TATA STEEL

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# TATA STEEL LIMITED

**Corporate Identification No. (CIN):** L27100MH1907PLC000260
**Registered Office:** Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001
**Tel:** +91 22 6665 8282 **E-mail:** cosec@tatasteel.com **Website:** www.tatasteel.com

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF TATA STEEL LIMITED PURSUANT TO THE ORDER DATED DECEMBER 14, 2023 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**

| Meeting Details | |
|---|---|
| **Day** | Friday |
| **Date** | February 9, 2024 |
| **Time** | 11:00 a.m. (IST) |
| **Mode of Meeting** | As per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench, the Meeting shall be conducted through video conferencing/other audio-visual means. |
| **Cut-off date for sending notice to eligible shareholders** | Friday, December 29, 2023 |
| **Cut-off date for e-voting** | Friday, February 2, 2024 |
| **Remote e-voting start date and time** | Monday, February 5, 2024 at 9:00 a.m. (IST) |
| **Remote e-voting end date and time** | Thursday, February 8, 2024 at 5:00 p.m. (IST) |

| | | |
|---|---|---|
| 7. | **Annexure 5**<br>a. Report adopted by the Board of Directors of the Transferor Company dated February 6, 2023 as required under Section 232(2)(c) of the Act.<br>b. Report of the Audit Committee of the Transferor Company dated February 6, 2023. | 240-251 |
| 8. | **Annexure 6**<br>Valuation Report of the Transferee Company dated February 6, 2023 issued by CA Vikrant Jain, an Independent Chartered Accountant and Registered Valuer (Registration No. IBBI/RV/05/2018/10204), recommending cash consideration for the proposed amalgamation of Angul Energy Limited into and with Tata Steel Limited. | 252-257 |
| 9. | **Annexure 7**<br>Fairness Opinion of the Transferee Company dated February 6, 2023 issued by Ernst & Young Merchant Banking Services LLP (SEBI Registration No. INM000010700) on the cash consideration recommended in the Valuation Report issued by CA Vikrant Jain, Independent Chartered Accountant and Registered Valuer, for the proposed amalgamation of Angul Energy Limited into and with Tata Steel Limited. | 258-265 |
| 10. | **Annexure 8**<br>Valuation Report of the Transferor Company dated February 6, 2023 issued by Omnifin Valuation Services (OPC) P Ltd., Registered Valuer (IBBI Reg no. IBBI/RV/01/2018/10339, recommending the cash consideration for the proposed amalgamation of Angul Energy Limited into and with Tata Steel Limited. | 266-284 |
| 11. | **Annexure 9**<br>Fairness Opinion of Transferor Company dated February 6, 2023 issued by Finshore Management Services Limited, an independent SEBI Registered Category-I Merchant Banker having Registration Code: INM000012185 on the cash consideration recommended in the Valuation Report issued by Omnifin Valuation Services (OPC) P Ltd., for the proposed amalgamation of Angul Energy Limited into and with Tata Steel Limited. | 285-290 |
| 12. | **Annexure 10**<br>Shareholding Pattern of the Transferor Company and the Transferee Company (Pre and Post-Scheme of Amalgamation). | 291-292 |
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| 18. | **Annexure 16**<br>Complaints Report dated March 31, 2023 submitted by the Transferee Company to BSE. | 325-326 |
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**The Notice of the Meeting, Statement under Sections 102, 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable SEBI Circulars and Annexure 1 to Annexure 17 (page nos. 37 to 328) constitute a single and complete set of documents and should be read in conjunction with each other, as they form an integral part of this document.**

**IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**

**CA(CAA) No. 246/MB/2023**

Form No. CAA. 2
[Pursuant to Section 230(3) of the Companies Act, 2013 and Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

In the matter of Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of Scheme of Amalgamation amongst Tata Steel Limited (**'Transferee Company'** or **'Company'**) and Angul Energy Limited (**'Transferor Company'**) and their respective shareholders.

Tata Steel Limited (CIN: L27100MH1907PLC000260) a company incorporated under the Indian Companies Act, 1882 and a public limited company within the meaning of Companies Act, 2013 and having its Registered Office at Bombay House, 24, Homi Mody Street, Fort, Mumbai – 400 001.

…………………… **Transferee Company**

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF TATA STEEL LIMITED**

**To,**
**The Equity Shareholders of**
**Tata Steel Limited**

Notice is hereby given that, by an Order dated **December 14, 2023** in Company Scheme Application CA(CAA) No. 246/MB/2023 ('**Order**'), the Hon'ble National Company Law Tribunal, Mumbai Bench ('**Hon'ble Tribunal**' or '**NCLT**') has directed, *inter alia,* that a meeting of the Equity Shareholders of the Transferee Company be convened and held on **Friday, February 9, 2024** at **11:00 a.m. (IST)** through video-conferencing or other audio-visual means ('**VC/OAVM**') ('**Meeting**') to consider and if thought fit, to approve, with or without modification(s), the Scheme of Amalgamation amongst Tata Steel Limited and Angul Energy Limited and their respective shareholders ('**Scheme**'). Pursuant to the Order of NCLT as directed therein, the Meeting of the Equity Shareholders of the Company will be held through VC/OAVM in compliance with the provisions of the Companies Act, 2013 ('**Act**') read with the applicable general circulars issued by the Ministry of Corporate Affairs, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'SEBI Listing Regulations'**), other applicable SEBI Circulars and Secretarial Standard on General Meetings as issued by The Institute of Company Secretaries of India (**'SS-2'**), each as amended.

The Scheme, if approved by the requisite majority of Equity Shareholders of the Company as per Section 230(6) of the Act read with Regulation 37 of the SEBI Listing Regulations and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended (**'SEBI Scheme Circular'**) and other applicable SEBI Circulars, if any, will be subject to subsequent approval of the Hon'ble Tribunal and such other approvals, permissions and sanctions from any other regulatory or statutory authority(ies) as may be deemed necessary.

In compliance with the provisions of the Order of NCLT and Section 108, and other applicable provisions of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, Regulation 44 and other applicable provisions of the SEBI Listing Regulations read with SEBI Scheme Circular and other applicable SEBI circulars, SS-2, and in accordance with the requirements prescribed by the Ministry of Corporate Affairs (**'MCA'**) for holding general meetings through e-voting vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 (collectively the **'MCA Circulars'**), the Company has provided the facility of remote e-voting prior to the Meeting as well as e-voting during the Meeting, using the services of National Securities Depository Limited (**'NSDL'**) so as to enable the equity shareholders to consider and if thought fit, approve, with or without modification(s), the Scheme by way of approval of the Resolution mentioned below. The equity shareholders may refer the 'Notes' to this Notice for further details on remote e-voting prior to the Meeting as well as e-voting during the Meeting.

As per the directions of the Hon'ble Tribunal, Mr. Deepak Kapoor, Independent Director or failing him, Mr. Vijay Kumar Sharma, Independent Director of the Company, has been appointed as the Chairperson of the Meeting including for any adjournments thereof. The Hon'ble Tribunal has also appointed Ms. Vratika Jain (Membership No. 416714) of M/s. N. B. Shah & Associates, Chartered Accountant, having office at 702, Skyline, Wealth Space, Above KIA Motors, Vidyavihar West, Mumbai - 400086, as Scrutinizer for the Meeting, including any adjournments thereof, to scrutinize the process of remote e-voting prior to the Meeting as well as e-voting during the Meeting, to ensure that it is fair and transparent.

The voting rights of the equity shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on the closure of business hours on **Friday, February 2, 2024** ('**Cut-Off Date**'). A person whose name is recorded in Register of Members maintained by the Company/Registrar and Transfer Agent (**'RTA'**) or in the Register of Beneficial Owners maintained by Depositories as on the Cut-Off Date only, shall be entitled to vote on the proposed resolution.

The Statement under Section(s) 102, 230 to 232 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, SEBI Listing Regulations and applicable SEBI circulars, along with a copy of the Scheme and other Annexures to the Statement are enclosed herewith. A copy of this Notice, Statement and the Annexures are available on the website of the Company at www.tatasteel.com, the website of NSDL at www.evoting.nsdl.com being the Depository appointed by the Company to provide remote e-voting/e-voting and other facilities for the Meeting, the website of the Stock Exchanges where the equity shares of the Company are listed, i.e., BSE Limited and the National Stock Exchange of India Limited viz. www.bseindia.com and www.nseindia.com respectively, and the website of SEBI at www.sebi.gov.in. A copy of the Notice together with the accompanying documents can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the Registered Office of Tata Steel Limited at Bombay House, 24, Homi Mody Street, Fort, Mumbai - 400 001, between Monday, January 8, 2024 and Friday, February 9, 2024. Alternatively, a written request in this regard, along with details of your shareholding in the Company, may be addressed to the Company Secretary at cosec@tatasteel.com and the Company will arrange to send the same to you at your registered address.

The equity shareholders are requested to consider, and if thought fit, with or without modification(s), pass the following Resolution with requisite majority:

"**RESOLVED THAT** in terms of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), applicable circulars and notifications issued by the Ministry of Corporate Affairs, the Securities and Exchange Board of India Act, 1992 and the Regulations thereunder including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and other applicable SEBI Circulars, the Observation Letter(s) issued by BSE Limited and the National Stock Exchange of India Limited, respectively, both dated July 26, 2023, the Memorandum and Articles of Association of Tata Steel Limited and subject to the approval of the Hon'ble National Company Law Tribunal, Mumbai Bench (hereinafter referred to as '**Hon'ble Tribunal**'/'**NCLT**'), Hon'ble National Company Law Tribunal, New Delhi Bench and such other approvals, permissions and sanctions of any other regulatory or statutory authority(ies), as may be deemed necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble Tribunal or any other regulatory or statutory authority(ies), while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the '**Board**', which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by the Board to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the proposed Scheme of Amalgamation amongst Tata Steel

Limited ('**Transferee Company**' or '**Company**') and Angul Energy Limited ('**Transferor Company'**) and their respective shareholders ('**Scheme**'), as enclosed with this Notice of the NCLT convened Meeting of the equity shareholders, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem desirable, appropriate or necessary, to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, at any time and for any reason whatsoever, which may be required and/or imposed by the Hon'ble Tribunal or its Appellate Authority(ies) while sanctioning the arrangement embodied in the Scheme or by any statutory/regulatory authority(ies), or as may be required for the purpose of resolving any doubts or difficulties that may arise including passing such accounting entries or making adjustments in the books of accounts of the Company as considered necessary, while giving effect to the Scheme, as the Board may deem fit and proper, without being required to seek any further approval of the shareholders and the shareholders shall be deemed to have given their approval thereto expressly by authority under this Resolution.

**RESOLVED FURTHER THAT** the Board may delegate all or any of its powers herein conferred to any Director(s) and/or officer(s) of the Company, to give effect to this resolution, if required, as it may in its absolute discretion deem fit, necessary or desirable, without any further approval from shareholders of the Company."

Sd/-
**Deepak Kapoor**
DIN: 00162957
Chairperson appointed for the Meeting
of Equity Shareholders of Tata Steel Limited

**Date:** January 5, 2024

**Place:** New Delhi

**Registered Office**:
Bombay House, 24, Homi Mody Street,
Fort, Mumbai – 400 001
**Tel:** +91 22 6665 8282
**E-mail:** cosec@tatasteel.com **Website:** www.tatasteel.com
**CIN:** L27100MH1907PLC000260

**NOTES:**

1. Pursuant to the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated December 14, 2023, the Meeting of the equity shareholders of the Company is being conducted through video conferencing (**'VC'**)/other audio-visual means (**'OAVM'**) facility to transact the business set out in the Notice convening this Meeting. The Meeting will be conducted in compliance with the provisions of the Act, SS-2, SEBI Listing Regulations, read with other applicable SEBI Circulars and in compliance with the requirements prescribed by the Ministry of Corporate Affairs for holding general meetings through VC/OAVM and providing facility of e-voting vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022,11/2022 dated December 28, 2022 and 09/2023 dated September 25/2023 (collectively the '**MCA Circulars'**). Accordingly, the meeting of the equity shareholders of the Company will be convened on **Friday, February 9, 2024** at **11:00 a.m. (IST),** through VC/OAVM, for the purpose of considering, and if thought fit, approving, the Scheme of Amalgamation amongst Tata Steel Limited and Angul Energy Limited and their respective shareholders.

   The deemed venue for the Meeting shall be the Registered Office of the Transferee Company.

2. The Statement pursuant to Sections 102, 230 to 232 of the Act read with other applicable provisions of the Act, and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, read with SEBI Listing Regulations and other applicable SEBI Circulars in respect of the business set out in the Notice of the Meeting is annexed hereto. Further, additional information as required under the SEBI Scheme Circular and the observation letters of NSE and BSE dated July 26, 2023 are also annexed.

3. As per the directions provided in the Order of the NCLT, and in compliance with the MCA Circulars, the Notice of the Meeting and the accompanying documents mentioned in the Index are being sent only through electronic mode via e-mail to those equity shareholders whose e-mail addresses are registered with the Company/Registrar and Transfer Agent/Depository Participant(s) ('**DP**')/ Depositories as on Friday, December 29, 2023. Physical copy of this Notice along with accompanying documents will be sent to those equity shareholders who request for the same.

   The Notice convening the Meeting will be published through advertisement in (i) Business Standard (All India Editions) in English language and (ii) Navashakti in Marathi language (All India Editions and having wide circulation in Maharashtra i.e., the state where the Registered Office of the Company is situated).

4. The equity shareholders may note that the aforesaid documents are also available on the website of the Company at www.tatasteel.com and on the website of the Stock Exchanges where the equity shares of the Company are listed i.e., BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com and that of SEBI at www.sebi.gov.in

5. The SEBI Scheme Circular, *inter alia*, provides that approval of Public Shareholders of the Transferee Company to the Scheme shall also be obtained by way of voting through e-voting. Since, the Transferee Company is seeking the approval of its Equity Shareholders (which includes Public Shareholders) to the Scheme by way of voting through e-voting, no separate procedure for voting through e-voting would be required to be carried out by the Transferee Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Scheme Circular. The aforesaid notice sent to the Equity Shareholders (which includes Public Shareholders) of the Transferee Company would be deemed to be the notice sent to the Public Shareholders of the Company. For this purpose, the term 'Public' shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term 'Public Shareholders' shall be construed accordingly. In terms of SEBI Scheme Circular, the Transferee Company has provided the facility of voting by e-voting to its Public Shareholders.

6. Further, in accordance with the SEBI Scheme Circular, the Scheme shall be acted upon only if the number of votes cast by the Public Shareholders in favour of the aforesaid resolution for approval of the Scheme is more than the number of votes cast by the Public Shareholders against it.

7. **ONLY a person, whose name is recorded in the Register of Members maintained by the Company/Registrar and Transfer Agents ('RTA') or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-Off Date (i.e., Friday, February 2, 2024) shall be entitled to exercise his/her/ its voting rights on the resolution proposed in the Notice and attend the Meeting. A person who is not an equity shareholder as on the cut-off date should treat the Notice for information purpose only.**

8. The voting rights of the shareholders shall be in proportion to their shareholding in the Company as on the close of business hours on the Cut-Off Date as per the Register of Members furnished by the RTA or Register of Beneficial Owners furnished by NSDL/Central Depository Services (India) Limited ('**CDSL**') (collectively referred to as '**Depositories**').

9. The voting period for remote e-voting (prior to the Meeting) shall commence on and from **Monday, February 5, 2024** at **9:00 a.m. (IST)** and shall end on, **Thursday, February 8, 2024** at **5:00 p.m. (IST).** The remote e-voting module shall be disabled by NSDL thereafter. The Company is additionally providing the facility of e-voting at the Meeting.

10. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS MEETING IS BEING HELD THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE AND HENCE THE PROXY FORM, ROUTE MAP AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.**

11. Facility to join the Meeting shall be opened thirty minutes before the scheduled time of the Meeting. The Members will be able to view the live webcast of the Meeting on the NSDL's e-voting website at https://www.evoting.nsdl.com The facility of participation at the Meeting through VC/OAVM will be made available to Members on a first come first served basis as per MCA Circulars.

12. Pursuant to the provisions of the Act, the Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send legible scan of certified true copy of its Board or governing body Resolution/Power of attorney/Authority letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to attend the Meeting through VC/OAVM on its behalf and vote at the Meeting. The said Resolution/Authorisation, self-attested by the person so authorized to attend the meeting, shall be sent to the Transferee Company at cosec@tatasteel.com and to the scrutinizer appointed for the meeting at nbshah@nbshah.com at least forty eight (48) hours before the Meeting. A copy of the above e-mail should also be marked to NSDL at evoting@nsdl.com

13. Members attending the Meeting through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act and as per the terms of the Order of the NCLT. Further, the Order also directs that in case the required quorum for the Meeting is not present at the commencement of the Meeting, then the Meeting shall be adjourned by 30 minutes and thereafter, the persons present shall be deemed to constitute the quorum.

14. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the Meeting.

15. It is clarified that casting of votes by remote e-voting (prior to the Meeting) does not disentitle Members from attending the Meeting. However, after exercising right to vote through remote e-voting prior to the Meeting, a Member shall not be allowed to vote again at the Meeting. In case the shareholders cast their vote via both the modes i.e. remote e-voting prior to the Meeting as well as during the Meeting, then voting done through remote e-voting before the Meeting shall prevail once the vote on a resolution is cast by the Shareholder, whether partially or otherwise. The Shareholder shall not be allowed to change it subsequently.

    **The shareholders are requested to carefully read all the Notes set out herein and in particular, instructions for joining the Meeting and manner of casting vote through remote e-voting prior to the Meeting or e-voting during the Meeting.**

16. **Process for Registration of e-mail addresses:**

**A. One-time registration of e-mail address with RTA for receiving the Notice and casting votes electronically:**

To facilitate Members to receive this Notice electronically, the Company has made special arrangements with its Registrar and Transfer Agent, Link Intime India Private Limited for registration of e-mail addresses. Eligible Members who have not registered their e-mail addresses with the RTA, are required to provide the same to the RTA, on or before **5:00 p.m. (IST)** on **Wednesday, January 31, 2024.**

**B. Process to be followed for one-time registration of e-mail address (for shares held in physical form or in demat form) is as follows:**

a) Visit the link: https://tcpl.linkintime.co.in/EmailReg/Email_Register.html

b) Select the name of the Company from drop-down: Tata Steel Limited

c) Enter details in respective fields such as DP ID and Client ID (if shares held in demat form) / Folio no. and Certificate no. (if shares held in physical form), Shareholder name, PAN, mobile number and e-mail id

d) System will send One Time Password ('**OTP**') on mobile no. and e-mail id

e) Enter OTP received on mobile no. and e-mail id and submit.

After successful submission of the e-mail address, NSDL will e-mail a copy of this Notice along with the e-Voting user ID and password. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained below i.e. Login method for e-voting for individual shareholders holding securities in demat mode. In case of any queries, Members may write to csg-unit@tcplindia.co.in or evoting@nsdl.com

**C. Registration of e-mail address permanently with Company/DP:** Members are requested to register the e-mail address with their concerned DPs, in respect of demat holding and in respect of physical holding, please visit https://tcplindia.co.in/client-downloads.html to know more about the registration process. Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/RTA to enable servicing of notices/documents/Integrated Reports and other communications electronically to their e-mail address in future.

17. **Instructions for e-voting and joining the Meeting are as follows:**

A. **PROCESS AND MANNER FOR VOTING THROUGH ELECTRONIC MEANS:**

1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 (as amended) in relation to e-Voting facility provided by listed entities, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the Meeting. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as e-Voting during the Meeting will be provided by NSDL.

2. Members of the Company holding shares either in physical form or in electronic form as on the **Cut-Off date** of **Friday, February 2, 2024** may cast their vote by remote e-Voting. A person who is not a Member as on the Cut-Off Date should treat this Notice for information purpose only. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the Cut-Off Date only shall be entitled to avail the facility of remote e-Voting before the Meeting as well as e-Voting during the Meeting.

   Any shareholder(s) holding shares in physical form or non-individual shareholders who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the **Cut-Off Date i.e. Friday, February 2, 2024,** may obtain the User ID and Password by sending a request at evoting@nsdl.com However, if a person is already registered with NSDL for remote e-Voting then the Members can use their existing User ID and password for casting the vote. If a member has forgotten his/her/its password, the member can reset the password by using 'Forgot User Details/Password' or 'Physical User Reset Password' option available on www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000.

In case of Individual Shareholder who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holds shares in demat mode as on the cut-off date may follow the steps mentioned under **'Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.'**

3. The remote e-Voting period commences on **Monday, February 5, 2024 at 9:00 a.m. (IST)** and ends on **Thursday, February 8, 2024 at 5:00 p.m. (IST).** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the Cut-Off Date i.e. **Friday, February 2, 2024** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-Off Date**.**

4. Members will be provided with the facility for voting through electronic voting system during the VC/OAVM proceedings at the Meeting and Members participating at the Meeting, who have not already cast their vote on the resolution by remote e-Voting will be eligible to exercise their right to vote on such resolution upon announcement by the Chairperson. Members who have cast their vote on resolution(s) by remote e-Voting prior to the Meeting will also be eligible to participate at the Meeting through VC/OAVM but shall not be entitled to cast their vote on such resolution again. The remote e-Voting module on the day of the Meeting shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

B. **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE MEETING THROUGH VC/OAVM AND REMOTE E-VOTING (BEFORE AND DURING THE MEETING) ARE AS UNDER:**

1. Members will be able to attend the Meeting through VC/OAVM or view the live webcast of Meeting provided by NSDL at www.evoting.nsdl.com by following the steps mentioned under 'Access NSDL e-Voting system'. After successful login, Member(s) can click on link of 'VC/OAVM' placed under 'Join Meeting' menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of the Company will be displayed. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID/Password may retrieve the same by following the process as mentioned in paragraph titled 'The instructions for remote e-Voting before/during the Meeting' in the Notice to avoid last minute rush.

2. Members are encouraged to submit their questions in advance with respect to the Scheme. These queries may be submitted from their registered e-mail address, mentioning their name, DP ID and Client ID/folio number and mobile number, to reach the Company's email address at cosec@tatasteel.com before 3:00 p.m. (IST) on **Friday, February 2, 2024.**

3. Members who would like to express their views or ask questions during the Meeting may pre-register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cosec@tatasteel.com between Friday, February 2, 2024 (9:00 a.m. IST) to Monday, February 5, 2024 (5:00 p.m. IST). The Company reserves the right to restrict the number of questions and speakers depending on the availability of time for the Meeting. Further, the sequence in which the shareholders will be called upon to speak will be solely determined by the Company.

4. Members who need assistance before or during the Meeting, can contact NSDL on evoting@nsdl.com / 022 - 4886 7000 and 022 - 2499 7000 or contact Mr. Sanjeev Yadav, Assistant Manager–NSDL at sanjeevy@nsdl.com

**THE INSTRUCTIONS FOR REMOTE E-VOTING BEFORE/DURING THE MEETING**

The details of the process and manner for remote e-Voting are explained herein below:

**Step 1:** Access NSDL e-Voting system

**Step 2:** Cast your vote electronically and join Meeting on NSDL e-Voting system.

**Details on Step 1 are mentioned below:**

A. **Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode**

In order to increase the efficiency of the voting process and in pursuance of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 (as amended), e-Voting facility is being provided to all the demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/Depository Participants. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (**'ESP'**) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail-id in their demat accounts in order to access e-Voting facility.

