriate adjustments for, interalia, value of surplus/ non-operating assets.

Income Approach: Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

- **Discounted Cash Flow (DCF) Method:** Under this method, either:
  - o the projected free cash flows from business operations available to all providers of capital are discounted at the weighted average cost of capital to such capital providers, on a market participant basis, and the sum of such discounted free cash flows is the value of the business from which value of debt and other capital is deducted, and other relevant adjustments made to arrive at the value of the equity – Free Cash

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Flows to Firm (FCFF) technique; This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk; or

- o the projected free cash flows from business operations available to equity shareholders (after deducting cash flows attributable to the debt and other capital providers) are discounted at the cost of equity, on a market participant basis, and the sum of such discounted free cash flows, after making other relevant adjustments, is the value of the equity - Free Cash Flows to Equity (FCFE) technique. This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the equity capital providers. The opportunity cost to the equity capital provider equals the rate of return such equity capital provider expects to earn on other investments of equivalent risk.

- **Earnings Capitalisation Value (ECV) Method:** This method involves determination of the maintainable earnings level of the company from its operations, based on past and/ or projected working results. These earnings are then capitalized at a rate, which in the opinion of the valuer combines an adequate expectation of reward from the enterprise risk, to arrive at the value of the company.

Market Approach: Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

- **Market Price Method:** Under this method, the value of shares of a company is determined by taking the average of the market capitalisation of the equity shares of such company as quoted on a recognised stock exchange over reasonable periods of time where such quotations are arising from the shares being regularly and freely traded in an active market, subject to the element of speculative support that may be inbuilt in the market price. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values are fluctuating in a volatile capital market. Further, in the case of an amalgamation, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard. This method would also cover any other transactions in the shares of the company including primary/ preferential issues/ open offer in the shares of the company available in the public domain.

- **Comparable Companies Multiples (CCM) Method:** Under this method, one attempts to measure the value of the shares/ business of company by applying the derived market multiple based on market quotations of comparable public/ listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company/ business (based on past and/ or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company

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being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Out of the above methods, we have used approaches/ methods as considered appropriate by us. The valuation approaches/ methods used, and the values arrived at using such approaches/ methods by us have been tabled in the next section of this Report.

BASIS OF FAIR EQUITY SHARE EXCHANGE RATIO

The fair basis of the Proposed Amalgamation would have to be determined after taking into consideration all the factors, approaches and methods considered appropriate by us. Though different values have been arrived at under each of the above approaches/ methods, for the purposes of recommending the Fair Equity Share Exchange Ratio it is necessary to arrive at a single value for the shares of the companies involved in an amalgamation such as the Proposed Amalgamation. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of the Companies but at their relative values to facilitate the determination of a Fair Equity Share Exchange Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach/ method.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the Fair Equity Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Fair Equity Share Exchange Ratio of the equity shares of TCIL and TSL. The final responsibility for the determination of the Fair Equity Share Exchange Ratio at which the Proposed Amalgamation shall take place will be with the Audit Committee and Board of Directors of TCIL and TSL who should take into account other factors such as their own assessment of the Proposed Amalgamation and input of other advisors.

The Fair Equity Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of TCIL and TSL based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of these companies, having regard to information base, key underlying assumptions and limitations.

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In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Fair Equity Share Exchange Ratio for the Proposed Amalgamation whose computation is as under:

Valuation Approach	The Tinplate Company of India Limited		Tata Steel Limited	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach - Net Asset Value Method	120	0%	89	0%
Income Approach	NA	NA	NA	NA
Market Approach – Market Price Method (i)	321	50%	100	50%
Market Approach – Comparable Companies Multiples Method (ii)	377	50%	112	50%
Relative Value per Share (INR) (Weighted Average of (i) and (ii))	**349**		**106**	
Fair Equity Share Exchange Ratio for Proposed Amalgamation of TCIL into TSL (rounded off)	**33:10**			

Notes:

For the present valuation analysis, the amalgamation of the Companies is proceeded with on the assumption that the Companies would merge as going concerns and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated and presented for informational purposes, the values of the shares of the Companies under the Asset Approach based on the book values of the net assets appearing in the balance sheets of the Companies as at 30 June 2022, we have considered it appropriate not to give any weightage to the same in arriving at the Fair Equity Share Exchange Ratio.

In the present case, since the Companies are listed on stock exchanges, information relating to the future financial performance of the Companies is price sensitive. Additionally having regard to the businesses in which the Companies operate, projecting financials of the Companies on a reliable basis, to afford a relative comparison, is difficult and involves considerable subjectivity and hence such projections have not been made available for the present exercise. In the absence of business plan and projections, we have not considered the Income Approach.

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In the present case, the equity shares of both the Companies, TCIL and TSL, are listed on BSE and NSE and are frequently traded. Hence, we have applied the Market Price Method under the Market Approach to arrive at the relative fair value of the shares for the purpose of arriving at the Fair Equity Share Exchange Ratio.

Considering the availability of comparable / benchmark listed companies engaged in the businesses carried out by the Companies, we have also applied the Comparable Companies Multiples method under the Market Approach to arrive at the relative fair value of the shares of the Companies for the purpose of arriving at the Fair Equity Share Exchange Ratio.

For the present valuation analysis, we have considered it appropriate to apply the Market Price Method and the Comparable Companies Multiples Method, to arrive at the relative fair value of the equity shares of the Companies for the purpose of the Proposed Amalgamation.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Fair Equity Share Exchange Ratio for the Proposed Amalgamation:

33 equity shares of Tata Steel Limited of INR 1/- each fully paid up for every 10 equity shares of The Tinplate Company of India Limited of INR 10/- each fully paid up.

Our valuation Report and Fair Equity Share Exchange Ratio is based on the equity share capital structure of TCIL and TSL as mentioned earlier in this Report. Any variation in the equity capital of TCIL and TSL may have material impact on the Fair Equity Share Exchange Ratio.

Respectfully submitted,

For Deloitte Touche Tohmatsu India LLP,

NdPai

Deloitte Touche Tohmatsu India LLP

Nandita Pai

Partner

Date – 22 September 2022