**Login method for individual shareholders holding securities in demat mode is given below:**

| **Type of shareholders** | **Login Method** |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | **A. NSDL IDeAS facility**<br>If you are already registered, follow the below steps:<br>1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a personal computer or on a mobile.<br>2. Once the home page of e-Services is launched, click on the '**Beneficial Owner**' icon under '**Login**' which is available under '**IDeAS**' section.<br>3. A new screen will open. You will need to enter your User ID and Password. After successful authentication, you will be able to see e-voting services under Value Added Services section.<br>4. Click on '**Access to e-voting**' appearing on the left-hand side under e-voting services and you will be able to see e-voting page.<br>5. Click on options available against Company name or **e-voting service provider – NSDL** and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.<br>If you are not registered, follow the below steps:<br>a. Option to register is available at https://eservices.nsdl.com<br>b. Select '**Register Online for IDeAS**' Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>c. Please follow steps given in points 1-5 |

| Type of shareholders | Login Method |
|---|---|
| | **B. e-voting website of NSDL**<br>1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone.<br>2. Once the home page of e-voting system is launched, click on the icon '**Login**' which is available under 'Shareholder/Member' section.<br>3. A new screen will open. You will need to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.<br>4. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on options available against Company name or **e-voting service provider - NSDL** and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.<br>**C.** Shareholders/Members can also download NSDL Mobile App '**NSDL Speede**' facility by scanning the QR code mentioned below for seamless voting experience.<br> |
| Individual Shareholders holding securities in demat mode with CDSL | 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.<br>2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.<br>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers. |

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders (holding securities in demat mode) login through their depository participants | 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.<br>2. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.<br>3. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at respective website.

**Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depositories i.e. NSDL and CDSL.**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33 |

B. **Login Method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12****** |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example, if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the Company For example, if folio number is S1******** and EVEN is 127455 for Ordinary (equity) shares then user ID is 127455S1******** |

5. Password details for shareholders other than Individual shareholders are given below:
    a. If you are already registered for e-Voting, then you can use your existing password to log-in and cast your vote.
    b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
    c. How to retrieve your 'initial password'?
        i. If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you by NSDL and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
        ii. If your e-mail ID is not registered, please follow steps mentioned in process for those shareholders whose e-mail ids are not registered.
6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
    a. Click on '**Forgot User Details/Password?**' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
    b. Click on '**Physical User Reset Password?**' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
    c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address.
    d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
8. Now, you will have to click on 'Login' button.
9. After you click on the 'Login' button, Home page of e-Voting will open.

**Details on Step 2 are mentioned below:**

**How to cast your vote electronically on NSDL e-Voting system and join Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see 'EVEN' of all the companies in which you are holding shares and whose voting cycle and Meeting is in active status.
2. Select 'EVEN' of the Company, in case Ordinary (Equity) Shares - 127455 for which you wish to cast your vote during the remote e-Voting period and casting your vote during the Meeting. For joining virtual meeting, you need to click on 'VC/OAVM' link placed under 'Join Meeting'
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
5. Upon confirmation, the message 'Vote cast successfully' will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**The instructions for e-Voting during the Meeting are as under:**

1. The procedure for remote e-Voting during the Meeting is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OAVM.
2. Only those Members/Shareholders, who will be present in the Meeting through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote on such resolution(s) through e-Voting system at the Meeting.

**General Guidelines for Shareholders:**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries/grievances pertaining to remote e-Voting (before or during the Meeting), you may refer to the Frequently Asked Questions ('**FAQs**') for Shareholders and e-Voting user manual for Shareholders available in the 'Download' section of www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.com or contact Mr. Amit Vishal, Assistant Vice President or Ms. Pallavi Mhatre, Senior Manager from NSDL at the designated e-mail IDs: amitv@nsdl.com or pallavid@nsdl.com

**Other Instructions:**

i. The Hon'ble Tribunal has also appointed Ms. Vratika Jain (Membership No. 416714) of M/s. N. B. Shah & Associates, Chartered Accountant, having office at 702, Skyline, Wealth Space, Above KIA Motors, Vidyavihar West, Mumbai - 400086, as Scrutinizer for the Meeting, including any adjournments thereof, to scrutinize the process of remote e-voting prior to the Meeting as well as e-voting during the Meeting, to ensure that it is fair and transparent.

ii. The Scrutinizer shall immediately after the conclusion of voting at the Meeting unblock the votes cast through remote e-Voting (votes cast during the Meeting and votes cast prior to the Meeting) and make, not later than two (2) working days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman of the Meeting or to any other person so authorized by him (in writing), who shall countersign the same.

iii. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.tatasteel.com, at the Registered Office of the Company and on the website of NSDL www.evoting.nsdl.com. The Company shall simultaneously communicate the results to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.

Sd/-
**Deepak Kapoor**
DIN: 00162957
Chairperson appointed for the Meeting
of Equity Shareholders of Tata Steel Limited

**Date:** January 5, 2024

**Place:** New Delhi

**Registered Office**:
Bombay House, 24, Homi Mody Street,
Fort, Mumbai – 400 001
**Tel:** +91 22 6665 8282
**E-mail:** cosec@tatasteel.com **Website:** www.tatasteel.com
**CIN:** L27100MH1907PLC000260

**IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**

**CA(CAA) No. 246/MB/2023**

In the matter of Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of Scheme of Amalgamation amongst Tata Steel Limited (**'Transferee Company'** or **'Company'**) and Angul Energy Limited (**'Transferor Company'**) and their respective shareholders

Tata Steel Limited (CIN: L27100MH1907PLC000260) a company incorporated under the Indian Companies Act, 1882 and a public limited company within the meaning of Companies Act, 2013 and having its Registered Office at Bombay House, 24, Homi Mody Street, Fort, Mumbai – 400 001 …… **Transferee Company**

**STATEMENT UNDER SECTION(S) 102, 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ('ACT') AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016, SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, READ WITH MASTER CIRCULAR NO. SEBI/HO/CFD/POD-2/P/CIR/2023/93 DATED JUNE 20, 2023 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA ('SEBI SCHEME CIRCULAR'), READ WITH OTHER APPLICABLE SEBI CIRCULARS, EACH AS AMENDED, ACCOMPANYING THE NOTICE OF THE MEETING OF THE EQUITY SHAREHOLDERS OF TATA STEEL LIMITED PURSUANT TO THE ORDER OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH DATED DECEMBER 14, 2023**

## I. Meeting for the Scheme

This is a Statement accompanying the Notice convening the meeting of the Equity Shareholders of Tata Steel Limited, as per the directions given by the Hon'ble NCLT vide its Order dated December 14, 2023 passed in the Company Scheme Application CA(CAA) No. 246/MB/2023. The Meeting is scheduled to be held on **Friday, February 9, 2024** at **11:00 a.m. (IST)**, through VC/OAVM for the purpose of considering, and if thought fit, approving, with or without modification(s) the proposed Scheme of Amalgamation amongst Tata Steel Limited ('**Transferee Company**' or '**Company**') and Angul Energy Limited ('**Transferor Company**') and their respective shareholders ('**Scheme**').

The Scheme provides for:

a) all the assets of the Transferor Company shall become the property of the Transferee Company by virtue of the amalgamation;

b) all the liabilities of the Transferor Company shall become the liabilities of the Transferee Company by virtue of the amalgamation;

c) cancellation of all the issued share capital of the Transferor Company which shall be affected as a part of the Scheme and not in accordance with Section 66 of the Companies Act, 2013 and payment to all the shareholders of Transferor Company(other than the Transferee Company) Cash Consideration, as per the approved valuation report, without any further act, instrument or deed in accordance with Part II of the Scheme;

d) transfer of the authorised share capital of the Transferor Company to the Transferee Company as provided in Part III of the Scheme, and consequential increase in the authorised share capital of the Transferee Company as provided in Part III of the Scheme; and

e) dissolution of the Transferor Company, without being wound up.

Capitalised terms not defined herein and used in the Notice and this Statement shall have the same meaning as ascribed to them in the Scheme.

A copy of the Scheme is enclosed herewith as **Annexure 1**.

**II. Need, Rationale and Benefits of the Scheme of Amalgamation**

Need and Rationale:

The Transferee Company is one of the leading global steel companies, with over 100 (hundred) years of experience in the steel sector and is a pioneer of steel manufacturing in India. The Transferee Company is also amongst the lowest cost integrated steel manufacturers in India, with 100% (hundred percent) captive iron ore sources. The Transferor Company is *inter alia* engaged in the business of generation of thermal power and has recently entered into Power Purchase Agreement ('PPA') with the Transferee Company. This amalgamation will consolidate the business of the Transferor Company and Transferee Company which will result in focused growth, operational efficiencies, and enhance business synergies. In addition, resulting corporate holding structure will bring enhanced agility to the business ecosystem of the merged entity.

The amalgamation will ensure consolidation of all power assets under a single entity, which will increase system agility for power generation and allocation. It will help the Transferee Company to improve its plant reliability, ensuring steady source of power supply while optimising cost. Further, such restructuring will lead to simplification of group structure by eliminating multiple companies in similar operation.

The Transferor Company and the Transferee Company believe that the financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of the Companies pooled in the merged entity, will lead to optimum use of infrastructure, rationalisation of cost in the areas of operations and administrative overheads, thereby maximising shareholder value of the merged entity.

Benefits and Synergies of business of the Entities involved in the Scheme:

The Scheme would result in the following synergies:

**(a)** **Operational efficiencies:** The amalgamation is expected to result in better alignment, optimized power cost, sharing of best practices, cross-functional learnings and better utilisation of common facilities. It would result in synergy benefits arising out of single value chain thereby optimising costs and increasing operational efficiencies.

**(b)** **Improving asset utilization:** The Transferee Company's technical expertise and financial resources can be used to eliminate congestion in Transferor Company's operations to improve plant load factor. This will also allow surplus capacity to be monetized by wheeling surplus power to the grid for utilization at different locations of the Transferee Company.

**(c)** **Simplified structure and management efficiency:** In line with group level 5S strategy - simplification, synergy, scale, sustainability, and speed, the amalgamation will simplify group holding structure, improve agility to enable quicker decision making, eliminate administrative duplications, consequently reducing administrative costs of maintaining separate entities.

**(d)** **Sharing of best practices in sustainability, safety, health and environment:** Adoption of improved safety, environment and sustainability practices owing to a centralized committee at combined level to provide focused approach towards safety, environment and sustainability practices resulting in overall improvement. Further, over all technology maturity can be enhanced by the Companies through unfettered access to each other's information technology applications and systems.

Cost Benefits of the Scheme

The Scheme involves payment of cash consideration to the shareholders of the Transferor Company save and except the Transferee Company. Further, the implementation of the Scheme would involve incurring costs including administrative cost, statutory dues, cost of transferring assets, cost of advisors, etc. However, the long-term benefits are expected to outweigh costs towards implementation of the Scheme.

Rationale for cash consideration

Transferor Company is an unlisted public company wherein Transferee Company holds 99.99% of its share capital. Further, as on the date of this notice, Transferor Company also has 168 public shareholders constituting 0.01% of its share capital. Given that the shares of Transferor Company are unlisted and not traded on the exchanges, the public shareholders of Transferor Company are not a part of the capital market system. Hence, a cash consideration has been considered which exceeds the book value of shares of Transferor Company and provides an opportunity to such public shareholders of Transferor Company to liquidate their investment.

**III. Background of the Companies involved in the Scheme of Amalgamation:**

**1. Tata Steel Limited ('Transferee Company'/'the Company')**

**a. Particulars**

Tata Steel Limited is a listed public company incorporated under the Indian Companies Act, 1882 (and an existing company under the Act) and has its Registered Office at Bombay House, 24, Homi Mody Street, Fort, Mumbai - 400001, Maharashtra. The Corporate Identification Number of the Transferee Company is L27100MH1907PLC000260 and the PAN number is AAACT2803M. The Transferee Company was incorporated on August 26, 1907. The e-mail id of the Company is cosec@tatasteel.com

The Transferee Company is one of the leading global steel companies, with over 100 (hundred) years of experience in the steel sector and is a pioneer of steel manufacturing in India. The Transferee Company is also amongst the lowest cost integrated steel manufacturers in India, with 100% (hundred percent) captive iron ore sources. With its wide portfolio of downstream, value-added and branded products, the Transferee Company caters to customers across all segments through its well-established distribution network. It has operations in India, Europe and South East Asia. Tata Steel Group is one of the prominent geographically diversified steel producers. In addition, it has access to deep end of the markets and customer through its vast sales and distribution network.

The raw material operations of the Transferee Company are located in India, Mozambique, and Canada. Manufacturing facilities are located in India, Thailand, Netherlands, and United Kingdom with cumulative crude steel capacity being 34 (thirty-four) million tons per annum. The Transferee Company is structured into several strategic business units aligned to product categories including, flat products, long products, tubes, wires, bearings, ferro-alloys, etc. The Transferee Company has been aiming to increase resilience of the business to steel business cycles by developing knowledge and intellectual property in new materials. Transferee Company has been foraying into areas such as composites, graphene, and advanced ceramics.

The equity shares of the Transferee Company are listed on the BSE Limited ('**BSE**') and the National Stock Exchange of India Limited ('**NSE**') (hereinafter collectively referred as the '**Stock Exchanges**'). The global depository receipts of the Transferee Company are listed on the Luxembourg Stock Exchange and the London Stock Exchange. Further, the unsecured redeemable non-convertible debentures of the Transferee Company are listed on the wholesale debt market segments of the BSE.

There has been no change in the name and registered office and no material change in the objects of the Transferee Company in the last 5 (five) years.

**b. The extract of the main objects of the Transferee Company as per the Memorandum of Association have been reproduced below for the perusal of the equity shareholder:**

i. *To carry on in India and elsewhere the trades or businesses of ironmasters, steel makers, steel converters, manufacturers of ferro-manganese, colliery proprietors, coke, manufacturers, miners, smelters, engineers, tin plate makers and iron founders, in all their respective branches.*

ii. *To purchase, hold and acquire mines; lease and sub-lease mining licenses and to explore, search for, get, work, raise, make merchantable, sell and deal in iron, coal, ironstone, limestone, manganese, ferro-manganese, magnesite, clay, fire-clay, brick earth, bricks, and other metals, minerals and substances, and to manufacture and sell briquettes and other fuel, and generally to undertake and carry on any business, transaction or operation commonly undertaken or carried on by explorers, prospectors or concessionaires and to search for, win, work, get, calcine, reduce, amalgamate, dress, refine and* *prepare for the market any quartz and ore and mineral substances, and to buy, sell, manufacture and deal in minerals and mineral products, plant and machinery and other things capable of being used in connection with mining or metallurgical operations or required by the workmen and others employed by the Company.*

iii. *To carry on the business of a waterworks company in all its branches and to sink wells and shafts, and to make, build and construct, lay down and maintain reservoirs, waterworks, cisterns, culverts, filter beds, mains and other pipes and appliances, and to execute and do all other works and things necessary or convenient for obtaining, storing, selling, delivering, measuring, distributing and dealing, in water.*

iv. *To carry on business as timber merchants, saw-mill proprietors and timber growers, and to buy, sell, grow, prepare for market, manipulate, import, export and deal in timber and wood of all kinds, and to manufacture and deal in articles of all kinds, in the manufacture of which timber or wood is used, and to buy, clear, plant and work, timber estates.*

v. *To carry on business as manufacturers of chemicals and manures, distillers, dye makers, gas makers, metallurgists, and mechanical engineers, ship-owners and charterers, and carriers by land and sea, wharfingers, warehousemen, barge-owners, planters, farmers, and sugar merchants, and so far as may be deemed expedient the business of general merchants; and to carry on any other business whether manufacturing or otherwise, which may seem to the Company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.*

vi. *To construct, purchase, take on lease, or otherwise acquire, any railways, tramways, or other ways, and to equip, maintain, work and develop the same by electricity, steam, oil, gas, petroleum, horses, or any other motive power, and to employ the same in the conveyance of passengers, merchandise and goods of every description, and to authorise the Government of India, or any Local Government or any municipal or local authority, company, or persons, to use and work the same or any part thereof, and to lease or sell and dispose of the same or any part thereof.*

**c. The capital structure of Transferee Company as on December 1, 2023 (Pre-Scheme Capital) is as below:**

| **Particulars** | | **(₹ crore)** |
|---|---|---|
| **Authorized**: | | |
| 247,15,00,00,000 | Ordinary Shares of ₹1/- each | 24,715.00 |
| 35,00,00,000 | 'A' Ordinary Shares of ₹10/- each[1] | 350.00 |
| 2,50,00,000 | Cumulative Redeemable Preference Shares of ₹100/- each[1] | 250.00 |
| 60,00,00,000 | Cumulative Convertible Preference Shares of ₹100/- each[1] | 6,000.00 |
| | **Total** | **31,315.00** |
| **Issued:** | | |
| 1231,02,16,859 | Ordinary Shares of ₹1/- each | 1,231.02 |
| | **Total** | **1,231.02** |
| **Subscribed and Paid-up:** | | |
| 1229,73,37,309[2] | Ordinary Shares of ₹1/- each fully paid up | 1,229.73 |
| | Amount paid-up on 58,11,460 Ordinary Shares of ₹1/- each forfeited | 0.25 |
| | **Total** | **1,229.98** |

(1) 'A' Ordinary Shares and Preference Shares included within the authorized share capital are for disclosures purposes and have not yet been issued.

(2) Includes 4,370 equity shares of ₹1/- each, on which first and final call money has been received and the partly paid-up equity shares have been converted to fully paid-up equity shares but, are pending final listing and trading approval under the ISIN INE081A01020 (ISIN for fully paid-up shares), and hence, continue to be listed under the ISIN IN9081A01010 (ISIN for partly paid-up shares), as on December 1, 2023.

Note: Paid-up capital includes 1,16,83,930 Ordinary Shares held by Rujuvalika Investments Limited (a wholly-owned subsidiary of Tata Steel Limited w.e.f. May 8, 2015), which do not carry any voting rights.

**The capital structure of Transferee Company (Post-Scheme) is as below:**

| Particulars | | (₹ crore) |
|---|---|---|
| **Authorized:** | | |
| 249,25,00,00,000 | Ordinary Shares of ₹1/- each(1) | 24,925.00 |
| 35,00,00,000 | 'A' Ordinary Shares of ₹10/- each(2) | 350.00 |
| 2,50,00,000 | Cumulative Redeemable Preference Shares of ₹100/- each(2) | 250.00 |
| 60,00,00,000 | Cumulative Convertible Preference Shares of ₹100/- each(2) | 6,000.00 |
| | **Total** | **31,525.00** |
| **Issued:** | | |
| 1231,02,16,859 | Ordinary Shares of ₹1/- each | 1,231.02 |
| | **Total** | **1,231.02** |
| **Subscribed and Paid-up:** | | |
| 1229,73,37,309(3) | Ordinary Shares of ₹1/- each fully paid up | 1,229.73 |
| | Amount paid-up on 58,11,460 Ordinary Shares of ₹1/- each forfeited | 0.25 |
| | **Total** | **1,229.98** |

(1) Equity shares of ₹10/- each forming part of the authorized share capital of the Transferor Company has been included within the authorized share capital of the Transferee Company in accordance with the Scheme.

(2) 'A' Ordinary Shares and Preference Shares included within the authorized share capital are for disclosures purposes and have not yet been issued by the Company.

(3) Includes 4,370 equity shares of ₹ 1/- each, on which first and final call money has been received and the partly paid-up equity shares have been converted to fully paid-up equity shares but are pending final listing and trading approval under the ISIN INE081A01020 (ISIN for fully paid-up shares), and hence, continue to be listed under ISIN IN9081A01010 (ISIN for partly paid-up shares).

Note: Paid-up capital includes 1,16,83,930 Ordinary Shares held by Rujuvalika Investments Limited (a wholly owned subsidiary of Tata Steel Limited w.e.f. May 8, 2015), which do not carry any voting rights.

d. **Financial details of Tata Steel Limited**: The audited standalone and consolidated financial results of Tata Steel Limited for the financial year ended March 31, 2023 and audited standalone and unaudited consolidated financial results of Tata Steel Limited for the quarter and half-year ended September 30, 2023 are annexed as **Annexure 2** to this Notice. The audited standalone and consolidated financial statements of Tata Steel Limited for the financial year ended March 31, 2023 is available on the Company's website www.tatasteel.com and is available for inspection.

e. **The details of the Directors and KMPs and Promoter (including promoter group) of Transferee Company as on November 22, 2023 are as follows:**

Details of Promoter and Promoter Group:

| S.N. | Name of Promoter/ Promoter Group | Category | Address |
|---|---|---|---|
| 1. | Tata Sons Private Limited | Promoter | Bombay House, 24, Homi Mody Street, Fort, Mumbai – 400 001. |
| 2. | Tata Motors Limited | Promoter Group | |
| 3. | Tata Chemicals Limited | | |
| 4. | Tata Industries Limited | | |
| 5. | Tata Investment Corporation Limited | | Elphinstone Building, 10 Veer Nariman Road, Mumbai – 400 001. |
| 6. | Ewart Investments Limited | | |
| 7. | Rujuvalika Investments Limited# | | 3rd floor, One Forbes, No. 1, Dr. V. B. Gandhi Marg, Fort, Mumbai – 400 001. |
| 8. | Tata Motors Finance Limited | | 14, 4th Floor, Sir H. C. Dinshaw Building 16, Horniman Circle, Fort, Mumbai – 400 001. |
| 9. | Tata Capital Financial Services Limited | | 11th Floor, Tower 'A' Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013. |
| 10. | Tata Capital Limited | | |
| 11. | Titan Company Limited | | 3 SIPCOT Industrial Complex Hosur, Tamil Nadu – 635 126. |
| 12. | Sir Dorabji Tata Trust*<br>Name of Trustees -<br>Mr. R. N. Tata, Mr. Vijay Singh, Mr. Venu Srinivasan, Mr. N. N. Tata, Mr. Mehli Mistry and Mr. Pramit Jhaveri | | Bombay House, 24, Homi Mody Street, Fort, Mumbai – 400 001. |
| 13. | Sir Ratan Tata Trust*<br>Name of Trustees -<br>Mr. R. N. Tata, Mr. Vijay Singh, Mr. Venu Srinivasan, Mr. J. N. Tata, Mr. N. N. Tata, Mr. Mehli Mistry and Mr. Jehangir H.C. Jehangir | | |

*#Is a wholly-owned subsidiary of Tata Steel Limited and does not carry any voting rights.*

**Have sold their shareholding in the Transferee Company on June 30, 2018. However, they continue to be part of the Promoter Group.*

Details of Directors and Key Managerial Personnel ('**KMP**'):

| S.N. | Name of the Director/KMP | DIN | Designation | Address |
|---|---|---|---|---|
| 1. | Mr. N. Chandrasekaran | 00121863 | Chairman, Non-Executive Director | Floor 21 and 22, 33 South Condominium, Peddar Road, Opposite Sterling Apartments, Mumbai – 400 026 |
| 2. | Mr. Noel Naval Tata | 00024713 | Vice Chairman, Non-Executive Director | 55 Windmere, 5th Floor, Cuff Parade, Colaba, Mumbai – 400 005 |

| S.N. | Name of the Director/KMP | DIN | Designation | Address |
|---|---|---|---|---|
| 3. | Mr. Deepak Kapoor | 00162957 | Independent Director | House No. K-42, NDSE Part-II, New Delhi – 110 049 |
| 4. | Ms. Farida Khambata | 06954123 | | Flat - 2104, 393 - Lake Terrace – JLT Premise Number 393011275 Dubai, United Arab Emirates 413 967 |
| 5. | Mr. Vijay Kumar Sharma | 02449088 | | Flat No. 8576, Pocket No. 8, Sector C, Vasant Kunj, South West Delhi, Delhi – 110 070 |
| 6. | Ms. Bharti Gupta Ramola | 00356188 | | E-2244, Palam Vihar, Gurgaon, Haryana – 122 017 |
| 7. | Dr. Shekhar C. Mande | 10083454 | | Apt #201, Nishigandh, Panchawati Pashan, Pune – 411 008 |
| 8. | Mr. Saurabh Agrawal | 02144558 | Non-Executive Director | 2103, Artesia Building, Hind Cycle Marg, Worli, Mumbai – 400 030 |
| 9. | Mr. T. V. Narendran | 03083605 | CEO & Managing Director and KMP | No - 5, C - Road, Near Armoury Ground, Northern Town, Jamshedpur, East Singhbhum, Jharkhand – 831 001 |
| 10. | Mr. Koushik Chatterjee | 00004989 | Executive Director & CFO and KMP | Flat No. 1803, Signia Isles, G Block, Bandra Kurla Complex, Next to Sofitel Hotel, Bandra East, Mumbai – 400 051 |
| 11. | Mr. Parvatheesam Kanchinadham | NA | Company Secretary & Chief Legal Officer (Corporate & Compliance) and KMP | Flat No. 502, Anand Smruti, 266 Deodhar road, Matunga, Mumbai – 400 019 |

**2. Angul Energy Limited ('Transferor Company')**

**a. Particulars**

Angul Energy Limited is an unlisted public company incorporated under the provisions of the Companies Act, 1956 (and an existing company under the Act) and has its Registered Office at Ground Floor, Mira Corporate Suites, Plot no. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065. The Corporate Identification Number of the Transferor Company is U40105DL2005PLC140748 and the PAN number is AACCB7445H. The Transferor Company's email-id is ael@angulenergy.co.in

The Transferor Company was incorporated on September 14, 2005 as Bhushan Energy Private Limited with the Registrar of Companies, National Capital Territory of Delhi & Haryana. Subsequently, its name was changed to Bhushan Energy Limited pursuant to the certificate of incorporation dated December 19, 2006 issued by the Assistant Registrar of Companies, National Capital Territory of Delhi & Haryana. Thereafter, the Transferor Company's name was changed to Angul Energy Limited pursuant to the certificate of incorporation dated February 27, 2020 issued by the Registrar of Companies, New Delhi.

The Transferor Company is engaged in the business of generation of thermal power. The power plant of the Transferor Company is located at district Angul, Odisha with a total capacity of 485MW. The Transferor Company's power plant is situated adjacent to the Meramandali plant of the Transferee Company. The

Transferor Company's plant is a captive power plant of the Transferee Company and it has recently entered into Power Purchase Agreement ('PPA') with the Transferee Company for supply of electricity from the said captive power plant to meet the energy requirement of steel manufacturing plant of Transferee Company.

The Transferor Company is an unlisted subsidiary company of the Transferee Company, with the Transferee Company holding 99.99% of the issued and paid-up capital of the Transferor Company, as on the date of this Notice.

There has been no change in the objects of the Transferor Company in the last 5 (five) years. However, the name and registered office of the Company has been changed during the last 5 (five) years.

**b. The extract of the main objects of the Transferor Company as per the Memorandum of Association have been reproduced below for the perusal of the equity shareholders**

*(a) To carry on in India or elsewhere, the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches of such place or places as may be permitted by appropriate authorities by establishments of thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy as may be developed or invented in future.*

*(b) To construct, laydown, establish, promote, erect, build, install, commission, carry out and run all necessary power substations, work shops, repair shops, wires, cables, transmission lines, accumulators, street lights for the purpose of conservation, distribution, and supply of electricity to participating industries, state electricity boards and other boards for industrial, commercial, domestic, public and other purposes and also to provide regular services for repairing and maintenance of all distribution and supply lines.*

*(c) To acquire concessions, facilities or licenses from electricity boards, government, semi governments or local authorities for generation, distribution, production, transmission or use of electric power and to take over the existing facilities on mutually agreed terms from aforesaid authorities and to do all incidental acts and things necessary for the attainment of foregoing objects.*

**c. The capital structure of Transferor Company as on December 31, 2023 (Pre-Scheme) is as follows:**

| **Authorised share capital:** | | **Amount (₹)** |
|---|---|---|
| 21,00,00,000 | Equity Shares of ₹10/- each | 210,00,00,000 |
| **Total:** | | **210,00,00,000** |
| **Issued, Subscribed and paid-up share capital:** | | **Amount (₹)** |
| 1,00,00,142 | Equity Shares of ₹10/- each, each fully paid up | 10,00,01,420 |
| **Total:** | | **10,00,01,420** |

Post the Scheme of Amalgamation, the equity share capital of the Transferor Company will be **NIL**.

**d. Financial details of Angul Energy Limited**

The audited financial statements of Angul Energy Limited for the financial year ended March 31, 2023 and audited financial statements of Angul Energy Limited for the half-year ended September 30, 2023 are annexed as **Annexure 3** to this Notice. The audited financial statements of Angul Energy Limited for the financial year ended March 31, 2023 is available on the website of the Transferee Company at www.tatasteel.com and are also available for inspection at the Registered Office of the Transferee Company. The same is also available at the website of the Transferor Company at www.angulenergy.co.in

e. **The details of the Directors and KMPs and Promoter (including promoter group) of Transferor Company as on December 31, 2023**

Details of Promoter and Promoter Group:

| S.N. | Name of Promoter/ Promoter Group | Category | Address |
|---|---|---|---|
| 1. | Tata Steel Limited | Promoter | Bombay House, 24, Homi Mody Street, Fort, Mumbai – 400 001 |

Details of Directors and Key Managerial Personnel ('**KMP**'):

| S.N. | Name of the Director/KMP | DIN | Designation | Address |
|---|---|---|---|---|
| 1. | Mr. Subodh Pandey | 08279634 | Chairman, Non-Executive Director | Flat no. 14 DA/ 14DB, Mani Tirumala Apartment, Nandan Kanan Road, Opposite Galaxy Mall, Patia, Ostapada, Khorda Bhubaneshwar-751024 |
| 2. | Dr. Ansuman Das | 02845138 | Independent Director | GA, Plot No. 9, Niladari Vihar, Chandrasekharpur, Bhubaneshwar – 751 021 |
| 3. | Prof. Sougata Ray | 00134136 | | NF 3/16, Indian Institute of Management Calcutta, Joka, Kolkata, West Bengal, India 700104 |
| 4. | Mr. Sanjib Nanda | 01045306 | Non-Executive Director | 132-A, Maker Tower, Near World Trade Centre, Cuffe Parade, Colaba, Mumbai –400 005 |
| 5. | Mrs. Meena Lall | 05133322 | Non-Executive Director | B-228, B-Block, Near Andhra Bank, Greater Kailash, Part – 1, South Delhi – 110048. |
| 6. | Mr. Rajesh Kumar Agrawal | 09184467 | Non-Executive Director | House No. 40, Uprenganj, Silli Bya Ka Baada Chhota Fuhara, Jabalpur, Madhya Pradesh – 482001 |
| 7. | Mr. Shailesh Verma | 08830968 | Managing Director and KMP | Banglow no. 9, Central Site, Post Ghatotand, PS Mandu, Near Guest House, Barughutu, Ghatotand, Ramgarh, Jharkhand- 825314 |
| 8. | Mr. Indrajit Roy | NA | Chief Financial Officer and KMP | 3481, Banksia, Vijaya Gardens, Baridih, Jamshedpur, Baridih Colony, East Singhbhum, Jharkhand – 831017 |
| 9. | Mr. Rupesh Purwar | NA | Company Secretary and KMP | 648, West Guru Angad Nagar, Delhi 110092 |

## IV. Salient Features of the Scheme of Amalgamation

The salient features of the Scheme, *inter alia*, are as stated below:

1. Amalgamation of the Transferor Company into and with the Transferee Company.
2. Pursuant to the sanction of the Scheme by National Company Law Tribunal(s) and upon the fulfillment of conditions for the Scheme, the Scheme shall become effective from the opening of business hours on April 1, 2022 or such other date as may be determined by the Board of Directors of the concerned Transferor and Transferee Company or allowed/directed by the National Company Law Tribunal(s) ('**Appointed Date**').

3. With effect from the Appointed Date and upon the Scheme becoming effective, the entire Undertaking (as defined in the Scheme) of the Transferor Company shall stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company to become the undertaking of the Transferee Company.
4. The entire paid-up share capital of the Transferor Company including the shares held by the Transferee Company in the Transferor Company, shall stand cancelled in its entirety without being required to comply with the provisions of Sections 66 of the Companies Act, 2013
5. No shares shall be issued or allotted by the Transferee Company in respect of the shares held (including beneficial rights held in shares) by the Transferee Company in the Transferor Company and all such shares shall stand cancelled and extinguished without any further application or deed.
6. Payment of cash consideration of ₹1,045/- (Rupees One Thousand and Forty-Five) to all the shareholders of the Transferor Company (except the Transferee Company) for every 1 (one) fully paid-up equity share of nominal value of ₹10/- (Rupees ten) each held by the shareholders (except the Transferee Company) as per the approved valuation report, without any further act, instrument or deed, in accordance with Part II of this Scheme.
7. Transfer of the authorized share capital of the Transferor Company to the Transferee Company and consequential increase in the authorized share capital of the Transferee Company as provided in Part III of the Scheme.
8. The Transferor Company shall stand dissolved without being wound up.
9. Accounting Treatment: Clause(s) 17-18 of the Scheme provides the details on 'Accounting Treatment'.
10. Legal Proceedings: Clause 12.2.6 of the Scheme provides the treatment on 'Transfer of Legal and other Proceedings'.
11. Clause 12.2.7 of the Scheme provides the details on compliance with tax laws as applicable to the Scheme.

**Note: The equity shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.**

**V. Relationship subsisting between Parties to the Scheme:**

a. The Transferor Company is an unlisted subsidiary company of the Transferee Company. The Transferee Company holds 99.99% of equity shares of Transferor Company, as on the date of this Notice.

b. Transferee Company is the promoter company of Transferor Company.

c. Both the Transferor Company and Transferee Company are related parties of each other as per the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable. The amalgamation shall not attract the requirements of Section 188 of the Companies Act, 2013 (related party transactions), pursuant to the clarifications provided by the Ministry of Corporate Affairs vide its General Circular No. 30/2014 dated July 17, 2014. However, the transaction shall be considered a 'related party transaction' under SEBI Listing Regulations.

d. There are no common directors on the Board of the Transferor Company and the Transferee Company. Mr. Subodh Pandey and Mr. Sanjib Nanda, Non-Executive Directors of Transferor Company are part of the Senior Management of the Transferee Company. Further, Mrs. Meena Lall and Mr. Rajesh Kumar Agrawal, Non-Executive Directors of Transferor Company are employees of the Transferee Company.

**VI. Board Approvals:**

The Board of Directors of the Transferee Company have approved the Scheme and adopted a report dated February 6, 2023 as per Section 232(2)(c) of the Companies Act, 2013 explaining the effect of the Scheme on each class of shareholders (promoter and non-promoter), creditors, Key Managerial Personnel and employees of Tata Steel Limited and laying out in particular the cash consideration, setting out the salient features and commercial rationale behind the Scheme. Also enclosed is the Report of the Audit Committee dated February 6, 2023 recommending the draft

Scheme taking into consideration, *inter alia*, the valuation report provided by CA Vikrant Jain, independent chartered accountant and registered valuer and the fairness opinion provided by Ernst & Young Merchant Banking Services LLP. Also enclosed is the report of the Committee of Independent Directors dated February 6, 2023 recommending the draft Scheme taking into consideration, *inter alia*, that the Scheme is not detrimental to the shareholders of Tata Steel Limited. The Reports of the Board of Directors, Audit Committee and Committee of Independent Directors of the Transferee Company are annexed as **Annexure 4**.

The details of the approval of the Board of Directors of Tata Steel Limited on February 6, 2023, are provided below:

| Name of Director | Voting Pattern |
|---|---|
| Mr. N. Chandrasekaran | Favour |
| Mr. Noel N. Tata | Favour |
| Mr. O. P. Bhatt* | Favour |
| Mr. Deepak Kapoor | Favour |
| Ms. Farida Khambata | Favour |
| Mr. Vijay Kumar Sharma | Absent |
| Mr. Saurabh Agrawal | Favour |
| Mr. T. V. Narendran | Favour |
| Mr. Koushik Chatterjee | Favour |

**Mr. O. P. Bhatt ceased to be the Independent Director of the Transferee Company effective June 9, 2023 on completion of his second term as Independent Director.*

The Board of Directors of the Transferor Company has approved the Scheme and adopted a report dated February 6, 2023 as per Section 232(2)(c) of the Companies Act, 2013 explaining the effect of the Scheme on various stakeholders and each class of shareholders and setting out the salient features and commercial rationale behind the Scheme. Also enclosed is the Report of the Audit Committee dated February 6, 2023 recommending the draft Scheme taking into consideration, *inter alia*, the valuation report provided by Omnifin Valuation Services (OPC) P Limited, Registered Valuer (IBBI Reg no. IBBI/RV-E/01/2022/160) and the fairness opinion provided by Finshore Management Services Limited (SEBI Registered Category I Merchant Banker having Registration Code: INM000012185). The Reports of the Board of Directors and Audit Committee of the Transferor Company are annexed as **Annexure 5**.

The details of the approval of the Board of Directors of Angul Energy Limited on February 6, 2023, are provided below:

| Name of Director | Voting Pattern |
|---|---|
| Mr. Subodh Pandey | Favour |
| Dr. Ansuman Das | Favour |
| Prof. Sougata Ray | Favour |
| Mr. Sanjib Nanda | Favour |
| Mrs. Meena Lall | Favour |
| Mr. Rajesh Kumar Agrawal | Favour |
| Mr. Shailesh Verma | Favour |

**VII. Interest of Directors, Key Managerial Personnels (KMPs), their relatives and Debenture Trustee**

**Tata Steel Limited ('Transferee Company'):**

None of the Directors, KMPs (as defined under the Act and rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of their directorship and shareholding, if any, in the Transferee Company. The Debenture Trustees (for the debentures issued by the Transferee Company) have no interest in the Scheme.

**Angul Energy Limited ('Transferor Company'):**

None of the Directors, KMPs (as defined under the Act and rules framed thereunder) of the Transferor Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of their directorship and shareholding, if any, in the Transferor Company. The Transferor Company has not issued any debentures and hence, no Debenture Trustee has been appointed.

**VIII. Effect of Scheme**

**Effect of Scheme on Directors, Promoters, KMPs, Equity Shareholder (Promoter and Non-promoter members), Depositors, Creditors, Debenture holders, Debenture Trustees, employees of the Transferee Company:**

1. Effect on the equity shareholders (promoter shareholders and non-promoter shareholders):

   As far as the equity shareholders of the Transferee Company i.e. both promoter shareholders as well as non-promoter shareholders, are concerned, the amalgamation of the Transferor Company with the Transferee Company will not result in dilution of holding of promoter group in the Transferee Company's shares, nor would there be any change in the shareholding pattern. There will be no change in the trading stock of the shares of the Transferee Company. Pursuant to the Scheme, no new shares shall be issued by the Transferee Company, and there will be no change in economic interest of any of the current shareholders of the Transferee Company pre and post Scheme coming into effect.

   The proposed Scheme does not entitle the promoter/promoter group and the related parties, associates and subsidiaries of the promoter/promoter group of the Company to any shares.

2. Effect on the Directors and Key Managerial Personnel:

   There shall be no effect on the Board of Directors and/or KMPs of the Transferee Company except to the extent of the equity shares held (if any) by them or their relatives in the Transferor Company.

   The effect of the Scheme on the interests of the Board of Directors and/or KMPs and their relatives holding shares in the Transferee Company, is not different from the effect of the Scheme on other shareholders of the Transferee Company.

3. Effect on the creditors:

   Under the Scheme, no arrangement or compromise is being proposed with the creditors (secured or unsecured, including debenture holders) of the Transferee Company. The liability of the creditors of the Transferee Company, under the Scheme, is neither being reduced nor being extinguished.

4. Effect on staff or employees:

   Under the Scheme, no rights of the staff and employees (who are on payroll of the Transferee Company) of the Transferee Company are being affected. The services of the staff and employees of the Transferee Company shall continue on the same terms and conditions applicable prior to the proposed Scheme.

   Further, upon the Scheme becoming effective, the employees of the Transferor Company ('**Employees'**) will be deemed to have become employees of the Transferee Company pursuant to the Scheme with effect from the Effective Date.

   All such Employees shall be deemed to have become employees of the Transferee Company, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company, shall not be less favorable than those applicable to them with reference to their employment in the Transferor Company as on the Effective Date.

5. Effect on the Debenture holders ('holders of NCDs') and Debenture Trustees:

   i. Impact of the scheme on the holders of NCDs

      The holders of the NCDs in the Transferee Company shall continue to hold all the NCDs in the Transferee Company even post the Scheme becoming effective on the same terms and conditions at which they were issued. Thus, the rights of the holders of the NCDs are in no manner affected by the Scheme becoming effective.

   ii. Safeguards for the protection of holders of NCDs

      The Scheme envisages the amalgamation of the Transferor Company which is an unlisted subsidiary into the Transferee Company. Under the Scheme, no arrangement or compromise is being proposed with the holders of the NCDs of the Transferee Company. The liability of the holders of NCDs of the Company, under the Scheme, is neither being reduced nor being extinguished. Further, the holders of the NCDs shall continue to hold all the NCDs in the Transferee Company even post the Scheme becoming effective, on the same terms and conditions at which they were issued. The Scheme, therefore, has adequate safeguards for the protection of holders of NCDs.

   iii. Exit offer to the dissenting holders of NCDs, if any

      Since the holders of the NCDs in the Transferee Company shall continue to hold all the NCDs in the Transferee Company even post the Scheme becoming effective on the same terms and conditions at which they were issued, the holders of the NCDs are not affected by the Scheme. Further, the liability of the holders of NCDs of the Company, under the Scheme, is neither being reduced nor being extinguished. Therefore, the Scheme, does not envisage any exit offer to the dissenting holders of NCDs.

   iv. Effect of the Debenture Trustees

      The interest of the Debenture Trustee of the Transferee Company is not getting impacted by the Scheme.

6. Effect on the deposit holders and deposit trustees:

   As on date of this notice, the Transferee Company has no outstanding public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustees does not arise.

**Effect of Scheme on Directors, Promoters, KMPs, Equity Shareholders (Promoter and Non-promoter members), Depositors, Creditors, Debenture holders, Debenture Trustees, employees of the Transferor Company:**

1. Effect on the equity shareholders (promoter shareholders and non-promoter shareholders):

   The equity shares issued by the Transferor Company to the Transferee Company shall stand cancelled in its entirety, which shall be effected as part of the Scheme and not in accordance with Section 66 of the Companies Act, 2013.

   For the shareholders of the Transferor Company (except the Transferee Company), the Scheme provides an opportunity to unlock the economic value by providing them with an exit opportunity.

   Further, upon the Scheme becoming effective, the Transferee Company shall without any further application, act, instrument, or deed, pay ₹1,045/- (Rupees One Thousand and Forty-Five only) to the shareholders of the Transferor Company (except the Transferee Company) for every 1 (one) fully paid-up equity shares of nominal value of ₹10/- (Rupees ten) each held by the shareholders (except the Transferee Company) in the Transferor Company, whose name(s) appear in the register of members, as on the Record Date (as defined in the Scheme).

2. Effect on the Directors and Key Managerial Personnel:

   Pursuant to the Scheme, the Transferor Company shall be dissolved without winding up and therefore current Board of Directors and KMPs of the Transferor Company shall cease to hold their positions and cease to be the Board of Directors and KMPs of the Transferor Company. Further, the Board of Directors and/or KMPs shall also be affected to the extent of the equity shares (if any) held by them or their relatives in the Transferor Company. The effect of the Scheme on the interests of the Board of Directors and / or KMPs and their relatives holding shares (if any) in the Transferor Company, is not different from the effect of the Scheme on other shareholders of the Transferor Company.

3. Effect on the creditors:

Under the Scheme, no arrangement or compromise is being proposed with the creditors (secured or unsecured) of the Transferor Company. The liability of the creditors of the Transferor Company, under the Scheme, is neither being reduced nor being extinguished.

4. Effect on staff or employees:

Under the Scheme, no rights of the staff and employees (who are on payroll of the Transferor Company) of the Transferor Company are being affected. The services of the staff and employees of the Transferor Company shall continue on the same terms and conditions applicable prior to the proposed Scheme.

Further, upon the Scheme becoming effective, the employees of the Transferor Company ('**Employees**') will be deemed to have become employees of the Transferee Company pursuant to the Scheme with effect from the Effective Date.

All such Employees shall be deemed to have become employees of the Transferee Company, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company, shall not be less favorable than those applicable to them with reference to their employment in the Transferor Company as on the Effective Date**.**

5. Effect on Debenture Holders & Debenture Trustees:

As on date of this notice, the Transferor Company has no outstanding debentures, and therefore, the effect of the Scheme on any such debenture holders or debenture trustees does not arise.

6. Effect on Deposit Holders and Deposit Trustees:

As on date of this notice, the Transferor Company has no outstanding public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustees does not arise.

**IX. The shareholding of the present directors and Key Managerial Personnel ('KMP') of the Transferee Company, either individually or jointly, as a first holder or as a nominee as on December 31, 2023 is as under:**

| S.N. | Name of the Director/KMP | Tata Steel Limited | Angul Energy Limited |
|---|---|---|---|
| 1. | Mr. N. Chandrasekaran<br>*Chairman, Non-Executive Director* | 20,00,000 | - |
| 2. | Mr. Noel Naval Tata<br>*Vice Chairman, Non - Executive Director* | 1,43,700 | - |
| 3. | Mr. Deepak Kapoor<br>*Independent Director* | - | - |
| 4. | Ms. Farida Khambata<br>*Independent Director* | 8,00,000 | - |
| 5. | Mr. Vijay Kumar Sharma<br>*Independent Director* | 10,000 | - |
| 6. | Ms. Bharti Gupta Ramola<br>*Independent Director* | - | - |
| 7. | Dr. Shekhar C. Mande<br>*Independent Director* | - | - |

| S.N. | Name of the Director/KMP | Tata Steel Limited | Angul Energy Limited |
|---|---|---|---|
| 8. | Mr. Saurabh Agrawal<br>*Non-Executive Director* | - | - |
| 9. | Mr. T. V. Narendran<br>*CEO & Managing Director and KMP* | 17,620 | - |
| 10. | Mr. Koushik Chatterjee<br>*Executive Director & CFO and KMP* | 16,360 | - |
| 11. | Mr. Parvatheesam Kanchinadham<br>*Company Secretary & Chief Legal Officer (Corporate & Compliance) and KMP* | 1,000 | - |

**X. The shareholding of the present directors and Key Managerial Personnel ('KMP') of the Transferor Company, either individually or jointly, as a first holder or as a nominee as on December 31, 2023 is as under:**

| S.N. | Name of the Director/KMP | Tata Steel Limited | Angul Energy Limited |
|---|---|---|---|
| 1. | Mr. Subodh Pandey<br>*Chairman, Non-Executive Director* | - | - |
| 2. | Dr. Ansuman Das<br>*Independent Director* | - | - |
| 3. | Prof. Sougata Ray<br>*Independent Director* | - | - |
| 4. | Mr. Sanjib Nanda<br>*Non-Executive Director* | 1,000 | - |
| 5. | Mrs. Meena Lall<br>*Non-Executive Director* | - | - |
| 6. | Mr. Rajesh Kumar Agrawal<br>*Non-Executive Director* | 2,200 | - |
| 7. | Mr. Shailesh Verma<br>*Managing Director and KMP* | 9,571 | - |
| 8. | Mr. Indrajit Roy<br>*Chief Financial Officer and KMP* | - | - |
| 9. | Mr. Rupesh Purwar<br>*Company Secretary and KMP* | 300 | - |

**XI. Amounts due to unsecured creditors**

The amount due to unsecured creditors of the Transferee Company, as on as on June 30, 2023 is approximately ₹60,042 crore. The amount due to unsecured creditors of the Transferor Company, as on March 31, 2023 is approximately ₹53.89 crore.

**XII. Appointed date, effective date, cash consideration and other considerations**

1. **Appointed Date:** Appointed Date under the Scheme means the opening of business on April 1, 2022, or such other date as may be determined by the Board of Directors of the Transferor Company and Transferee Company or directed/allowed by the Competent Authority (as defined in the Scheme).

2. **Effective Date:** Effective Date under the Scheme means the date or last of the dates on which the certified copies of the order of the Competent Authority (as defined in the Scheme) sanctioning the Scheme are filed by the Transferor Company and the Transferee Company with the Registrar of Companies, New Delhi and Registrar of Companies, Mumbai (whichever is later) after all the conditions and matters referred to in Clause 22 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with the Scheme, and which filing may be a filing independent of the filing required to be made under Section 232(5) of the Companies Act, 2013 read with Rule 25(7) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

3. **Cash Consideration:** Payment of cash consideration of ₹1,045/- (Rupees One thousand and Forty-Five only) for every 1 (one) fully paid-up equity share of ₹10/- (Rupees ten) each held by the shareholders (except the Transferee Company) of the Transferor Company, pursuant to the Scheme.
4. **Record Date:** Record Date under the Scheme means the date to be mutually fixed by the Board of Directors of the Transferor Company and the Transferee Company, for the purpose of determining the shareholders of the Transferor Company to whom cash consideration will be paid by the Transferee Company pursuant to the Scheme.
5. **Details of capital/debt restructuring:** There shall be no debt restructuring of the Transferee Company or Transferor Company envisaged in the Scheme. The capital structure of both the companies has been provided above in the Statement.
6. **Other Scheme details:** Upon the Scheme coming into effect, all the paid-up equity shares of the Transferor Company (including the equity shares held by the Transferee Company), shall stand cancelled.

**XIII. Summary of the Valuation Report and Fairness Opinion**

**Background:**

a. Upon the Scheme coming into effect, the Company shall without any further application, act, instrument, or deed, pay ₹1,045/- (Rupees One thousand and forty-five) to the shareholders of Transferor Company (except the Transferee Company) for every 1 (one) fully paid-up equity shares of nominal value of ₹10/- (Rupees ten) each held by the shareholders (except the Transferee Company) of Transferor Company as per the Valuation Report dated February 6, 2023 issued by CA Vikrant Jain, an Independent Chartered Accountant and Registered Valuer. The valuation has been done in accordance with internationally accepted valuation standards.

b. The computation of fair Equity value is given below:

| Valuation Approach | Angul Energy Limited | |
|---|---|---|
| | Value (₹/Share) | Weight |
| Asset Approach – NAV Method | 919.5 | 0% |
| Income Approach – DCF Method | 1,045.1 | 100% |
| Market Approach – CCM Method | 1,232.3 | 0% |
| Fair Equity value per Share | **1,045** | |

c. In case of Net Assets Value (NAV) 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 business of Angul Energy Limited are to be continued on a 'going concern basis' and there is no intention to dispose off the assets, therefore the Asset Approach has not been considered for the valuation exercise.

d. The Discounted Cash Flow (DCF) method of valuation which derives the valuation of an asset based on the expected future cash flows of those assets. The projected cash flows are discounted with the weighted average cost of capital to arrive at the value.

e. Under Comparable Companies Multiple (CCM) method, the value of the equity shares of a company is determined on the basis of multiples derived from valuations of comparable companies. There are no listed peer comparable companies to Transferor Company, hence valuer had not considered CCM Method for the said transaction and have not assigned any weight to this Method.

f. Based, *inter alia*, on the aforesaid, the Registered Valuer has recommended payment of cash consideration as follows:

Cash consideration of ₹1,045/- for every 1 (one) fully paid up equity share of ₹10/- (Rupees ten) each held by the shareholders (except the Transferee Company) of the Transferor Company.

g. Further, the details of the valuation forms part of the Valuation Report.

h. Fairness Opinion dated February 6, 2023 issued by Ernst & Young Merchant Banking Services LLP to the Transferee Company on the fairness of the cash consideration recommended by CA Vikrant Jain, Independent Chartered Accountant and Registered Valuer for the proposed Scheme of amalgamation amongst Transferee Company and Transferor Company and their respective shareholders.

i. The proposed Scheme was placed before the Audit Committee and Committee of Independent Directors of the Transferee Company at its meeting held on February 6, 2023. Both the Committees took into account the recommendations on the fair valuation mentioned in the Valuation Report provided by CA Vikrant Jain, Independent Chartered Accountant and Registered Valuer and the Fairness Opinion provided by Ernst & Young Merchant Banking Services LLP. Both the Committees have recommended the proposed Scheme to the Board of Directors of the Transferee Company.

j. The Board of Directors of the Transferee Company have taken into account the recommendations of the Audit Committee and Committee of Independent Directors, cash consideration provided in the Valuation Report dated February 6, 2023 provided by the Independent Registered Valuer and the Fairness Opinion dated February 06, 2023 provided by Ernst & Young Merchant Banking Services LLP.

k. Based on the aforesaid, the Board of Directors of the Transferee Company have come to conclusion that the cash consideration provided in the Valuation Report is fair and reasonable and accordingly approved the same at its meeting held on February 6, 2023.

**Details of the Valuation Reports and Fairness Opinions of Transferor and Transferee Company**

**Tata Steel Limited (Transferee Company)**

The Valuation Report dated February 6, 2023 issued by CA Vikrant Jain, Independent Chartered Accountant and Registered Valuer (Registration No. IBBI/RV/05/2018/10204), recommending the cash consideration for the proposed amalgamation of Transferor Company into and with the Transferee Company is enclosed herewith as **Annexure 6**. The document is also available for inspection at the Registered Office of the Transferee Company.

In terms of the SEBI Scheme Circular, Fairness Opinion dated February 6, 2023 issued by Ernst & Young Merchant Banking Services LLP, an independent SEBI Registered Category 1 Merchant Banker (SEBI Registration No. INM000010700) on the fairness of the cash consideration recommended by CA Vikrant Jain, Independent Chartered Accountant and Registered Valuer for the proposed amalgamation of Transferor Company into and with the Transferee Company is enclosed herewith as **Annexure 7**. The document is also available for inspection at the Registered Office of the Transferee Company.

**Angul Energy Limited (Transferor Company)**

The Valuation Report dated February 6, 2023, issued by Omnifin Valuation Services (OPC) P Ltd (IBBI Registration No.: IBBI/RV/01/2018/10339) recommending the cash consideration for the proposed amalgamation of the Transferor Company into and with the Transferee Company is enclosed herewith as **Annexure 8** and is also available for inspection at the Registered Office of the Transferee Company.

In terms of the SEBI Scheme Circular, Fairness Opinion dated February 6, 2023, issued by Finshore Management Services Limited (an Independent SEBI Registered Category I Merchant Banker having Registration Code: INM000012185) on the fairness of the cash consideration recommended by Omnifin Valuation Services (OPC) P Ltd, for the proposed amalgamation of the Transferor Company into and with the Transferee Company is enclosed herewith as **Annexure 9** and is also available for inspection at the Registered Office of the Transferee Company.

**XIV. Shareholding pattern**

The shareholding pattern of the Transferee Company and the Transferor Company (pre Scheme and post Scheme) for equity shares as on November 22, 2023 is enclosed herewith as **Annexure 10.**

The entire pre-Scheme shareholding pattern of the Transferor Company shall stand cancelled and accordingly, there will be no post-Scheme shareholding pattern for the equity shares of the Transferor Company.

**XV. Auditors' Certificate on conformity of accounting treatment specified in the Scheme with Accounting Standards**

The Auditors of the Transferor Company and of the Transferee Company have confirmed that the accounting treatment specified in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013.

**XVI. Approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of amalgamation**

1. In terms of Regulation 37 of the SEBI Listing Regulations, and under SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ('**SEBI Scheme Circular'**), BSE and NSE, vide their letters dated July 26, 2023, respectively, have communicated their 'no objection'/ 'no adverse' observations on the Scheme to the Transferee Company.

   (i) The NSE in its observation letter has noted as follows:

   a. *Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*

   b. *Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed Company and the stock exchanges.*

   c. *The entities involved in the scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company.*

   d. *Company shall ensure that information pertaining to all the unlisted Companies involved in the scheme, shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*

   e. *Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*

   f. *Company shall ensure that the details of the proposed Scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the shareholders.*

   g. *Companies shall disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act, 2013.*

      - *The latest proforma balance sheet of TSL pursuant to amalgamation of AEL with TSL.*
      - *Valuation report along with detailed rationale.*
      - *The need, rationale and cost-benefit analysis of the scheme along with its impact on the shareholders of TSL and AEL.*
      - *The rationale for cash consideration.*

   h. *Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the Scheme document.*

   i. *Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities/ tribunals shall be made without specific written consent of SEBI.*

   j. *Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*

k. *The Companies involved in the Scheme shall ensure that the proposed scheme have complied with the relevant provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed Scheme.*

l. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

m. *Companies involved shall not provide any misstatement or furnish false information with regard to disclosures to be made in the draft scheme of amalgamation as per provisions of Chapter XII of the Operational Circular issued on July 29, 2022 and comply with other requirements of the aforesaid Operational Circular.*

n. *Company shall include information pertaining to the unlisted entity in the format specified for abridged prospectus provided in Part B of Schedule I of the SEBI (issue and Listing of Non-Convertible Securities) Regulations, 2021, in the notice or proposal to be sent to the holders of NCDs/NCRPS while seeking approval for the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered merchant banker after following the due diligence process.*

o. *Company shall comply with the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) any other regulations and circulars.*

(ii) The BSE in its observation letter has noted as follows:

a) *"Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."*

b) *"Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."*

c) *"Company shall ensure compliance with the SEBI Circulars issued from time to time."*

d) *"The entities involved in the scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company."*

e) *"Company is advised that the information pertaining to all the Unlisted Companies involved in the Scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."*

f) *"Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."*

g) *"Company is advised that the details of the proposed scheme under consideration as provided by Company to the stock exchange shall be prominently disclosed in the notice sent to the shareholders."*

h) *"Both the Companies are advised to disclose the latest proforma balance sheet of TSL pursuant to amalgamation of AEL with TSL, (ii) valuation report along with the detailed rationale and (iii) the need, rationale and cost-benefit analysis of the scheme along with its impact on the shareholders of TSL and AEL, (iv) the rationale for cash consideration, as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act, 2013."*

i) *"Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."*

j) *"Company to ensure that no changes to the draft scheme except those mandated by the regulators/authorities/tribunals shall be made without specific written consent of SEBI."*

k) *"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."*

l) *"Company is advised to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."*

m) *"It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations."*

n) *"The entities involved in the proposed scheme shall not provide any misstatement or furnish false information with regard to disclosures to be made in the draft scheme of amalgamation as per the provisions of Chapter XII of the Operational Circular Ref. No. SEBI/HO/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 and comply with other requirements of the aforesaid Operational Circular.*

o) *"The listed entity involved in the proposed scheme shall include the information pertaining to the unlisted entity in the format specified in abridged prospectus as provided in Part B of Schedule I of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, in the notice or proposal to be sent to the holders of NCDs/NCPRS while seeking approval of the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered Merchant Banker after following the due diligence process." "Company is advised to comply with all provisions of SEBI Master Circular dated June 20, 2023 including obtaining the No-Objection Certificate."*

p) *"The entities involved in the scheme shall ensure to comply with the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) any other relevant regulations and circulars."*

Copies of the said observation letters issued by BSE and NSE to the Company are enclosed as **Annexure 11** and **Annexure 12** respectively.

As per the comments contained in observation letters, the details of ongoing adjudication and recovery proceedings, prosecution initiated and all other enforcement action taken against the Company, its promoters and directors are enclosed as **Annexure 13**.

The information pertaining to Angul Energy Limited has been provided in the abridged prospectus as per the format prescribed in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as **Annexure 14**.

As per the comments contained in observation letters, the details of pro forma balance sheet of the Transferee Company as on March 31, 2022 pursuant to the Scheme of Amalgamation is enclosed as **Annexure 15**.

Further, pursuant to the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, copy of the complaints report filed by the Company with BSE and NSE providing details of complaints received against the Scheme of Amalgamation and resolved, are attached as **Annexure 16** and **Annexure 17** respectively.

A copy of the Scheme has been filed by the Transferee Company with the Registrar of Companies, Mumbai, Maharashtra in Form No GNL-1 on January 3, 2024.

No investigation proceedings have been instituted and/or are pending against the Transferee Company and the Transferor Company under the Act.

**XVII. Inspection of Documents**

Electronic copy of following documents will be available for inspection in the 'Investors' section of the website of the Company: www.tatasteel.com

a) Certified Copy of Order dated December 14, 2023 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench, in Company Scheme Application No. CA(CAA) No. 246/MB/2023, directing *inter alia* the calling, convening and conducting of the meeting of equity shareholders of the Transferee Company;

b) Memorandum and Articles of Association of the Transferee Company and the Transferor Company;

c) Audited Standalone and Consolidated Financial Statements of Tata Steel Limited for the financial year ended March 31, 2023;

d) Audited Financial Statements of Transferor Company for the financial year ended March 31, 2023;

e) Copy of Scheme of Amalgamation amongst Transferee Company and the Transferor Company and their respective shareholders;

f) Certificates of the Statutory Auditors of the Transferee Company and Transferor Company confirming that the accounting treatment specified in the Scheme is in compliance with Section 133 of the Act and applicable accounting standards;

g) Valuation Report issued by CA Vikrant Jain, Independent Chartered Accountant and Registered Valuer appointed by the Transferee Company;

h) Fairness Opinion by Ernst & Young Merchant Banking Services LLP, SEBI Registered Category-1 Merchant Banker appointed by the Transferee Company;

i) Valuation Report issued by Omnifin Valuation Services (OPC) P Limited, Registered Valuer, appointed by the Transferor Company;

j) Fairness Opinion by Finshore Management Services Limited, an independent SEBI Registered Category-I Merchant Banker appointed by the Transferor Company;

k) Observation letters both dated July 26, 2023 issued by BSE and NSE, respectively;

l) Reports adopted by the respective Board of Directors of the Transferor Company and the Transferee Company, pursuant to the provisions of Section 232(2)(c) of the Act;

m) Report of the Audit Committee and Committee of Independent Directors of the Transferee Company recommending the Scheme;

n) Report of the Audit Committee of the Transferor Company recommending the Scheme;

o) Copy of the e-Form GNL-1 through which the Scheme has been filed by the Transferee Company with the Registrar of Companies, Maharashtra, along with challan evidencing proof of submission;

p) Complaints report dated March 31, 2023 submitted by the Transferee Company to BSE;

q) Complaints report dated April 6, 2023 submitted by the Transferee Company to NSE;

r) All other documents displayed on the website of the Transferee Company at www.tatasteel.com in terms of the SEBI Scheme Circular, as amended and other relevant SEBI Circulars;

s) All other documents referred to or mentioned in the Statement to this Notice.

Note: All documents of the Transferor Company available for inspection at the Registered Office of the Transferee Company are certified true copies.

Additionally, the Register of Shareholding of Directors and Key Managerial Personnel of the Transferee Company will be available for inspection at the Registered Office of the Transferee Company.

The above documents shall be available for obtaining extract from or for making copies of by the members at the Registered Office of the Transferee Company on all working days, between Monday to Friday except public holidays, between 10:30 a.m. (IST) to 4:00 p.m. (IST) up to the date of the Meeting.

Considering the rationale and benefits, the Board of Directors of the Transferee Company recommends the Scheme for approval of the shareholders, as it is in the best interest of the Transferee Company and its stakeholders.

The Directors and KMPs of the Transferor Company and the Transferee Company, holding shares in the Transferor Company and the Transferee Company respectively as mentioned above, and relatives of the Directors/ KMPs of the Transferor Company and the Transferee Company do not have any concern or interest, financially or otherwise, in the Scheme except as shareholders in general.

Sd/-
**Deepak Kapoor**
DIN: 00162957
Chairperson appointed for the Meeting
of Equity Shareholders of Tata Steel Limited

**Date:** January 5, 2024

**Place:** New Delhi

**Registered Office**:

Bombay House, 24, Homi Mody Street,
Fort, Mumbai – 400 001
**Tel:** +91 22 6665 8282
**E-mail:** cosec@tatasteel.com **Website:** www.tatasteel.com
**CIN:** L27100MH1907PLC000260

# SCHEME OF AMALGAMATION

UNDER SECTIONS 230 to 232 OF THE COMPANIES ACT, 2013

AMONGST

Tata Steel Limited.................. Transferee Company

AND

Angul Energy Limited .........Transferor Company

AND

their respective shareholders

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

ANGUL ENERGY LIMITED

TATA STEEL LIMITED MUMBAI

## SCHEME OF AMALGAMATION

The Scheme is divided into the following parts:

| Part | Particulars |
|---|---|
| I | General-Preamble, background of the Companies, need for the Scheme, rationale and objective of the Scheme, synergies of business of the entities involved in the Scheme, impact of the Scheme on shareholders, cost benefit, effectiveness of the Scheme, definitions and interpretation and share capital of the Companies |
| II | Amalgamation of the Transferor Company into and with the Transferee Company |
| III | General terms and conditions |

The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

ANGUL ENERGY LIMITED

TATA STEEL LIMITED MUMBAI

## PART I - GENERAL

1. **PREAMBLE**

1.1 This scheme of amalgamation is presented under Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) amongst Tata Steel Limited, Angul Energy Limited (formerly Bhushan Energy Limited) and their respective shareholders.

1.2 This scheme of amalgamation (hereinafter referred to as the "**Scheme**") provides for the merger of the Transferor Company (*as defined hereinafter*) with the Transferee Company (*as defined hereinafter*), pursuant to Sections 230 to 232 and other relevant provisions of the Act, such that:

(a) all the assets of the Transferor Company, shall become the property of the Transferee Company, by virtue of this amalgamation;

(b) all the liabilities of the Transferor Company, shall become the liabilities of the Transferee Company, by virtue of this amalgamation;

(c) cancellation of all the issued share capital of the Transferor Company which shall be affected as a part of the Scheme and not in accordance with Section 66 of the Act and payment to all the shareholders of the Transferor Company (other than the Transferee Company) cash consideration as per the approved valuation report, without any further act, instrument or deed, in accordance with Part II of this Scheme;

(d) transfer of the authorised share capital of the Transferor Company to the Transferee Company as provided in Part III of this Scheme, and consequential increase in the authorised share capital of the Transferee Company as provided in Part III of this Scheme; and

(e) dissolution of the Transferor Company, without being wound up.

2. **BACKGROUND**

2.1 **Tata Steel Limited**

(a) Tata Steel Limited is a listed public company incorporated under the Companies Act, 1882 (and an existing company under the Act) and has its registered office at Bombay House, 24, Homi Mody Street, Fort, Mumbai- 400001, Maharashtra (**"Transferee Company"**). The Corporate Identification Number of the Transferee Company is L27100MH1907PLC000260.

(b) The Transferee Company was incorporated on August 26, 1907.

(c) The Transferee Company is one of the leading global steel companies, with over 100 (hundred) years of experience in the steel sector and is a pioneer of steel manufacturing in India. The Transferee Company is also amongst the lowest cost integrated steel manufacturers in India, with 100% (hundred percent) captive iron ore sources. With its wide portfolio of downstream, value-added and branded products, the Transferee Company caters to customers across all segments through its well-established distribution network. It has operations in India, Europe and South East Asia. Tata Steel Group is one of the prominent geographically diversified steel producers. In addition, it has access to deep end of the markets and customer through its vast sales and distribution network.

ANGUL ENERGY LIMITED

TATA STEEL LIMITED MUMBAI

(d) Raw material operations of the Transferee Company are located in India, Mozambique, and Canada. Manufacturing facilities are located in India, Thailand, Netherlands, and United Kingdom with cumulative crude steel capacity being 34 (thirty four) million tons per annum. The Transferee Company is structured into several strategic business units aligned to product categories including, flat products, long products, tubes, wires, bearings, ferro-alloys, etc. The Transferee Company has been aiming to increase resilience of the business to steel business cycles by developing knowledge and intellectual property in new materials. Transferee Company has been foraying into areas such as composites, graphene, and advanced ceramics.

(e) The equity shares of the Transferee Company are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (hereinafter collectively referred as the "**Stock Exchanges**"). The global depository receipts of the Transferee Company are listed on the Luxembourg Stock Exchange and the London Stock Exchange. Further, the unsecured redeemable non-convertible debentures ("**NCDs**") of the Transferee Company are listed on the wholesale debt market segments of the BSE.

2.2 **Angul Energy Limited (formerly known as Bhushan Energy Limited)**

(a) Angul Energy Limited is an unlisted public company incorporated under the provisions of the Companies Act, 1956 (and an existing company under the Act) and has its registered office at Ground Floor, Mira Corporate Suites, Plot No. 1& 2, Ishwar Nagar, Mathura Road, New Delhi 110065 ("**Transferor Company**"). The Corporate Identification Number of the Transferor Company is U40105DL2005PLC140748.

(b) The Transferor Company was incorporated on September 14, 2005 as Bhushan Energy Private Limited with the Registrar of Companies, New Delhi. Subsequently, its name was changed to Bhushan Energy Limited pursuant to the certificate of incorporation dated December 19, 2006 issued by the Registrar of Companies, New Delhi. Thereafter, the Transferor Company's name was changed to Angul Energy Limited pursuant to the certificate of incorporation dated February 27, 2020 issued by the Registrar of Companies, New Delhi.

(c) The Transferor Company is engaged in the business of generation of thermal power. The power plant of the Transferor Company is located at district Angul, Odisha with a total capacity of 485MW. The Transferor Company's power plant is situated at a distance of approximately 1.4 kms from the Meramandali plant of the Transferee Company. The Transferor Company's plant is a captive power plant of the Transferee Company and is currently operating as an external processing agent by converting coal into power. The objects clause of the memorandum of association of the Transferor Company authorises the Transferor Company to carry on the aforesaid business.

(d) The Transferor Company is a subsidiary company of the Transferee Company, with the Transferee Company holding 99.99% of the issued and paid-up capital of the Transferor Company, as on the date of the approval of the Scheme by the Board.

3. **NEED FOR THE SCHEME**

3.1 The Transferee Company is one of the leading global steel companies, with over 100 (hundred) years of experience in the steel sector and is a pioneer of steel manufacturing in India. The Transferee Company also operates coal and waste heat recovery-based captive power plants to cater its power requirement.

ANGUL ENERGY LIMITED

TATA STEEL LIMITED MUMBAI

3.2 The Transferor Company is engaged in the business of generation of thermal power and has entered into a tolling arrangement with the Transferee Company and is operating as an external processing agent of the Transferee Company by converting coal into power.

3.3 The amalgamation will consolidate the business of the Transferor Company and the Transferee Company which will result in focused growth, operational efficiencies, and enhance business synergies. In addition, the resulting corporate holding structure will bring enhanced agility to business ecosystem of the merged entity.

## 4. RATIONALE AND OBJECTIVE OF THE SCHEME

4.1 The amalgamation will ensure consolidation of all power assets under a single entity, which will increase system agility for power generation and allocation. It will help the Transferee Company to improve its plant reliability, ensuring steady source of power supply while optimising cost. Further, such restructuring will lead to simplification of group structure by eliminating multiple companies in similar operation.

4.2 The Companies believe that the financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of the Companies pooled in the merged entity, will lead to optimum use of infrastructure, rationalisation of cost in the areas of operations and administrative overheads, thereby maximising shareholder value of the merged entity.

## 5. SYNERGIES OF BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME

5.1 The proposed Scheme would result in the following synergies:

(a) **Operational efficiencies:** The amalgamation is expected to result in better alignment, optimized power cost, sharing of best practices, cross-functional learnings and better utilisation of common facilities. It would result in synergy benefits arising out of single value chain thereby optimising costs and increasing operational efficiencies.

(b) **Improving asset utilization:** The Transferee Company's technical expertise and financial resources can be used to eliminate congestion in Transferor Company's operations to improve plant load factor. This will also allow surplus capacity to be monetized by wheeling surplus power to the grid for utilization at different locations of the Transferee Company.

(c) **Simplified structure and management efficiency:** In line with group level 5S strategy – simplification, synergy, scale, sustainability, and speed, the amalgamation will simplify group holding structure, improve agility to enable quicker decision making, eliminate administrative duplications, consequently reducing administrative costs of maintaining separate entities.

(d) **Sharing of best practices in sustainability, safety, health and environment:** Adoption of improved safety, environment and sustainability practices owing to a centralized committee at combined level to provide focused approach towards safety, environment and sustainability practices resulting in overall improvement. Further, overall technology maturity can be

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enhanced by the Companies through unfettered access to each other's information technology applications and systems.

## 6. IMPACT OF THE SCHEME ON SHAREHOLDERS

6.1 For the shareholders of the Transferee Company, the Scheme will result in consolidation of power assets under one-umbrella which can improve reliability of power supply, economies of scale, profitability and enhance overall shareholder value. This is particularly marked in the improved synergies that will arise pursuant to the Scheme. The impact of the Scheme on the shareholders, including the public shareholders, would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner.

6.2 For the public shareholders of the Transferor Company, the Scheme will provide an opportunity to unlock the economic value for the shareholders by providing them with an exit opportunity. Further, being the majority shareholder of the Transferor Company, the Scheme offers an opportunity to the Transferee Company to consolidate its group structure and achieve synergies.

## 7. COST BENEFIT

7.1 The Scheme involves payment of cash consideration to the shareholders of the Transferor Company save and except the Transferee Company. Further, the implementation of the Scheme would involve incurring costs including, administrative cost, statutory dues, cost of transferring the assets, cost of advisors, etc. However, the long-term benefits are expected to outweigh costs towards implementation of the Scheme.

## 8. EFFECTIVENESS OF THE SCHEME

8.1 Upon the sanction of the Scheme by the Competent Authority, (*defined hereinafter*) the Scheme shall become operative on and from the Effective Date (*defined hereinafter*) and the Transferor Company shall stand transferred to and be vested in the Transferee Company on and from and with effect from the Appointed Date (*defined hereinafter*) for all intent and purposes and the Transferor Company shall stand dissolved without being wound up.

8.2 That the Appointed Date is being fixed as the opening of business on April 1, 2022, to enable consolidation of the books of the Transferor Company with the Transferee Company with ease for the entire financial year 2022-23. That keeping the Appointed Date as April 1, 2022, being the start of the financial year, is in the interest of the Companies and their shareholders and is not prejudicial to the public interest in any manner. That 99.99% of the shareholding of the Transferor Company being held by the Transferee Company, no public interest is being affected by keeping the Appointed Date as April 1, 2022.

## 9. DEFINITIONS

9.1 In this Scheme, unless repugnant to the meaning or context thereof, (i) capitalized terms defined by inclusion in quotations and/or the parenthesis have the meaning so ascribed; and (ii) the following

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expressions shall have the meanings respectively assigned against them:

(a) "**Act**" means the Companies Act, 2013, and all amendments or statutory modifications thereto or re-enactments thereof, including any rules made thereunder or notifications, circulars or orders made/ issued thereunder from time to time;

(b) "**Applicable Law**" means (a) applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, or policies of any applicable country and/or jurisdiction; (b) writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Appropriate Authority or recognized stock exchange;

(c) "**Appointed Date**" means opening of business on April 1, 2022, or such other date as may be determined by the Board of Directors of the concerned Companies or directed/ allowed by the Competent Authority;

(d) "**Appropriate Authority**" means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, SEBI, Stock Exchanges, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, as may be applicable;

(e) "**Board of Directors**" or "**Board**" in relation to the Transferor Company and/or the Transferee Company, as the case may be, means the Board of Directors of such company in office at the relevant time, and unless it is repugnant to the context, shall include a committee duly constituted and authorised for the purposes of matters pertaining to this amalgamation, Scheme and/or any other matter relating thereto;

(f) "**Companies**" means the Transferor Company and the Transferee Company collectively, and "**Company**" shall mean any one of them as the context may require;

(g) "**Competent Authority**" means the relevant bench(es) of the National Company Law Tribunal, or such other forum or authority as may be vested with any of the powers of the above mentioned tribunal under the Act for approving any scheme of arrangement, compromise or reconstruction of a company under Sections 230 to 232 of the Act, before which the confirmation petition/s in terms of Rule 15 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 is/are filed by the Transferor Company and/or the Transferee Company, as the case may be;

(h) "**Effective Date**" means the date or last of the dates on which the certified copies of the order of the Competent Authority sanctioning the Scheme are filed by the Transferor Company and the Transferee Company with the Registrar of Companies, New Delhi and Registrar of Companies, Mumbai (whichever is later) after all the conditions and matters referred to in Clause 21 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme, and which filing may be a filing independent of the filing required to be made under Section 232(5) of the Act, read with Rule 25(7) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" or



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likewise, shall mean the Effective Date;

(i) "**Eligible Members**" has the meaning given to it in Clause 15.2 of Part II of this Scheme;

(j) "**Employees**" mean all employees, if any, on the payroll of the Transferor Company, as on the Effective Date;

(k) "**Encumbrance**" means without limitation (i) any options, claim, pre-emptive right, easement, limitation, attachment, restraint, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, including any option or right of pre-emption, public right, common right, easement rights, any attachment, restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off and/ or any other interest held by a third party; (ii) any voting agreement, conditional sale contracts, interest, option, right of first offer or transfer restriction; (iii) any adverse claim as to title, possession or use; and/ or (iv) any agreement, conditional or otherwise, to create any of the foregoing and the terms "**Encumbered**", "**Encumber**" shall be construed accordingly;

(l) "**GST Act**" means Central Goods and Services Act, 2017 and all amendments or statutory modifications thereto or re-enactments thereof, including any rules made thereunder or notifications, circulars or orders made/ issued thereunder from time to time;

(m) "**IT Act**" means Income Tax Act, 1961, the finance acts, amendment acts and other direct taxation laws of India (to the extent that such finance acts, amendment acts and other direct taxation laws, amend or relate to the taxes and surcharge imposed under the Income-tax Act, 1961) as may be amended from time to time and the rules, regulations, circulars, notifications and directions issued thereunder;

(n) "**Liabilities**" means all debts (whether in Indian Rupees or foreign currency), liabilities (including bills payable, interest accrued, statutory reserves, provisions and all other liabilities including contingent liabilities, and obligations under any licenses or permits or schemes), loans raised and used, obligations incurred, duties of any kind, nature or description and undertakings of every kind or nature and the liabilities of any description whatsoever whether or not provided in the books of accounts or disclosed in the financial statements of the Transferor Company, whether present or future, and howsoever raised or incurred or utilized along with any charge, encumbrance, lien or security thereon;

(o) "**LODR Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and includes all the amendments or statutory modifications thereto or re-enactments thereof;

(p) "**Record Date**" means the date to be mutually fixed by the Board of Directors of the Companies, for the purpose of determining the shareholders of the Transferor Company to whom cash consideration would be paid pursuant to this Scheme;

(q) "**Registrar of Companies**" means the Registrar of Companies, New Delhi or Registrar of Companies, Mumbai i.e. the relevant Registrar of Companies having territorial jurisdiction in the state(s) in which the respective registered offices of the Companies are located;



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(r) "**Rupees**" or "**Rs.**" or "**₹**" means the Indian rupee which is the lawful currency of India;

(s) "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this scheme of amalgamation, in its present form or this Scheme with any amendment(s) or modification(s) if any, made by the shareholders of the respective Companies and accepted by the Boards of the respective Companies or such modification(s) as may be imposed by any Appropriate Authority and/or directed to be made by the NCLT(s) while sanctioning the Scheme;

(t) "**SEBI**" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

(u) "**SEBI Circulars**" means together (i) Circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017; (ii) Circular no. CFD/DIL3/CIR/2 017/26 dated 23 March 2017; (c) Circular no. CFD/DIL3/CIR/2017/105 dated 21 September 2017; (d) Circular no. CFD/DIL3/CIR/2018/2 dated 3 January 2018; (e) Circular no. SEBI/HO/CFD/DIL1/CIR/P/2019/192 dated 12 September 2019; (f) Circular no. SEBI/HO/CFD/DIL1/CIR/P/2 020/215 dated 3 November 2020; (g) Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/0000000657 dated 16 November 2021; (h) Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/0000000659 dated 18 November 2021; (i) Circular no. SEBI/HO/CFD/SSEP/CIR/P/2022/003, dated January 03, 2022; and (j) Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/11, dated February 01, 2022 on Schemes of Arrangement by Listed Entities and Relaxation under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 (as amended from time to time) issued by SEBI, SEBI Circular No. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 as updated upto December 1, 2022 (as amended from time to time) or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;

(v) "**Stock Exchanges**" means BSE Limited and National Stock Exchange of India Limited, collectively;

(w) "**Transferee Company**" means Tata Steel Limited, a listed public company incorporated under the Companies Act, 1882 (and an existing company under the Act) and having CIN L27100MH1907PLC000260 and having its registered office at Bombay House, 24, Homi Modi Street, Fort, Mumbai- 400001, Maharashtra;

(x) "**Transferor Company**" means Angul Energy Limited (formerly known as 'Bhushan Energy Limited'), an unlisted public company incorporated under the provisions of the Companies Act, 1956 (and an existing company under the Act) and having CIN U40105DL2005PLC140748 and having its registered office at Ground Floor, Mira Corporate Suites, Plot No. 1& 2, Ishwar Nagar, Mathura Road, New Delhi 110065;

(y) "**Undertaking**" means all the undertaking and the entire business of the Transferor Company as a going concern as on the Appointed Date, including all its assets, properties (whether movable or immovable, tangible or intangible), investments, rights, approvals, licenses and powers, leasehold rights and all its debts, outstanding, liabilities, duties, obligations, and employees including, but not in any way limited to, the following:

(i) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, civil works, foundations for civil works, buildings, warehouses, offices, etc., whether or not

ANGUL ENERGY LIMITED * TATA STEEL LIMITED MUMBAI * recorded in the books of accounts of the Transferor Company and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;

(ii) all assets, as are movable in nature forming part of the Transferor Company, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, if any, raw material, tools and plants), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares, outstanding loans and advances recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, the benefits of any bank guarantees, performance guarantees and all the tax related assets/credits, tax refunds, incentives, allowances, exemptions or rebates or such other benefits including but not limited to goods and service tax input credits, service tax input credits, central excise, cenvat credit, value added tax credits, value added/ sales tax/ entry tax credits or set-offs, income tax including advance tax, withholding tax/ TDS/TCS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, tax refunds, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act and as per books of account, rights of any claim not made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority;

(iii) all permits, licenses, permissions, right of way, approvals, authorisations, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, all applications, pre-qualifications, bid acceptances, concessions, subsidies, tax deferrals and exemptions and other benefits (in each case including the benefit of any applications made for the same), income tax benefits/ holidays and exemptions including the right to deduction for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the deduction is available in law, if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies, organizations or companies for the purpose of carrying on its existing business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that form part of the Transferor Company;

(iv) all registrations obtained under Value Added Tax Laws, Central Sales Tax Act, 1956, GST Act;

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(v) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, benefit of any arrangements, allotments, approvals, authorities, registrations, exemptions, benefits, waivers, security and other agreements, engagements, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, agreements/deeds for hire of fitted assets, equipment purchase agreements, agreements with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance policies, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder;

(vi) all insurance policies pertaining to the Transferor Company;

(vii) all intellectual property rights, applications (including hardware, software, licenses, source codes, object code, algorithm and scripts), registrations, servers, software assets, hardware assets, cloud, data centres, any devices including but not limited to laptops and mobile devices, goodwill, trade names, service marks, copyrights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and other benefits (in each case including the benefit of any applications made for the same) and all such rights of whatsoever description and nature;

(viii) all rights to use, subscribe and avail, transfer or sell telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Transferor Company;

(ix) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, manuals, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form and all other interest of whatsoever nature belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company;

(x) the Employees, if any, including liabilities of Transferor Company with regard to the Employees, if any, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise, as on the Effective Date; and

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(xi) all suits, actions, legal or other proceedings including quasi-judicial, arbitral of whatsoever nature involving or continued or to be enforced by or against the Transferor Company, which are capable of being continued by or against the Transferor Company under the Applicable Law.

## 10. INTERPRETATION

10.1 The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992(including the regulations made thereunder), the Depositories Act, 1996 and other Applicable Laws, rules, regulations, by-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

10.2 References to Clauses and recitals, unless otherwise provided, are to Clauses and recitals to this Scheme.

10.3 The headings herein shall not affect the construction of this Scheme.

10.4 The singular shall include the plural and *vice versa*; and references to one gender include all genders.

10.5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

10.6 References to a person includes any individual, firm, body corporate (whether incorporated or not), Appropriate Authority, or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).

10.7 Terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be.

10.8 A reference to "writing" or "written" includes printing, typing, lithography and other means of reproducing words in a visible form including e-mail.

10.9 Reference to any agreement, contract, document or arrangement or to any provision thereof shall include references to any such agreement, contract, document or arrangement as it may, after the date hereof, from time to time, be amended, supplemented or novated.

10.10 References to any provision of law or legislation or regulation shall include: (a) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced, (b) all subordinate legislations (including circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation) made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment.

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## 11. SHARE CAPITAL OF THE COMPANIES

### 11.1 SHARE CAPITAL OF THE TRANSFEREE COMPANY

11.1.1 The share capital of the Transferee Company, as on the date of the meeting of Board of Directors of the Transferee Company for considering and approving this Scheme, i.e., as on February 6, 2023, is as under:

(₹ in crore)

| **Authorised share capital:** | | **Amount** |
|---|---|---|
| **17,50,00,00,000** | Ordinary Shares of ₹ 1/- each | 1,750.00 |
| **35,00,00,000*** | "A" Ordinary Shares of ₹ 10/- each | 350.00 |
| **2,50,00,000*** | Cumulative Redeemable Preference Shares of ₹100/- each | 250.00 |
| **60,00,00,000*** | Cumulative Convertible Preference Shares of ₹ 100/- each | 6,000.00 |
| | **Total:** | **8,350.00** |
| **Issued share capital:** | | **Amount** |
| **12,23,21,83,670** | Ordinary Shares of ₹ 1/- each | 1,223.22 |
| **22,32,880** | Ordinary Shares of ₹ 1/- each (Partly Paid up) | 0.22 |
| | **Total:** | **1,223.44** |
| **Subscribed and Paid-up share capital:** | | **Amount** |
| **12,22,12,20,420**** | Ordinary Shares of ₹ 1/- each fully paid up | 1,222.12 |
| **22,32,880** | Ordinary Shares of ₹ 1/- each (paid-up Re. 0.2504 each) | 0.05 |
| *Amount paid-up on 3,89,516 Ordinary Shares of ₹ 10 each forfeited* | | 0.20 |
| | **Total:** | **1,222.37** |

** 'A' Ordinary Shares and Preference Shares included within the authorised share capital are for disclosure purposes and have not yet been issued.*
*** Includes 3,078 Ordinary shares on which first and final call money has been received and the partly paid-up equity shares have been converted to fully paid-up equity shares but are pending final listing and trading approval under the fully paid-up shares with ISIN INE081A01012, and hence, continue to be listed under partly paid-up ISIN IN9081A01010 as on June 30, 2022. Further, of the 3,078 Ordinary Shares, 2,025 Ordinary shares received the final listing and trading approval from BSE & NSE under ISIN INE081A01012 on July 01, 2022, and trading effective from July 04, 2022*

*Note: Paid-up capital includes 11,68,393 Ordinary Shares held by Rujuvalika Investments Limited* *(a wholly owned subsidiary of Tata Steel Limited w.e.f. May 8, 2015), which do not carry any voting rights.*

11.1.2 The equity shares of the Transferee Company are listed on the Stock Exchanges.

## 11.2 SHARE CAPITAL OF THE TRANSFEROR COMPANY

11.2.1 The share capital of the Transferor Company, as on the date of the meeting of Board of Directors of the Transferor Company for considering and approving this Scheme, i.e., as on February 6, 2023, is as under:

(in ₹)

| **Authorised share capital:** | | **Amount** |
|---|---|---|
| 21,00,00,000 | Equity Shares of ₹ 10/- each | 210,00,00,000 |
| | **Total:** | **210,00,00,000** |
| **Subscribed and Paid-up share capital:** | | **Amount** |
| 1,00,00,142 | Equity Shares of ₹ 10/- each fully paid up | 10,00,01,420 |
| | **Total:** | 10,00,01,420 |

11.2.2 The equity shares of the Transferor Company are unlisted.

11.2.3 Apart from the aforementioned shares, the Transferor Company has no outstanding shares or other ownership interests of the Transferor Company or any options (including employee stock options), warrants, rights or other securities (including but not limited to compulsorily convertible preference shares and compulsorily convertible debentures) that are directly or indirectly convertible into, or exercisable or exchangeable for, such equity capital.

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**PART II: AMALGAMATION OF THE TRANSFEROR COMPANY ALONG WITH THE UNDERTAKING INTO AND WITH THE TRANSFEREE COMPANY**

12. **TRANSFER AND VESTING**

12.1 With effect from the Appointed Date, upon this Scheme becoming effective, and subject to the provisions of this Scheme, the Transferor Company along with all its assets, liabilities, contracts, employees, licenses, consents, permits, records, approvals, etc., comprising the Undertaking shall, pursuant to the provisions of the Act, IT Act and any other Applicable Law without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company as a going concern, so as to become, as and from the Appointed Date, the estate, assets, rights, title, interests and authorities of the Transferee Company, by virtue of and in the manner provided in this Scheme.

12.2 Without prejudice to the generality of the above, with effect from the Appointed Date and upon this Scheme becoming effective:

12.2.1 Transfer of Assets

(a) all assets of the Transferor Company, as are movable in nature (including investment in shares and marketable securities) or incorporeal property or are otherwise capable of transfer by physical or constructive delivery, novation and/or by endorsement and delivery or by vesting and recordal or by operation of law pursuant to this Scheme, shall stand transferred to, vested in and/or be deemed to be transferred and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company, with effect on and from the Appointed Date pursuant to the provisions of the Act, all other applicable provisions of Applicable Law, if any, without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-Clause shall be deemed to have occurred by physical or constructive delivery or by endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;

(b) all other movable properties of the Transferor Company, including actionable claims, earnest monies, receivables, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other Appropriate Authorities, bodies, customers and any other persons, shall without any further act, instrument or deed, become the property of the Transferee Company. The Transferor Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard. The Transferor Company shall, if so required, also give notice in such form as it may deem fit and proper to the debtors or obligor or any other person, that pursuant to the sanction of the Scheme by the Competent Authority, the said debtors should pay to the Transferee Company, the debt, investment, loan, claim, bank balances and deposit or advance or make the same on account of the Transferor Company and the right of the Transferor Company to recover and realize the same stands vested in the Transferee Company;

(c) all debentures, bonds, notes or other debt securities, if any, of the Transferor Company, whether convertible into equity or otherwise, shall become securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it were the Transferor Company in respect of securities so transferred;

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(d) all immovable properties (including land, together with buildings and structures standing thereon) and rights and interests thereon or embedded to the land and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise, all tenancies, and all documents of title, right, security deposits and easements in relation thereto shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done by the Transferor Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Appropriate Authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall be entitled to and shall exercise all rights and privileges attached thereto including refund of any security deposits and shall be liable to pay the appropriate rent, rates and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The relevant authorities shall grant all clearances / permissions, if any, required for enabling the Transferee Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Competent Authority in accordance with the terms hereof. The Transferor Company shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard, which are in possession of the Transferor Company. It is hereby clarified that, except where prior consent of the lessor is required for an assignment, all the rights, title, and interest of the Transferor Company in any leasehold properties shall without any further act, instrument, or deed, be vested in or be deemed to have been vested in the Transferee Company;

(e) all estates, assets, rights, title, claims, interest, investments and properties of the Transferor Company as on the Appointed Date, including accretions and appurtenances, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company;

(f) all bank accounts and demat accounts operated or entitled to be operated by the Transferor Company shall be deemed to have been transferred and shall stand transferred to the Transferee Company and name of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records and the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honour all cheques issued by the Transferor Company for payment after the Effective Date;

(g) all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, applications and other instruments of whatsoever nature to which the Transferor Company is a party to or to the benefit of which the Transferor Company may be eligible for, shall remain



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in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. Upon coming into effect of the Scheme, the past track record of the Transferor Company shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes; and

(h) all the security interest over any moveable and/ or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/ executed by any person in favour of the Transferor Company or any other person acting on behalf of or for the benefit of the Transferor Company for securing the obligations of the persons to whom the Transferor Company has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be in favour of the Transferee Company and the benefit of such security shall be available to the Transferee Company as if such security was ab initio created in favour of the Transferee Company. The mutation or substitution of the charge in relation to the movable and immovable properties of the Transferor Company shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof;

12.2.2 <u>Transfer of Liabilities</u>

(a) all secured and unsecured Liabilities howsoever arising, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or any other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause. Necessary modification, as may be required would be carried out to the debt instrument issued by the Transferor Company, if any;

(b) all loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company after the Appointed Date and prior to the Effective Date shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of the Act and all other applicable provisions of Applicable Laws, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same;

(c) where any of the debts, liabilities, duties and obligations incurred before the Appointed Date by the Transferor Company, deemed to have been transferred to the Transferee Company by virtue of this Scheme, have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company;

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(d) loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company; and

(e) subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and / or superseded by the foregoing provisions of this Scheme. It is expressly provided that, no other terms or conditions of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

12.2.3 Transfer of Encumbrances

(a) the transfer and vesting of movable and immovable properties as stated above, shall be subject to Encumbrances, if any, affecting the same;

(b) all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Company have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and no Encumbrance shall be extended to or operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;

(c) the existing Encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate to only such assets and properties and shall not extend to or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of the Scheme; and

(d) any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.

12.2.4 Transfer of Contracts, Deeds, etc.

(a) all contracts, agreements, memoranda of undertakings, memoranda of agreement, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings whether written or otherwise, lease rights, deeds, bonds, understandings, insurance policies,

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applications, schemes and instruments of whatsoever nature to which the Transferor Company is a party, or to the benefit of which, the Transferor Company may be eligible/entitled, and which are subsisting and having effect immediately before the Effective Date, shall without any further act, instrument or deed continue in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto or thereunder. If the Transferee Company enters into and/ or issues and/ or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, the Transferor Company may, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required and permitted under the law. The Transferor Company may also execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party as may be necessary to be executed in order to give formal effect to the above provisions. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of the Transferor Company;

(b) without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party, including any filings with the regulatory authority or any writings, as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed; and

(c) on and from the Effective Date, and thereafter, the Transferee Company shall be entitled to complete and enforce all pending contracts and transactions in respect of the Transferor Company, in the name of the Transferor Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme has been given effect to under such contracts and transactions.

12.2.5 Transfer of Licenses and Approvals

(a) all approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, rehabilitation schemes, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions, privileges, powers, facilities, letter of allotments and certificates of every kind and description whatsoever in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible/ entitled, and which are subsisting or having effect immediately before the Effective Date, including the benefits of any applications made for any of the foregoing, shall be and remain in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary



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substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/ documents with relevant authorities concerned for information and record purposes;

(b) all statutory licenses, no objection certificates, consents, permissions, approvals, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company or any applications made for the same by the Transferor Company shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company;

(c) all trademarks, trade names, service marks, copyrights, patents, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in the Transferee Company without any further act, instrument or deed, upon the sanction of this Scheme by the Competent Authority;

(d) benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62, 180, 185, 186, etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken/ complied with by the Transferee Company; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company;

(e) the Transferor Company and/ or the Transferee Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Laws or otherwise, do all such acts or things as may be necessary to transfer/ obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company. It is hereby clarified that if the consent of any third party or Appropriate Authority, if any, is required to give effect to the provisions of this Clause, the said third party or Appropriate Authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/ documents with relevant authorities concerned for information and record purposes;

(f) since each of the permissions, approvals, consents, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorizations, shall stand vested by the order of sanction of the Competent Authority in the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning courts; and

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(g) the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

12.2.6 <u>Transfer of Legal and other Proceedings</u>

(a) any pending suits/appeals, all legal or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to the Transferor Company, whether by or against the Transferor Company, whether pending on the Effective Date or which may be instituted any time in the future, if such proceedings are capable of being continued by or against the Transferee Company, shall not abate, be discontinued or in any way prejudicially be affected by reason of this amalgamation of the Undertaking or because of the provisions contained in this Scheme. The proceedings shall continue by or against the Transferee Company in the same manner and to the same extent as they would have been continued, prosecuted and/or enforced by or against the Transferor Company, if this Scheme had not been implemented;

(b) in case of any litigation, suits, recovery proceedings which are to be initiated by or may be initiated against the Transferor Company, the Transferee Company shall be made party thereto and shall prosecute or defend such proceedings;

(c) the Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company, which are capable of being continued by or against the Transferee Company, transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company; and

(d) the Transferee Company shall be deemed to be authorized under this Scheme to execute any pleadings, applications, forms, etc., as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

12.2.7 <u>Taxation related provisions</u>

(a) All the expenses incurred by the Transferor Company and the Transferee Company in relation to the amalgamation of the Undertaking with the Transferee Company as per this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the IT Act over a period of 5 (five) years beginning with the previous year in which the Scheme becomes effective;

(b) Upon the Scheme becoming effective, the Transferor Company (if required) and the Transferee Company are expressly permitted to revise, its financial statements and returns (including tax deducted at source ("**TDS**") or tax collected at source ("**TCS**") returns) along with prescribed forms, filings and annexures (including but not limited to TDS certificates) under the IT Act (including for the purpose of re-computing income-tax under the normal provisions, minimum alternative tax, and claiming other tax benefits), central sales tax, applicable state value added tax, entry tax, octroi, local tax law, service tax laws, excise and central value added tax ("**CENVAT**") duty laws, customs duty laws, goods and services tax laws and other tax laws, if required to give effect to the provisions of the Scheme. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any



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transaction by and between the Transferor Company and the Transferee Company. With respect to the TDS certificates issued in the name of Transferor Company after the Appointed Date, the same will be deemed to be issued in the name of the Transferee Company for the income tax purposes;

(c) Upon the Scheme becoming effective, the Transferee Company shall be entitled to (i) claim deductions with respect to provisions, expenses, etc., disallowed in earlier years in the hands of the Transferor Company, which may be allowable in accordance with the provisions of the IT Act on or after the Appointed Date; and (ii) exclude items such as provisions, reversals, etc., for which no deduction or tax benefit has been claimed by the Transferor Company prior to the Appointed Date;

(d) With effect from Appointed Date, the Transferee Company is expressly permitted to claim any deduction (including deferred revenue expenditure, whether or not recorded for tax purposes) otherwise admissible such as under section 40, 40A, 43B, etc. of the IT Act / exemption, refunds and/or input tax credit/ CENVAT, credit for taxes paid (including MAT, TDS/TCS, income tax including, advance tax, self-assessment tax, dividend distribution tax, carry forward of accumulated losses, unabsorbed depreciation, foreign tax credit, etc.) and for matters incidental thereto under the IT Act, central sales tax, applicable state value added tax, service tax laws, local body tax, entry tax, excise duty and CENVAT duty laws, customs duty laws, goods and service tax laws and other applicable tax laws . All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any proceeding/ appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company;

(e) Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Undertaking with the Transferee Company or anything contained in the Scheme;

(f) Any tax liabilities under the IT Act, service tax laws, excise duty laws, central sales tax, customs duty laws, local body tax, entry tax, wealth tax, GST Act, applicable state value added tax laws or other Applicable Laws dealing with taxes/ duties or levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to or stand transferred to the Transferee Company. Any surplus in the provision for taxation / duties or levies account including advance tax, foreign tax credit, MAT credit and TDS as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company;

(g) Any refund under the IT Act, service tax laws, excise duty laws, central sales tax, entry tax laws, customs duty, goods and services tax laws, applicable state value added tax laws or other Applicable Laws dealing with taxes/ duties or levies due to the Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective;

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(h) The tax payments (including, without limitation income tax, including advance tax, self-assessment tax, dividend distribution tax, MAT, service tax, excise duty, central sales tax, customs duty, local body tax, entry tax, wealth tax, goods and services tax, applicable state value added tax, etc.) whether by way of TDS/TCS, foreign tax credit, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by the Transferor Company after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Credit for such taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans for taxes paid are in the name of the Transferor Company and not in the name of the Transferee Company;

(i) Further, any TDS by the Transferor Company / Transferee Company on transactions with the Transferee Company/ Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly;

(j) Obligation for TDS on any payment made by or to be made by the Transferor Company under the IT Act, service tax laws, excise duty laws, central sales tax, customs duty, goods and services tax laws, applicable state value added tax laws or other Applicable Laws dealing with taxes/ duties or levies shall be made or deemed to have been made and duly complied with by the Transferee Company;

(k) The accumulated losses and the allowance for unabsorbed depreciation for the Transferor Company shall be deemed to be the loss and the allowance for unabsorbed depreciation of the Transferee Company in accordance with section 72A of the IT Act;

(l) Further the losses and unabsorbed depreciation as per the books of account of Transferor Company as on the date immediately preceding the Appointed Date shall be deemed to be the brought forward loss and unabsorbed depreciation of the Transferee Company for the purpose of computation of book profit to calculate the minimum alternate tax payable by the Transferee Company;

(m) Without prejudice to the generality of the above, all benefits, entitlements, incentives, accumulated losses, losses brought forward, unabsorbed depreciation if any as per the books of accounts, credits, registrations (including, without limitation income tax, minimum alternate tax, TDS/TCS, taxes withheld/paid in foreign country, wealth tax, service tax, excise duty, central sales tax, entry tax, applicable state value added tax, customs duty, goods and services tax, CENVAT, registrations, etc.) to which the Transferor Company is entitled to in terms of Applicable Laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect;

(n) Upon coming into effect of this Scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company;

(o) All deductions otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as under Sections 40, 40A, 43B etc. of the IT Act) shall be available for deduction to the Transferee Company as it would have been available to the Transferor Company; and

(p) The Companies shall be entitled to file/revise its respective income tax returns, TDS



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certificates, TDS returns, wealth tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of tax deducted at source, dividend distribution tax credits, credit of foreign taxes paid/ withheld, excise, service tax credits, set off, goods and services tax, etc., if any, as may be required consequent to implementation of this Scheme.

12.2.8 Transfer of Employees

(a) all Employees of the Transferor Company, if any, remaining on the Effective Date, shall become employees of the Transferee Company with the benefit of continuity of service on such terms and conditions as are no less favorable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of the amalgamation of the Undertaking into the Transferee Company;

(b) save as expressly provided for in this Scheme, the Employees, if any, who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the benefit of the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Transferee Company (including the benefits if or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company;

(c) It is expressly provided that, on the Scheme becoming effective, insofar as the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the Employees are concerned, such proportion of the investments made in the funds and liabilities which are attributable/referable to the Employees (collectively referred to as the "**Funds**") shall be transferred to similar funds created and/or nominated by the Transferee Company and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of the Transferee Company, maintained as separate funds by the Transferee Company. Pending the transfer as aforesaid, the Funds of the employees may be continued to be deposited in the existing funds of the Transferor Company. Without prejudice to the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Laws, shall be entitled to: (a) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or (b) merge the pre-existing funds of the Transferor Company with other similar funds of the Transferee Company;

(d) Further to the transfer of Funds as set out herein above, for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, all rights, duties, powers and obligations of the Transferor Company as on the Effective Date in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of the Employees will be treated as having been continuous for the purpose of the said Funds;

(e) in relation to any funds (including any funds set up by the government for employee benefits) created or existing for the benefit of the transferred Employees, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such transferred Employees;

(f) the Transferee Company shall continue to abide by any agreement(s) / settlement(s) entered

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into with any employees by the Transferor Company. The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity, grants, stock options or other terminal benefits, the past services of such employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable; and

(g) the Directors of the Transferor Company will not be entitled to any directorships in the Transferee Company by virtue of the provisions of this Scheme. It is clarified that this Scheme will not affect any directorship of any person who is already a director in the Transferee Company as on the Effective Date.

12.2.9 Inter-Se Transaction

(a) Without prejudice to the foregoing provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes;

(b) With effect from the Effective Date, there will be no accrual of income or expense on account of any transactions, including, *inter alia,* any transactions in the nature of sale or transfer of any goods, materials or services, between the Companies. For avoidance of doubt, it is hereby clarified that with effect from the Effective Date, there will be no accrual of interest or other charges in respect of any *inter se* loans, deposits or balances between the Companies;

(c) From the Effective Date, the Transferee Company shall commence, carry on and be authorized to carry on the business of the Transferor Company;

(d) With effect from the Effective Date, any liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and Transferee Company shall, *ipso facto,* stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company;

(e) All inter se contracts solely between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate and appropriate effect shall be given in the books of accounts and records of the Transferee Company.

13. **BUSINESS AND PROPERTY IN TRUST**

13.1 The Transferor Company has agreed that during the period between the approval of the Scheme by the respective Boards of the Transferor Company and the Transferee Company and up to the Effective Date, the business of the Transferor Company shall be carried out with reasonable diligence and business prudence in the ordinary course consistent with past practice, in good faith and in accordance with Applicable Law.

13.2 With effect from the Appointed Date and up to and including the Effective Date:

(a) the Transferor Company shall be deemed to have been carrying on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contract, investments and strategic



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decisions, for and on account of, and in trust for, the Transferee Company;

(b) all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Transferee Company;

(c) any of the rights, powers, authorities, privileges, exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company;

(d) all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of the Transferor Company which arise or accrue to the Transferor Company on or after the Appointed Date, shall be deemed to be of the Transferee Company;

(e) all assets and properties comprised in the Transferor Company as on the date immediately preceding the Appointed Date, whether or not included in the books of the Transferor Company and all assets and properties relating thereto, which are acquired by the Transferor Company, on or after the Appointed Date, shall be deemed to be the assets and properties of the Transferee Company;

(f) all taxes (including without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, value added tax, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income tax, minimum alternate tax, dividend distribution tax, wealth tax, sales tax, excise duty, customs duty, goods and services tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly; and

(g) any refund (including interest, if any) under any tax laws due to the Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company. The Transferee Company is expressly permitted to revise and file income tax returns, goods and services tax returns and other tax returns, and to claim refunds/ credits pursuant to the provisions of this Scheme. The Transferee Company shall be entitled to such tax benefits including but not limited to minimum alternate tax paid under Section 115JA/115JB of the IT Act, and the right to claim credit therefore in accordance with the provisions of Section 115JAA of the IT Act, including the benefit of brought forward losses or depreciation as admissible under the provisions of the IT Act, including Section 72A, to the extent applicable to the taxable profits of the Transferee Company with effect from the Appointed Date. The Transferee Company shall continue to enjoy the tax benefits/concessions provided to the Transferor Company through notifications, circulars, etc. issued by the concerned Appropriate Authorities.

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(h) Notwithstanding anything contained in this Scheme, the Parties shall be entitled to declare, distribute and pay dividend, whether interim or final, to their respective shareholders prior to this Scheme becoming effective.

## 14. SAVING OF CONCLUDED TRANSACTION

14.1 The transfer and vesting of the assets, liabilities and obligations of the Transferor Company and the continuance of the proceedings by or against the Transferee Company shall not affect any transaction or proceedings already completed by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and / or on behalf of the Transferor Company as acts, deeds and things made, done and executed by and on behalf of the Transferee Company.

## 15. CANCELLATION OF SHARES OF THE TRANSFEROR COMPANY AND PAYMENT OF CONSIDERATION

15.1 Upon coming into effect of this Scheme, all the shares of the Transferor Company held by the Transferee Company (either directly or through nominees) on the Effective Date shall stand cancelled without any further application, act or deed. Further, the investment in the shares of the Transferor Company, appearing in the books of accounts of the Transferee Company shall, without any further act or deed, stand cancelled. It is clarified that no new shares shall be issued nor payment shall be made in cash whatsoever by the Transferee Company in lieu of cancellation of such shares of the Transferor Company.

15.2 Upon coming into effect of this Scheme, and in consideration of the amalgamation of the Undertaking into and with the Transferee Company, the Transferee Company shall, without any further application, act or deed, pay to the shareholders of the Transferor Company (other than the Transferee Company), whose names are recorded in the register of members as a member of the Transferor Company, including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, on the Record Date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Transferee Company) (the "**Eligible Member**") in the following manner:

*"₹. 1,045 (Rupees One thousand and Forty Five only) for every 1 (one) fully paid up equity share of ₹ 10/- each held in the Transferor Company:"*

which payment shall be made not later than 30 (thirty) days from the Effective Date ("**Payment Date**").

## 16. PAYMENT MECHANISM

16.1 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, as the case may be, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Transferor Company and in relation to the consideration payable by the Transferee Company, after the

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effectiveness of the Scheme. The Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme.

16.2 Where cash consideration is to be paid to heirs, executors or administrators, as the case may be, to successors of deceased shareholders or legal representatives of the shareholders of the Transferor Company, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Transferee Company.

16.3 In the event the relevant bank account details of the Eligible Members are not available, the Transferee Company may, at its option, issue cheques for the relevant amount in the name of such Eligible Members or hold such cash consideration in a separate earmarked account and disburse the relevant amount to the relevant account of the Eligible Members as and when such account details are furnished to the Transferee Company. In the event any such amount payable to the Eligible Members are not claimed by any such Eligible Member within 7 (seven) years from the Payment Date, such unclaimed and unpaid amount shall be transferred to Investor Education and Protection Fund or similar funds.

16.4 In the event that the Companies restructure their share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the consideration payable, shall be adjusted accordingly to take into account the effect of any such corporate actions.

16.5 Upon this Scheme becoming effective and upon the payment of cash consideration to the Eligible Members, the equity shares of the Transferor Company, both in demat form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.

16.6 The cash consideration payable by the Transferee Company pursuant to Clause 15.2 above in respect of such equity shares of Transferor Company, the allotment or transfer of which is held in abeyance under the provisions of Section 126 of the Act or which the Transferee Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Transferee Company.

16.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Transferor Company, the Board of the Transferor Company, shall be empowered prior to the Record Date, to effectuate such transfers in the Transferor Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares and in relation to the cash consideration to be paid by the Transferee Company pursuant to Clause 15.2 above after the Scheme is effected. The Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme on account of difficulties faced in the transition period.

## 17. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY

17.1 Notwithstanding anything to the contrary contained herein, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of accounts in accordance with 'pooling of interest method' of accounting as laid down in the Appendix C of Indian Accounting Standards (INDAS) 103 – Business Combinations, other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Act and relevant clarifications issued by Institute of Chartered Accountants of India

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("**ICAI**"). Accordingly, the financial information in the financial statements in respect of the prior periods will be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination and such restatement shall not be considered or treated to be a revision of financial statements in terms of the provisions of Section 131 of the Act.

18. **ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEROR COMPANY**

18.1 As the Transferor Company shall stand dissolved without being wound up upon the Scheme becoming effective, hence no accounting treatment is being prescribed under this Scheme in the books of the Transferor Company.

19. **DISSOLUTION WITHOUT WINDING UP**

19.1 Upon the Scheme coming into effect, with effect from the Appointed Date, the Transferor Company shall stand dissolved without being wound up by the order of the Competent Authority, or any other act or deed.

19.2 The Transferor Company's name shall be removed from the Register of Companies by the Registrar of Companies upon this Scheme becoming effective.

**PART III: GENERAL TERMS AND CONDITIONS**

20. **APPLICATIONS**

20.1 The Companies shall make applications and/ or petitions under Sections 230 to 232 and other applicable provisions of the Act to the Competent Authority for approval of the Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.

20.2 On this Scheme becoming effective, the members of the Companies shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme. The Companies shall also make all other necessary applications before the Competent Authority for sanction of this Scheme.

20.3 The Companies shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Companies, which the Companies may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed between the Companies.

21. **ADDITIONAL DISCLOSURES AS PER SEBI OPERATIONAL CIRCULAR FOR LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS FOR NON-CONVERTIBLE SECURITIES, SECURITIZED DEBT INSTRUMENTS AND/ OR COMMERCIAL PAPER BEING CIRCULAR NO. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 DATED JULY 29, 2022, AS UPDATED UPTO DECEMBER 1, 2022.**

21.1 The additional disclosures that are required to be included in the Scheme in terms of the aforesaid circular, pursuant to the NCDs of the Transferee Company being listed are contained in Annexure A.

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## 22. SCHEME CONDITIONAL UPON

22.1 The Scheme is conditional and is subject to:

(a) receipt of consents, no-objection letters, approvals by the Transferee Company from the Stock Exchanges in accordance with the LODR Regulations and the SEBI Circulars in respect of the Scheme (prior to filing the Scheme with the Competent Authority), which shall be in form and substance acceptable to the Companies, each acting reasonably and in good faith;

(b) the Scheme being agreed to (in the manner prescribed herein) by the respective requisite majorities of the various classes of shareholders of the Companies as required under the Act;

(c) the Scheme being approved by the public shareholders of the Transferee Company through e-voting in terms of Part – I (A)(10)(a) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and the Scheme shall be acted upon only if votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it;

(d) there having been no interim or final ruling, decree or direction by any Appropriate Authority, which has not been stayed by an appellate authority, which has the effect of prohibiting or making unlawful, the consummation of the proposed Scheme by any of the Companies; and

(e) the Scheme being sanctioned by the Competent Authority under Sections 230 to 232 of the Act, on terms as originally approved by or with such modifications as are acceptable to the Companies.

## 23. AMENDMENT TO MEMORANDUM OF ASSOCIATION OF TRANSFEREE COMPANY

### 23.1 Change in Object Clause

(a) In order to carry on the activities currently being carried on by the Transferor Company in relation to the Undertaking, upon coming into effect of the Scheme, the applicable main objects in the memorandum of association of the Transferor Company shall be added to the matters which are necessary for furtherance of the objects of the memorandum of association of the Transferee Company, to the extent such objects are not already covered in the memorandum of association of the Transferee Company, pursuant to the applicable provisions of the Act.

(b) Under the accepted principle of single window clearance, it is hereby provided that the amendments pursuant to this Clause 22.1 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the memorandum of association of the Transferee Company and shall not be required to pass separate resolutions under the applicable provisions of the Act.

### 23.2 Increase of Authorised Share Capital

(a) As an integral part of the Scheme, and, upon coming into effect of the Scheme, the authorised share capital of the Transferor Company shall stand merged with the authorized share capital representing the ordinary shares of the Transferee Company and consequently, the authorized share capital of the Transferee Company shall stand suitably increased, without any further act, instrument or deed.

(b) Clause V of the Memorandum of Association of the Transferee Company (relating to authorised share capital) and without any further instrument, act or deed be stand altered, modified and amended pursuant to Sections 13, 14, 61, 62 and 64 and other applicable provisions of the Act.

(c) Pursuant to this Scheme, the Transferee Company shall file the requisite forms, if any, with the Registrar of Companies for alteration of its authorized share capital. The fee paid by the Transferor Company on its authorised capital, shall be set off against any fees payable by the Transferee Company on its authorised capital subsequent to the amalgamation and dissolution of the Transferor Company.

(d) Under the accepted principle of single window clearance, it is hereby provided that the amendments pursuant to this Clause 22.2 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the memorandum of association of Transferee Company and shall not be required to pass separate resolutions under the applicable provisions of the Act.

## 24. MODIFICATIONS

24.1 The Companies (acting through their respective Boards or committees or such other person or persons, as the respective Board of Directors may authorize) may, in their full and absolute discretion, jointly and as mutually agreed in writing:

(a) assent/ make and/ or consent to any modifications or amendments to this Scheme, or to any conditions or limitations as may be mutually agreed and which the Competent Authority and/or any other authorities may deem fit to direct or impose, and/or effect any other modification or amendment, and to do all acts, deeds and things which may otherwise be considered necessary or desirable or appropriate for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out this Scheme;

(b) take such steps and do all such acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and give such directions (acting jointly) as to resolve any doubts, difficulties or questions, arising under this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any insolvent or deceased shareholders, debenture holders, depositors of the respective Companies), whether by reason of any order(s) of the Competent Authority or of any direction or orders of any other Appropriate Authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith, or to review the position relating to the satisfaction of the various conditions of the Scheme and if necessary, to waive any of those (to the extent permissible under the law);

(c) modify or vary this Scheme prior to the Effective Date in any manner at any time subject to Applicable Law; and

(d) determine jointly whether any asset, liability, employee, legal or other proceedings pertains to the Transferor Company or not, on the basis of any evidence that they may deem relevant for this purpose.

24.2 In case, post approval of the Scheme by the Competent Authority, there is any confusion in



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interpreting any Clause of this Scheme, or otherwise, the Board of Directors of the respective Companies shall have complete power to mutually take the most sensible interpretation so as to render the Scheme operational.

25. **Effect of non-receipt of Approvals**

25.1 The Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 21.1 above are satisfied and in such an event, the Scheme shall become null and void. Unless each of the conditions are satisfied, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Companies or their respective shareholders or creditors or employees or any other person.

25.2 In the event of this Scheme failing to take effect, the Board of Directors of any of the Companies may opt to terminate this Scheme and the Scheme shall stand revoked, cancelled and be of no effect and any of the Companies, if required, may file appropriate proceedings before the Competent Authority in this respect.

25.3 Upon the termination of the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred *inter-se* between the Companies or their shareholders or creditors or employees or any other person.

26. **Conflict between Scheme and other arrangement**

26.1 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Companies and their respective shareholders and the terms and conditions of this Scheme, the latter shall prevail.

27. **Removal of Difficulties**

27.1 The Companies through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may:

(a) give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of the Competent Authority or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and/or

(b) do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

27.2 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Undertaking into the Transferee Company by virtue of the Scheme itself, in order to ensure (i) implementation of the provisions of the Scheme; and (ii) continued vesting of the benefits, exemptions available to the Transferor Company in favour of the Transferee Company, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, execute deeds



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(including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.

28. **Severability**

28.1 If any part of this Scheme hereof is invalid, ruled illegal by Competent Authority or any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Companies that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either of the Companies, in which case the Companies, acting through their respective Boards of Directors, shall attempt to bring about a modification in the Scheme, as will best preserve for the Companies the benefits and obligations of the Scheme including but not limited to such part, which is invalid, ruled illegal or rejected by the Competent Authority or any court of competent jurisdiction, or unenforceable under present or future Applicable Laws.

29. Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

(a) amalgamation of the Undertaking into the Transferee Company in accordance with Part II of the Scheme;

(b) cancellation of all the issued share capital of the Transferor Company which shall be affected as a part of the Scheme and not in accordance with Section 66 of the Act and payment to all the shareholders of the Transferor Company (other than the Transferee Company) cash consideration as per the approved valuation report, without any further act, instrument or deed, in accordance with Part II of this Scheme;

(c) transfer of the authorised share capital of the Transferor Company to the Transferee Company as provided in Part III of this Scheme, and consequential increase in the authorised share capital of the Transferee Company as provided in Part III of this Scheme; and

(d) dissolution of the Transferor Company, without winding up.

30. Upon this Scheme becoming effective, the accounts of the Companies, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.

31. All costs, charges expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.), of the Transferor Company and the Transferee Company arising out of or incurred in connection with and implementing this Scheme and matters incidental shall be borne by the Transferee Company.

32. Upon the Scheme coming into effect, with effect from the Appointed Date, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company. If any such resolutions have any monetary limits approved as per the provisions of the Act, or any other applicable statutory provisions, then such limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits

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in the Transferee Company.

33. Upon this Scheme becoming effective, the Transferee Company shall be entitled to occupy and use all premises, whether owned, leased or licensed, relating to the Transferor Company until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted by the parties concerned.

34. Even after the Scheme becomes effective, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company in the name of the Transferor Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted by the parties concerned.

35. The Companies shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.

36. The provisions contained in this Scheme are inextricably inter-linked and the Scheme constitutes an integral whole. The Scheme would be given effect to only if it is approved in its entirety unless specifically agreed otherwise by the respective Board of Directors of the Transferor Company and the Transferee Company or any committee constituted by such Boards.

37. The Companies shall be at liberty to withdraw this Scheme at any time as may be mutually agreed by the respective Board of Directors of the Companies prior to the Effective Date. In such a case, each of the Companies shall respectively bear their own cost or as may be mutually agreed. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme, any one of the Companies shall not be entitled to withdraw the Scheme unilaterally: (a) without the prior written consent of the other Company; or (b) unless such withdrawal is in accordance with any written agreement entered into between the Companies.

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# ANNEXURE A

Issuer of NCDs: Transferee Company

| SN | ISIN | Face Value | Issuance Date | Maturity Date/ Redemption Date | Terms of Redemption | Tenure (in years) | Coupon Rate | Payment Frequency | Amount Issued (Rs. In crore) | Redemption Amount (Rs. In crore) | Credit Rating | Name of Debenture Trustee |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | INE081A08215 | 10,00,000 | October 4, 2016 | October 1, 2026 | Bullet repayment at the end of maturity October 1, 2026 | 10 | 8.15% p.a. NCDs | Annually | 1,000 | 1,000 | AA+ by CARE and AA+ by Brickworks | IDBI Trusteeship Services Limited |
| 2 | *INE081A08223 | 10,00,000 | March 1, 2019 | a) Rs.1,078.75 crore will mature on February 28, 2031 b) Rs.1,078.75 crore will mature on March 01, 2032 c) Rs.1,078.75 crore will mature on March 01, 2033 d) Rs.1,078.75 | a) Rs.1,078.75 crore will mature on February 28, 2031 b) Rs.1,078.75 crore will mature on March 01, 2032 c) Rs.1,078.75 crore will mature on March 01, 2033 d) Rs.1,078.75 | 15 | 9.8359% p.a. NCDs | Annually | 4,315 | 4,315 | AA+ by CARE and AA+ by Ind Ra | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | crore will mature on March 01, 2034 | crore will mature on March 01, 2034 | | | | | | | |
| 3 | *INE081A08231 | 10,00,000 | March 13, 2020 | March 13, 2025 | Bullet repayment at the end of maturity March 13, 2025 | 5 | 7.70% p.a. NCDs | Annually | 670 | 670 | AA+ by CARE and AA+ by Ind Ra | |
| 4 | *INE081A08249 | 10,00,000 | April 17, 2020 | April 17, 2023 | Bullet repayment at the end of maturity April 17, 2023 | 3 | 7.85% p.a. NCD'S | Annually | 1,025 | 1,025 | AA+ by CARE and AA+ by Ind Ra | |
| 5 | *INE081A08256 | 10,00,000 | April 22, 2020 | April 21, 2023 | Bullet repayment at the end of maturity April 21, 2023 | 3 | 7.85% p.a. NCD'S | Annually | 510 | 510 | AA+ by CARE and AA+ by Ind Ra | |
| 6 | *INE081A08264 | 10,00,000 | April 27, 2020 | April 27, 2023 | Bullet repayment at the end of maturity April 27, 2023 | 3 | Floating rate NCDs | Annually | 1,000 | 1,000 | AA+ by CARE and AA+ by Ind Ra | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 7 | *INE081A08280 | 10,00,000 | April 30, 2020 | April 28, 2023 | Bullet repayment at the end of maturity April 28, 2023 | 3 | Floating rate NCDs (Series A) | Annually | 500 | 500 | AA+ by CARE and AA+ by Ind Ra | |
| 8 | *INE081A08272 | 10,00,000 | April 30, 2020 | October 30 2023 | Bullet repayment at the end of maturity October 30 2023 | 3.5 | 7.95% p.a. NCDs (Series B) | Annually | 500 | 500 | AA+ by CARE and AA+ by Ind Ra | |
| 9 | *INE081A08298 | 10,00,000 | May 20, 2020 | May 19, 2023 | Bullet repayment at the end of maturity May 19, 2023 | 3 | 8.25% p.a. NCDs | Annually | 1,000 | 1,000 | AA+ by CARE and AA+ by Ind Ra | |
| 10 | *INE081A08306 | 10,00,000 | June 3, 2020 | June 2, 2023 | Bullet repayment at the end of maturity June 2, 2023 | 3 | Floating rate NCDs | Annually | 400 | 400 | AA+ by CARE and AA+ by Ind Ra | |
| 11 | INE081A08314 | 10,00,000 | September 20, 2022 | September 20, 2027 | Bullet Repayment at the end of maturity September 20, 2027 | 5 | 7.50% p.a. (Series I Debenture) | Annually | 500 | 500 | AA+ by CARE and AA+ by Ind Ra | Catalyst Trusteeship Limited |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 12 | INE081A08322 | 10,00,000 | September 20, 2022 | September 20, 2032 | Bullet Repayment at the end of maturity September 20, 2032 | 10 | 7.76% p.a. (Series 2 Debenture) | Annually | 1,500 | 1,500 | | |

(a) **Redemption Price**: at par

(b) **Redemption Premium/Discount**: NA

(c) **Early Redemption Scenario Details**: * For NCDs under these ISINs if the issuer i.e., Tata Steel Limited determines that, for reasons beyond its control, the performance of its obligations under the Debentures has become illegal or impractical in whole or in part for any reason, it may, at its discretion and without obligation, redeem the Debentures prior to maturity.

(d) **Other embedded Features (put option, call option, dates, notification times, etc)** : NA

(e) **Other terms/any other information /details pertinent for holders of NCDs**: Relevant information is covered in Annexure A.

(f) **Safeguards for the protection of holders of NCDs**: The Scheme envisages the amalgamation of the Transferor Company which is an unlisted subsidiary into the Transferee Company. Under the Scheme, no arrangement or compromise is being proposed with the holders of the NCDs of the Transferee Company. The liability of the NCD holders of the Transferee Company, under the Scheme, is neither being reduced nor being extinguished. Further, the holders of the NCDs shall continue to hold all the NCDs in the Transferee Company even post the Scheme becoming effective, on the same terms and conditions at which they were issued. The Scheme, therefore, has adequate safeguards for the protection of holders of NCDs.

(g) **Exit offer to the dissenting holders of NCD, if any**: Since the holders of the NCDs in the Transferee Company shall continue to hold all the NCDs in the Transferee Company even post the Scheme becoming effective on the same terms and conditions at which they were issued, the holders of the NCDs are not affected by the Scheme. Further, the liability of the NCD holders of the Transferee Company, under the Scheme, is neither being reduced nor being extinguished. Therefore, the Scheme, does not envisage any exit offer to the dissenting holders of NCDs.

(h) **Latest audited financial statements along with notes to accounts and audit qualifications, if any**:
Please refer to the following URL on the website of the Transferee Company
https://www.tatasteel.com/investors/integrated-reportannual-report/integrated-report-annual-accounts-2021-22-115th-year-and-related-documents/
https://www.tatasteel.com/investors/financial-performance/financial-results/
Please refer to the following URL on the website of the Transferor Company
https://angulenergy.co.in/Investor%20Relations%20pdf/Financial%20Reports/Annual%20Report%202021-
https://www.tatasteel.com/investors/amalgamation/amalgamation-of-angul-energy-limited-into-and-with-tata-steel-limited/

(i) **An auditor's certificate certifying the payment/repayment capability of the resultant entity**: Please refer to the following URL on the website of the Transferee Company
https://www.tatasteel.com/investors/amalgamation/amalgamation-of-angul-energy-limited-into-and-with-tata-steel-limited/

(j) **Fairness report**: Please refer to following the URL on the website of the Transferee Company.
https://www.tatasteel.com/investors/amalgamation/amalgamation-of-angul-energy-limited-into-and-with-tata-steel-limited/

ANGUL ENERGY LIMITED

TATA STEEL LIMITED MUMBAI

# Price Waterhouse & Co Chartered Accountants LLP

**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of Tata Steel Limited**

## Report on the Audit of Standalone Financial Results

### Opinion

1. We have audited the standalone annual financial results of Tata Steel Limited (hereinafter referred to as the "Company") for the year ended March 31, 2023 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date (the "Standalone Financial Results" comprising of Standalone Statement of Profit and Loss for the quarter/ twelve months ended on 31st March 2023 Standalone Balance Sheet as at 31st March 2023 and Standalone Statement of Cash Flows for the year ended on 31st March 2023), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:

   (i) are presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations in this regard; and

   (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2023 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Results' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

4. We draw your attention to Note 4 to the standalone financial results which states that the ability of the Tata Steel Europe (TSE), the step-down subsidiary of T Steel Holdings Pte. Ltd. (TSH), a subsidiary of the Company, to continue as a going concern is dependent on the outcome of measures taken as stated therein and the availability of future funding requirements, which may have a consequential impact on the carrying amount of investment of Rs. 19,684.89 crores in TSH as at March 31, 2023.

   Our Opinion is not modified in respect of the above matter.

### Board of Directors' Responsibilities for the Standalone Financial Results

5. These Standalone financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company and the standalone statement of assets and liabilities and the standalone statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E 300009 (ICAI registration number before conversion was 304026E)

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# Price Waterhouse & Co Chartered Accountants LLP



Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone financial results by the Directors of the Company, as aforesaid.

6. In preparing the standalone financial results, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

**Auditor's Responsibilities for the Audit of the Standalone Financial Results**

8. Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

11. The Standalone Financial Results include the results for the quarter ended March 31, 2023 being the balancing figures between the audited figures in respect of the full financial year and the published audited year to date figures up to the third quarter of the current financial year. The figures for the quarter ended March 31, 2023 are neither subject to limited review nor audited by us.

12. The standalone annual financial results dealt with by this report has been prepared for the express purpose of filing with National Stock Exchange of India Limited and BSE Limited. These results are based on and should be read with the audited standalone financial statements of the Company for the year ended March 31, 2023 on which we issued an unmodified audit opinion vide our report dated May 2, 2023.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

S Vivek

Subramanian Vivek
Partner
Membership Number: 100332
UDIN:23100332BGYVTL5217

Mumbai
May 2, 2023

# Price Waterhouse & Co Chartered Accountants LLP

**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of Tata Steel Limited**

**Report on the Audit of Consolidated Financial Results**

**Opinion**

1. We have audited the consolidated annual financial results of Tata Steel Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate companies and jointly controlled entities for the year ended March 31, 2023 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date (the "Consolidated Financial Results" comprising of Consolidated Statement of Profit and Loss for the quarter/twelve months ended on 31st March 2023, Consolidated Balance Sheet as at 31st March 2023 and Consolidated Statement of Cash Flows for the year ended on 31st March 2023), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements /special purpose financial information of the subsidiaries, associate companies and jointly controlled entities, the aforesaid Consolidated Financial Results:

   (i) include the Consolidated Financial Results of the Holding Company and the entities as listed in Annexure A;

   (ii) are presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations in this regard; and

   (iii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group, its associate companies and jointly controlled entities for the year ended March 31, 2023 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Results' section of our report. We are independent of the Group, its associate companies and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in paragraph 12 of the Other Matter section below, other than the unaudited financial statements/special purpose financial information as certified by the management and referred to in paragraph 13 of the Other Matter section below and financial information not available as referred to in paragraph 14 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

4. Our opinion is not modified in respect of the following Material Uncertainty Relating to Going Concern that has been communicated to us by the auditors of Tata Steel Europe Limited, a subsidiary of the Holding Company, vide their audit report dated April 30, 2023:

   "Without modifying our opinion on the special purpose financial information, we have considered the adequacy of the disclosure concerning the entity's ability to continue as a going concern. Tata Steel Europe Limited, via its UK business, has received a letter of support from T S Global Holdings Pte. Ltd. to either refinance or repay its Revolving Credit Facility and uncommitted facilities due to expire on or before June 2024. T S Global Procurement Company Pte. Ltd. has also provided a letter of support to the UK business for access to £300m of additional working capital, which is more than estimated to be required under a severe but plausible downside scenario over

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the next twelve months. The letters state that they represent present policy, are given by way of comfort only and are not to be construed as constituting a promise as to the future conduct of the entities or Tata Steel Limited. Accordingly, there can be no certainty that the funds required by Tata Steel Europe Limited will be made available. These conditions, along with the other matters explained in the special purpose financial information, indicate the existence of a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern. The special purpose financial information does not include the adjustments that would result if the entity were unable to continue as a going concern."

Refer Note 4 to the Consolidated Financial Results in this regard.

**Board of Directors' Responsibilities for the Consolidated Financial Results**

5. These consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its associate companies and jointly controlled entities and the consolidated statement of assets and liabilities and the consolidated statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associate companies and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate companies and jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

6. In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group and of its associate companies and jointly controlled entities are responsible for assessing the ability of the Group and its associate companies and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group and its associate companies and jointly controlled entities or to cease operations, or has no realistic alternative but to do so.

7. The respective Board of Directors of the companies included in the Group and of its associate companies and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associate companies and jointly controlled entities.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

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misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 16 below).

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate companies and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate companies and jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/ special purpose financial information of the entities within the Group and its associate companies and jointly controlled entities to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

10. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

11. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

**Other Matters**

12. We did not audit the financial statements / special purpose financial information of twelve subsidiaries included in the Consolidated Financial Results, whose financial statements / special purpose financial information reflect total assets of Rs. 98,425.66 crore and net assets of Rs. 35,811.96 crore as at March 31, 2023, total revenues of Rs. 100,659.13 crore, total net (loss) after tax of Rs. (4,037.90) crore, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (14,769.69) crore and net cash flows of Rs. 2,965.12 crore for the year ended March 31, 2023, as considered in the Consolidated Financial Results. The consolidated financial statements/ special purpose financial information of these subsidiaries also include their stepdown associate companies and jointly controlled entities constituting Rs. 8.28 crore and Rs. 15.95 crore respectively of the Group's share of total comprehensive income for the year ended March 31, 2023. The Consolidated Financial Results also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 30.19 crore for the year ended March 31, 2023 as considered in the Consolidated Financial Results, in respect of one jointly controlled entity, whose financial statements/ special purpose financial information have not been audited

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by us. These financial statements / special purpose financial information have been audited by other auditors whose reports have been furnished to us by the other auditors/ Management and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate companies and jointly controlled entities, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 11 above.

13. The Consolidated Financial Results includes the unaudited financial statements/ special purpose financial information of eighteen subsidiaries, whose unaudited financial statements/ special purpose financial information reflect total assets of Rs. 9,615.76 crore and net assets of Rs. 5,000.14 crore as at March 31, 2023, total revenue of Rs. 742.53 crore, total net profit after tax of Rs. 37.91 crore, and total comprehensive income (comprising of profit and other comprehensive income) of Rs. 360.19 crore and net cash flows of Rs. (37.86) crore for the year ended March 31, 2023, as considered in the Consolidated Financial Results. The Consolidated Financial Results also include the Group's share of net profit after tax and total comprehensive income of Rs. 4.59 crore and Rs. (2.36) crore respectively for the year ended March 31, 2023, as considered in the Consolidated Financial Results, in respect of four associate companies and three jointly controlled entities, whose financial statements / special purpose financial information have not been audited by us. These financial statements/ special purpose financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate companies and jointly controlled entities, is based solely on such unaudited financial statements/ special purpose financial information. In our opinion and according to the information and explanations given to us by the Management, these unaudited financial statements / special purpose financial information are not material to the Group.

14. In the case of one subsidiary, three associate companies and one jointly controlled entity, the financial statements/ special purpose financial information for the year ended March 31, 2023 is not available. In absence of the aforesaid financial statements/ special purpose financial information, the financial statements/ special purpose financial information in respect of aforesaid subsidiaries and the Group's share of total comprehensive income of these associate companies and jointly controlled entities for the year ended March 31, 2023 have not been included in the Consolidated Financial Results. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ special purpose financial information are not material to the Group.

    Our opinion on the Consolidated Financial Results is not modified in respect of the matters set out in paragraphs 12, 13 and 14 above.

15. The Consolidated Financial Results include the results for the quarter ended March 31, 2023 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year. The figures for the quarter ended March 31, 2023 are neither subject to limited review nor audited by us.

16. The Consolidated annual Financial Results dealt with by this report have been prepared for the express purpose of filing with National Stock Exchange of India Limited and BSE Limited. These results are based on and should be read with the audited consolidated financial statements of the Group, its associate companies and jointly controlled entities, for the year ended March 31, 2023 on which we have issued an unmodified audit opinion vide our report dated May 2, 2023.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

S. Vivek

Subramanian Vivek
Partner
Membership Number: 100332
UDIN: 23100332BGYVTM4257
Mumbai
May 2, 2023

**Annexure A**

# Price Waterhouse & Co Chartered Accountants LLP

**List of entities:**

| Sl. No | Name of the Company |
|---|---|
| **A.** | **Subsidiaries (Direct)** |
| 1 | ABJA Investment Co. Pte. Ltd. |
| 2 | Indian Steel & Wire Products Ltd. |
| 3 | Tata Steel Utilities and Infrastructure Services Limited |
| 4 | Mohar Export Services Pvt. Ltd |
| 5 | Rujuvalika Investments Limited |
| 6 | Tata Steel Mining Limited |
| 7 | Tata Korf Engineering Services Ltd. |
| 8 | Tata Metaliks Limited |
| 9 | Tata Steel Long Products Limited |
| 10 | T Steel Holdings Pte. Ltd. |
| 11 | Tata Steel Downstream Products Limited |
| 12 | Tayo Rolls Limited * |
| 13 | The Tinplate Company of India Limited |
| 14 | Tata Steel Foundation |
| 15 | Jamshedpur Football and Sporting Private Limited |
| 16 | Bhubaneshwar Power Private Limited |
| 17 | Creative Port Development Private Limited |
| 18 | Angul Energy Limited |
| 19 | Tata Steel Support Services Limited (formerly Bhushan Steel (Orissa) Ltd.) |
| 20 | Bhushan Steel (South) Ltd. |
| 21 | Tata Steel Technical Services Limited (formerly Bhushan Steel (Madhya Bharat) Ltd.) |
| 22 | Bhushan Steel (Australia) PTY Ltd. |
| 23 | S & T Mining Company Limited |
| 24 | Medica TS Hospital Pvt. Ltd. |
| 25 | Tata Steel Advanced Materials Limited (formerly Tata Steel Odisha Limited) |

| | |
|---|---|
| **B.** | **Subsidiaries (Indirect)** |
| 1 | Haldia Water Management Limited |
| 2 | Kalimati Global Shared Services Limited |
| 3 | Tata Steel Special Economic Zone Limited |
| 4 | Tata Pigments Limited |
| 5 | Adityapur Toll Bridge Company Limited |
| 6 | Neelachal Ispat Nigam Limited |
| 7 | Ceramat Private Limited |
| 8 | Tata Steel TABB Limited |
| 9 | T S Global Holdings Pte. Ltd. |
| 10 | Orchid Netherlands (No.1) B.V. |
| 11 | The Siam Industrial Wire Company Ltd. |
| 12 | TSN Wires Co., Ltd. |
| 13 | Tata Steel Europe Limited |
| 14 | Apollo Metals Limited |
| 15 | British Steel Corporation Limited |
| 16 | British Steel Directors (Nominees) Limited |
| 17 | British Steel Nederland International B.V. |
| 18 | C V Benine |
| 19 | Catnic GmbH |
| 20 | Catnic Limited |
| 21 | Tata Steel Mexico SA de CV |
| 22 | Cogent Power Limited |

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Annexure A

## Price Waterhouse & Co Chartered Accountants LLP

| B. | Subsidiaries (Indirect) |
|---|---|
| 23 | Corbeil Les Rives SCI |
| 24 | Corby (Northants) & District Water Company Limited |
| 25 | Corus CNBV Investments |
| 26 | Corus Engineering Steels (UK) Limited |
| 27 | Corus Engineering Steels Limited |
| 28 | Corus Group Limited |
| 29 | Corus Holdings Limited |
| 30 | Corus International (Overseas Holdings) Limited |
| 31 | Corus International Limited |
| 32 | Corus International Romania SRL. |
| 33 | Corus Investments Limited |
| 34 | Corus Ireland Limited |
| 35 | Corus Liaison Services (India) Limited |
| 36 | Corus Management Limited |
| 37 | Corus Property |
| 38 | Corus UK Healthcare Trustee Limited |
| 39 | Crucible Insurance Company Limited |
| 40 | Degels GmbH |
| 41 | Demka B.V. |
| 42 | 00026466 Limited (Formerly known as Firsteel Group Limited) |
| 43 | Fischer Profil GmbH |
| 44 | Gamble Simms Metals Limited |
| 45 | H E Samson Limited |
| 46 | Hadfields Holdings Limited |
| 47 | Halmstad Steel Service Centre AB |
| 48 | Hille & Muller GmbH |
| 49 | Hille & Muller USA Inc. |
| 50 | Hoogovens USA Inc. |
| 51 | Huizenbezit "Breesaap" B.V. |
| 52 | Inter Metal Distribution SAS |
| 53 | Layde Steel S.L. |
| 54 | London Works Steel Company Limited |
| 55 | Montana Bausysteme AG |
| 56 | Naantali Steel Service Centre OY |
| 57 | Norsk Stal Tynnplater AS |
| 58 | Norsk Stal Tynnplater AB |
| 59 | Orb Electrical Steels Limited |
| 60 | Oremco Inc. |
| 61 | Rafferty-Brown Steel Co Inc Of Conn. |
| 62 | S A B Profiel B.V. |
| 63 | S A B Profil GmbH |
| 64 | Service Center Gelsenkirchen GmbH |
| 65 | Service Centre Maastricht B.V. |
| 66 | Societe Europeenne De Galvanisation (Segal) Sa |
| 67 | Staalverwerking en Handel B.V. |
| 68 | Surahammar Bruks AB |
| 69 | Swinden Housing Association Limited |
| 70 | Tata Steel Belgium Packaging Steels N.V. |
| 71 | Tata Steel Belgium Services N.V. |

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Annexure A

## Price Waterhouse & Co Chartered Accountants LLP

| B. | Subsidiaries (Indirect) |
|---|---|
| 72 | Tata Steel Denmark Byggsystemer A/S |
| 73 | Tata Steel France Holdings SAS |
| 74 | Tata Steel Germany GmbH |
| 75 | Tata Steel IJmuiden BV |
| 76 | Tata Steel International (Americas) Holdings Inc |
| 77 | Tata Steel International (Americas) Inc |
| 78 | Tata Steel International (Czech Republic) S.R.O |
| 79 | Tata Steel International (France) SAS |
| 80 | Tata Steel International (Germany) GmbH |
| 81 | Tata Steel International (South America) Representações LTDA |
| 82 | Tata Steel International (Italia) SRL |
| 83 | Tata Steel International (Middle East) FZE |
| 84 | Tata Steel International (Nigeria) Ltd. |
| 85 | Tata Steel International (Poland) sp Zoo |
| 86 | Tata Steel International (Sweden) AB |
| 87 | Tata Steel International (India) Limited |
| 88 | Tata Steel International Iberica SA |
| 89 | Tata Steel Istanbul Metal Sanayi ve Ticaret AS |
| 90 | Tata Steel Maubeuge SAS |
| 91 | Tata Steel Nederland BV |
| 92 | Tata Steel Nederland Consulting & Technical Services BV |
| 93 | Tata Steel Nederland Services BV |
| 94 | Tata Steel Nederland Technology BV |
| 95 | Tata Steel Nederland Tubes BV |
| 96 | Tata Steel Netherlands Holdings B.V. |
| 97 | Tata Steel Norway Byggsystemer A/S |
| 98 | Tata Steel Sweden Byggsystem AB |
| 99 | Tata Steel UK Consulting Limited |
| 100 | Tata Steel UK Holdings Limited |
| 101 | Tata Steel UK Limited |
| 102 | Tata Steel USA Inc. |
| 103 | The Newport And South Wales Tube Company Limited |
| 104 | Thomas Processing Company |
| 105 | Thomas Steel Strip Corp. |
| 106 | TS South Africa Sales Office Proprietary Limited |
| 107 | Tulip UK Holdings (No.2) Limited |
| 108 | Tulip UK Holdings (No.3) Limited |
| 109 | UK Steel Enterprise Limited |
| 110 | Unitol SAS |
| 111 | Fischer Profil Produktions -und-Vertriebs - GmbH |
| 112 | Al Rimal Mining LLC |
| 113 | TSMUK Limited |
| 114 | Tata Steel Minerals Canada Limited |
| 115 | T S Canada Capital Ltd |
| 116 | Tata Steel International (Shanghai) Ltd. |
| 117 | Tata Steel (Thailand) Public Company Ltd. |
| 118 | Tata Steel Manufacturing (Thailand) Public Company Limited |
| 119 | The Siam Construction Steel Co. Ltd. |
| 120 | The Siam Iron And Steel (2001) Co. Ltd. |
| 121 | T S Global Procurement Company Pte. Ltd. |
| 122 | Bowen Energy PTY Ltd. |
| 123 | Bowen Coal PTY Ltd. |
| 124 | Bowen Consolidated PTY Ltd. |
| 125 | Subarnarekha Port Private Limited |

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 Chartered Accountants FRN 304026E/E-300009 * Mumbai *

Annexure A

# Price Waterhouse & Co Chartered Accountants LLP

| C. | **Jointly Controlled Entities (Direct)** |
|---|---|
| 1 | mjunction services limited |
| 2 | Tata NYK Shipping Pte Ltd. |
| 3 | TM International Logistics Limited |
| 4 | Industrial Energy Limited |
| 5 | Andal East Coal Company Pvt. Ltd. |

| D. | **Jointly Controlled Entities (Indirect)** |
|---|---|
| 1 | Tata BlueScope Steel Private Limited |
| 2 | Jamshedpur Continuous Annealing & Processing Company Private Limited |
| 3 | Naba Diganta Water Management Limited |
| 4 | Jamipol Limited |
| 5 | Nicco Jubilee Park Limited * |
| 6 | Himalaya Steel Mills Services Private Limited |
| 7 | Laura Metaal Holding B.V. |
| 8 | Ravenscraig Limited |
| 9 | Tata Steel Ticaret AS |
| 10 | Texturing Technology Limited |
| 11 | Air Products Llanwern Limited |
| 12 | Hoogovens Court Roll Service Technologies VOF |
| 13 | Minas De Benga (Mauritius) Limited |
| 14 | BlueScope Lysaght Lanka (Pvt) Ltd |
| 15 | Tata NYK Shipping (India) Pvt. Ltd. |
| 16 | International Shipping and Logistics FZE |
| 17 | TKM Global China Limited |
| 18 | TKM Global GmbH |
| 19 | TKM Global Logistics Limited |

| E. | **Associates (Direct)** |
|---|---|
| 1 | Kalinga Aquatics Ltd * |
| 2 | Kumardhubi Fireclay & Silica Works Ltd. |
| 3 | Kumardhubi Metal Casting and Engineering Limited |
| 4 | Strategic Energy Technology Systems Private Limited |
| 5 | Tata Construction & Projects Ltd. |
| 6 | TRF Limited |
| 7 | Malusha Travels Pvt Ltd. |
| 8 | Bhushan Capital & Credit Services Private Limited * |
| 9 | Jawahar Credit & Holdings Private Limited * |

| F. | **Associates (Indirect)** |
|---|---|
| 1 | European Profiles (M) Sdn. Bhd. |
| 2 | GietWalsOnderhoudCombinatie B.V. |
| 3 | Hoogovens Gan Multimedia S.A. De C.V. |
| 4 | ISSB Limited |
| 5 | Wupperman Staal Nederland B.V. |
| 6 | 9336-0634 Québec Inc |
| 7 | TRF Singapore Pte Limited |
| 8 | TRF Holding Pte Limited |
| 9 | Dutch Lanka Trailer Manufacturers Limited |
| 10 | Dutch Lanka Engineering (Private) Limited |
| 11 | Fabsec Limited |

* Not consolidated as the financial information is not available.

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## Standalone Statement of Profit and Loss for the quarter/twelve months ended on 31st March 2023

₹ Crore

| | Particulars | Quarter ended on 31.03.2023 | Quarter ended on 31.12.2022 | Quarter ended on 31.03.2022 | Financial year ended on 31.03.2023 | Financial year ended on 31.03.2022 |
|---|---|---|---|---|---|---|
| | | Audited | Audited | Audited | Audited | Audited |
| 1 | Revenue from operations | | | | | |
| | a) Gross sales / income from operations | 33,798.07 | 30,121.07 | 36,245.50 | 1,27,466.52 | 1,27,681.40 |
| | b) Other operating revenues | 477.18 | 344.22 | 435.43 | 1,540.10 | 1,339.95 |
| | Total revenue from operations [ 1(a) + 1(b) ] | 34,275.25 | 30,465.29 | 36,680.93 | 1,29,006.62 | 1,29,021.35 |
| 2 | Other income | 665.27 | 906.95 | 506.16 | 3,325.48 | 1,452.02 |
| 3 | **Total income [ 1 + 2 ]** | **34,940.52** | **31,372.24** | **37,187.09** | **1,32,332.10** | **1,30,473.37** |
| 4 | Expenses | | | | | |
| | a) Cost of materials consumed | 10,948.76 | 12,676.57 | 11,438.30 | 54,011.50 | 35,256.98 |
| | b) Purchases of stock-in-trade | 2,260.32 | 1,921.44 | 1,208.41 | 7,467.30 | 4,089.03 |
| | c) Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress | 1,470.57 | 451.24 | 1,825.56 | (1,142.06) | (1,820.87) |
| | d) Employee benefits expense | 1,819.53 | 1,609.79 | 1,723.17 | 6,616.29 | 6,365.80 |
| | e) Finance costs | 1,038.37 | 1,073.25 | 645.59 | 3,792.14 | 2,792.08 |
| | f) Depreciation and amortisation expense | 1,371.17 | 1,370.54 | 1,379.78 | 5,434.61 | 5,463.69 |
| | g) Other expenses | 9,645.85 | 8,646.56 | 8,251.24 | 34,351.62 | 34,000.56 |
| | **Total expenses [ 4(a) to 4(g) ]** | **28,554.57** | **27,749.39** | **26,472.05** | **1,10,531.40** | **86,147.27** |
| 5 | **Profit / (Loss) before exceptional items & tax [ 3 - 4 ]** | **6,385.95** | **3,622.85** | **10,715.04** | **21,800.70** | **44,326.10** |
| 6 | Exceptional items : | | | | | |
| | a) Profit / (loss) on sale of non-current investments | 338.56 | - | - | 338.56 | 343.68 |
| | b) Provision for impairment of investments / doubtful advances (net) | (1,044.00) | - | (95.10) | (1,056.39) | (93.22) |
| | c) Employee separation compensation | 4.58 | (7.22) | (31.09) | (91.94) | (330.81) |
| | d) Restructuring and other provisions | - | - | - | - | (204.84) |
| | e) Gain/(loss) on non-current investments classified as fair value through profit and loss (net) | 1.88 | 1.65 | 49.74 | 30.99 | 49.74 |
| | Total exceptional items [ 6(a) to 6(e) ] | (698.98) | (5.57) | (76.45) | (778.78) | (235.45) |
| 7 | **Profit / (Loss) before tax [ 5 + 6 ]** | **5,686.97** | **3,617.28** | **10,638.59** | **21,021.92** | **44,090.65** |
| 8 | Tax Expense | | | | | |
| | a) Current tax | 1,449.82 | 917.15 | 2,844.88 | 4,928.05 | 11,611.94 |
| | b) Deferred tax | 216.29 | (5.00) | (45.75) | 598.76 | (532.47) |
| | Total tax expense [ 8(a) + 8(b) ] | 1,666.11 | 912.15 | 2,799.13 | 5,526.81 | 11,079.47 |
| 9 | **Net Profit / (Loss) for the period [ 7 - 8 ]** | **4,020.86** | **2,705.13** | **7,839.46** | **15,495.11** | **33,011.18** |
| 10 | Other comprehensive income | | | | | |
| | A (i) Items that will not be reclassified to profit or loss | 149.53 | 0.42 | 349.10 | 87.45 | 662.49 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | (49.51) | (4.36) | (74.08) | (48.05) | (69.79) |
| | B (i) Items that will be reclassified to profit or loss | (45.79) | (51.76) | 97.11 | 81.47 | 136.57 |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | 11.53 | 13.03 | (24.44) | (20.50) | (34.37) |
| | Total other comprehensive income | 65.76 | (42.67) | 347.69 | 100.37 | 694.90 |
| 11 | **Total Comprehensive Income for the period [ 9 + 10 ]** | **4,086.62** | **2,662.46** | **8,187.15** | **15,595.48** | **33,706.08** |
| 12 | Paid-up equity share capital [Face value ₹ 1 per share] | 1,222.40 | 1,222.37 | 1,222.37 | 1,222.40 | 1,222.37 |
| 13 | Paid-up debt capital | | | | 15,058.49 | 13,674.99 |
| 14 | Reserves excluding revaluation reserves | | | | 1,33,575.11 | 1,24,211.39 |
| 15 | Securities premium reserve | | | | 31,290.24 | 31,288.89 |
| 16 | Earnings per equity share | | | | | |
| | Basic earnings per share (not annualised) - in Rupees (after exceptional items) | 3.29 | 2.21 | 6.41 | 12.68 | 27.03 |
| | Diluted earnings per share (not annualised) - in Rupees (after exceptional items) | 3.29 | 2.21 | 6.41 | 12.67 | 27.01 |

(a) Paid up debt capital represents debentures

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TATA STEEL LIMITED MUMBAI

**TATA STEEL LIMITED**
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Corporate Identity Number L27100MH1907PLC000260

TATA

**Standalone Balance Sheet as at 31st March 2023**

₹ Crore

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| | Audited | Audited |
| **A ASSETS** | | |
| **(1) Non-current assets** | | |
| (a) Property, plant and equipment | 84,942.31 | 87,946.22 |
| (b) Capital work-in-progress | 21,091.92 | 14,159.32 |
| (c) Right-of-use assets | 5,480.11 | 5,538.18 |
| (d) Goodwill | 3.22 | - |
| (e) Other intangible assets | 760.65 | 806.03 |
| (f) Intangible assets under development | 514.96 | 382.64 |
| (g) Financial assets | | |
| (i) Investments | 44,138.90 | 43,401.43 |
| (ii) Loans | 32,779.08 | 30,195.27 |
| (iii) Derivative assets | 403.40 | 133.21 |
| (iv) Other financial assets | 2,263.36 | 1,211.81 |
| (h) Non-current tax assets (net) | 4,145.27 | 3,620.76 |
| (i) Other assets | 3,318.72 | 3,301.78 |
| **Sub-total - Non current assets** | **1,99,841.90** | **1,90,696.65** |
| **(2) Current assets** | | |
| (a) Inventories | 20,795.56 | 19,942.94 |
| (b) Financial assets | | |
| (i) Investments | 2,050.40 | 96.11 |
| (ii) Trade receivables | 3,351.72 | 3,280.30 |
| (iii) Cash and cash equivalents | 858.98 | 2,671.59 |
| (iv) Other balances with banks | 218.35 | 183.70 |
| (v) Loans | 3,191.21 | 2,368.01 |
| (vi) Derivative assets | 82.21 | 89.54 |
| (vii) Other financial assets | 760.96 | 718.30 |
| (c) Other assets | 2,640.13 | 1,939.08 |
| **Sub-total - Current assets** | **33,949.52** | **31,289.57** |
| **TOTAL - ASSETS** | **2,33,791.42** | **2,21,986.22** |
| | | |
| **B EQUITY AND LIABILITIES** | | |
| **(1) Equity** | | |
| (a) Equity share capital | 1,222.40 | 1,222.37 |
| (b) Other equity | 1,33,575.11 | 1,24,211.39 |
| **Sub-total - Total Equity** | **1,34,797.51** | **1,25,433.76** |
| **(2) Non-current liabilities** | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 30,880.89 | 20,290.81 |
| (ii) Lease liabilities | 3,649.33 | 3,726.90 |
| (iii) Derivative liabilities | - | 10.18 |
| (iv) Other financial liabilities | 928.81 | 883.23 |
| (b) Provisions | 2,555.25 | 2,685.00 |
| (c) Retirement benefit obligations | 1,979.33 | 2,315.91 |
| (d) Deferred income | 0.35 | 0.74 |
| (e) Deferred tax liabilities (net) | 8,684.15 | 8,087.57 |
| (f) Other liabilities | 3,878.50 | 4,887.29 |
| **Sub-total - Non current liabilities** | **52,556.61** | **42,887.63** |
| **(3) Current liabilities** | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 7,298.12 | 11,984.66 |
| (ii) Lease liabilities | 544.05 | 522.14 |
| (iii) Trade payables | | |
| (a) Total outstanding dues of micro and small enterprises | 791.87 | 678.20 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | 17,290.53 | 20,412.94 |
| (iv) Derivative liabilities | 65.58 | 81.48 |
| (v) Other financial liabilities | 5,806.15 | 5,137.54 |
| (b) Provisions | 1,080.94 | 1,082.42 |
| (c) Retirement benefit obligations | 109.51 | 114.99 |
| (d) Deferred income | 9.81 | 67.84 |
| (e) Current tax liabilities (net) | 1,714.98 | 1,079.69 |
| (f) Other liabilities | 11,725.76 | 12,502.93 |
| **Sub-total - Current liabilities** | **46,437.30** | **53,664.83** |
| **TOTAL - EQUITY AND LIABILITIES** | **2,33,791.42** | **2,21,986.22** |

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Corporate Identity Number L27100MH1907PLC000260

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**Standalone Statement of Cash Flows for the year ended on 31st March 2023**

₹ Crore

| Particulars | Financial year ended on 31.03.2023 | | Financial year ended on 31.03.2022 | |
|---|---|---|---|---|
| | Audited | | Audited | |
| **(A) Cash flows from operating activities:** | | | | |
| **Profit before tax** | | 21,021.92 | | 44,090.65 |
| Adjustments for: | | | | |
| Depreciation and amortisation expense | 5,434.61 | | 5,463.69 | |
| Dividend income | (285.38) | | (243.92) | |
| (Gain)/loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off) | 68.00 | | (17.28) | |
| Exceptional (income)/expenses | 778.78 | | 235.45 | |
| (Gain)/loss on cancellation of forwards, swaps and options | 0.58 | | (39.05) | |
| Interest income and income from current investments | (2,852.86) | | (1,125.57) | |
| Finance costs | 3,792.14 | | 2,792.08 | |
| Foreign exchange (gain)/loss | (2,542.96) | | (851.60) | |
| Other non-cash items | (50.05) | | 2.25 | |
| | | 4,342.86 | | 6,216.05 |
| **Operating profit before changes in non-current/current assets and liabilities** | | 25,364.78 | | 50,306.70 |
| Adjustments for: | | | | |
| Non-current/current financial and other assets | (679.28) | | (1,119.44) | |
| Inventories | (1,011.54) | | (7,072.78) | |
| Non-current/current financial and other liabilities/provisions | (4,555.71) | | 11,111.87 | |
| | | (6,246.53) | | 2,919.65 |
| **Cash generated from operations** | | 19,118.25 | | 53,226.35 |
| Income taxes paid (net of refund) | | (4,891.32) | | (11,240.23) |
| **Net cash from/(used in) operating activities** | | 14,226.93 | | 41,986.12 |
| | | | | |
| **(B) Cash flows from investing activities:** | | | | |
| Purchase of capital assets | (8,554.58) | | (6,288.29) | |
| Sale of capital assets | 19.08 | | 132.61 | |
| Purchase of investments in subsidiaries | (1,245.77) | | (12,897.00) | |
| Purchase of other non-current investments | (314.00) | | (55.39) | |
| Purchase of business undertaking | (130.00) | | - | |
| Sale of investments in subsidiaries | 1,112.42 | | - | |
| Sale of other non-current investments | - | | 9.99 | |
| (Purchase)/sale of current investments (net) | (1,822.14) | | 7,183.31 | |
| Loans given | (1,241.15) | | (23,104.83) | |
| Repayment of loans given | 564.65 | | 483.74 | |
| Principal receipts under sublease | - | | 1.43 | |
| Fixed/restricted deposits with banks (placed)/realised (net) | (12.21) | | (21.60) | |
| Interest received | 277.71 | | 144.32 | |
| Dividend received from subsidiaries | 234.93 | | 113.89 | |
| Dividend received from associates and joint ventures | 26.83 | | 109.64 | |
| Dividend received from others | 23.62 | | 20.39 | |
| **Net cash from/(used in) investing activities** | | (11,060.61) | | (34,167.79) |
| | | | | |
| **(C) Cash flows from financing activities:** | | | | |
| Proceeds from issue of equity shares (net of issue expenses) | 1.37 | | 325.72 | |
| Proceeds from long-term borrowings (net of issue expenses) | 16,628.55 | | 36.88 | |
| Repayment of long-term borrowings | (2,904.30) | | (9,380.72) | |
| Proceeds/(repayments) of short term borrowings (net) | (8,106.56) | | 8,794.21 | |
| Payment of lease obligations | (495.00) | | (483.03) | |
| Amount received/(paid) on utilisation/cancellation of derivatives | (13.85) | | 33.33 | |
| Repayment of Hybrid Perpetual securities | - | | (775.00) | |
| Distribution on Hybrid Perpetual securities | - | | (44.19) | |
| Interest paid | (3,856.03) | | (2,868.17) | |
| Dividend paid | (6,233.11) | | (3,007.08) | |
| **Net cash from/(used in) financing activities** | | (4,978.93) | | (7,368.05) |
| **Net increase/(decrease) in cash and cash equivalents** | | (1,812.61) | | 450.28 |
| **Opening cash and cash equivalents** | | 2,671.59 | | 2,221.31 |
| **Closing cash and cash equivalents** | | 858.98 | | 2,671.59 |

(i) Significant non-cash movements in borrowings during the year include:

(a) amortisation/effective interest rate adjustments of upfront fees ₹27.02 crore (2021-22: ₹138.99 crore).

(b) exchange loss ₹277.74 crore (2021-22: ₹137.10 crore).

(c) adjustments to lease obligations, increase ₹439.34 crore (2021-22: ₹196.68 crore).

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**Additional information pursuant to Regulation 52(4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, for Standalone financial results as at and for the quarter/twelve months ended on 31st March, 2023:**

| | Particulars | Quarter ended on 31.03.2023 | Quarter ended on 31.12.2022 | Quarter ended on 31.03.2022 | Financial year ended on 31.03.2023 | Financial year ended on 31.03.2022 |
|---|---|---|---|---|---|---|
| 1 | **Net debt equity ratio**<br>*(Net debt / Average equity)*<br>*[Net debt: Non-current borrowings + Current borrowings + Non current and current lease liabilities - Current investments - Cash and cash equivalents - Other balances with banks (including non-current earmarked balances)]*<br>*[Equity: Equity share capital + Other equity + Hybrid perpetual securities]* | 0.30 | 0.34 | 0.30 | 0.30 | 0.30 |
| 2 | **Debt service coverage ratio**<br>*(EBIT / (Net finance charges + Interest income from group companies + Scheduled principal repayments of non-current borrowings and lease obligations (excluding prepayments) during the period))*<br>*[EBIT : Profit before taxes +/(-) Exceptional items + Net finance charges]*<br>*[Net finance charges: Finance costs (excluding interest on current borrowings) - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]* | 8.25 | 5.06 | 10.82 | 3.90 | 14.36 |
| 3 | **Interest service coverage ratio**<br>*(EBIT / (Net finance charges + Interest income from group companies))*<br>*[EBIT : Profit before taxes +/(-) Exceptional items + Net finance charges]*<br>*[Net finance charges: Finance costs (excluding interest on current borrowings) - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]* | 10.09 | 6.20 | 28.83 | 10.40 | 22.84 |
| 4 | **Current ratio**<br>*(Total current assets / Current liabilities)*<br>*[Current liabilities: Total current liabilities - Current maturities of non-current borrowings and lease obligations]* | 0.86 | 0.74 | 0.62 | 0.86 | 0.62 |
| 5 | **Long term debt to working capital ratio**<br>*((Non-current borrowings + Non-current lease liabilities + Current maturities of non-current borrowings and lease obligations) / (Total current assets - Current liabilities))*<br>*[Current liabilities: Total current liabilities - Current maturities of non-current borrowings and lease obligations]* | * | * | * | * | * |
| 6 | **Bad debts to account receivable ratio^**<br>*(Bad debts / Average trade receivables)* | - | - | - | - | 0.00 |
| 7 | **Current liability ratio**<br>*(Total current liabilities / Total liabilities)* | 0.47 | 0.53 | 0.56 | 0.47 | 0.56 |
| 8 | **Total debts to total assets ratio**<br>*((Non-current borrowings + Current borrowings + Non-current and current lease liabilities) / Total assets)* | 0.18 | 0.20 | 0.16 | 0.18 | 0.16 |
| 9 | **Debtors turnover ratio (in days)**<br>*(Average trade receivables / Turnover in days)*<br>*[Turnover: Revenue from operations]* | 9 | 11 | 9 | 9 | 9 |
| 10 | **Inventory turnover ratio (in days)**<br>*(Average inventory / Sale of products in days)* | 57 | 70 | 51 | 59 | 47 |
| 11 | **Operating EBIDTA margin (%)**<br>*(EBIDTA / Turnover)*<br>*[EBIDTA: Profit before taxes +/(-) Exceptional items + Net finance charges + Depreciation and amortisation]*<br>*[(Net finance charges: Finance costs - Interest income - Dividend income from current investments - Net gain/ (loss) on sale of current investments)]*<br>*[Turnover: Revenue from operations]* | 23.60 | 17.51 | 33.70 | 21.84 | 39.88 |
| 12 | **Net profit margin (%)**<br>*(Net profit after tax / Turnover)*<br>*[Turnover: Revenue from operations]* | 11.73 | 8.88 | 21.37 | 12.01 | 25.59 |
| 13 | **Debenture redemption reserve (in ₹ Crore)** | 2,046.00 | 2,046.00 | 2,046.00 | 2,046.00 | 2,046.00 |
| 14 | **Net worth (in ₹ Crore)**<br>*(Equity share capital + Other equity - Capital reserve - Amalgamation reserve)* | 1,33,067.00 | 1,28,979.00 | 1,23,703.25 | 1,33,067.00 | 1,23,703.25 |
| 15 | **Outstanding redeemable preference shares (quantity and value)** | Not applicable | | | | |

* Net working capital is negative

^ 0.00 represents value less than 0.01

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Corporate Identity Number L27100MH1907PLC000260

TATA

## Consolidated Statement of Profit and Loss for the quarter/twelve months ended on 31st March 2023

₹ Crore

| | Particulars | | Quarter ended on 31.03.2023 | Quarter ended on 31.12.2022 | Quarter ended on 31.03.2022 | Financial year ended on 31.03.2023 | Financial year ended on 31.03.2022 |
|---|---|---|---|---|---|---|---|
| | | | Unaudited | Unaudited | Unaudited | Audited | Audited |
| 1 | Revenue from operations | | | | | | |
| | a) | Gross sales / income from operations | 62,238.78 | 56,756.61 | 68,710.60 | 2,41,636.25 | 2,42,326.87 |
| | b) | Other operating revenues | 722.76 | 326.95 | 612.90 | 1,716.44 | 1,632.30 |
| | Total revenue from operations [ 1(a) + 1(b) ] | | 62,961.54 | 57,083.56 | 69,323.50 | 2,43,352.69 | 2,43,959.17 |
| 2 | Other income | | 169.54 | 270.60 | 292.20 | 1,037.48 | 784.89 |
| 3 | **Total income [ 1 + 2 ]** | | **63,131.08** | **57,354.16** | **69,615.70** | **2,44,390.17** | **2,44,744.06** |
| 4 | Expenses | | | | | | |
| | a) | Cost of materials consumed | 22,679.34 | 24,695.38 | 21,420.96 | 1,01,483.08 | 75,763.70 |
| | b) | Purchases of stock-in-trade | 3,308.75 | 3,535.93 | 3,451.81 | 15,114.11 | 15,312.91 |
| | c) | Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress | 2,667.98 | 1,791.28 | 2,757.43 | (3,358.89) | (7,597.87) |
| | d) | Employee benefits expense | 5,795.27 | 5,342.40 | 6,056.21 | 22,419.32 | 23,264.10 |
| | e) | Finance costs | 1,793.60 | 1,767.92 | 1,098.51 | 6,298.70 | 5,462.20 |
| | f) | Depreciation and amortisation expense | 2,382.21 | 2,368.38 | 2,243.39 | 9,335.20 | 9,100.87 |
| | g) | Other expenses | 21,291.00 | 17,670.73 | 20,607.45 | 75,394.91 | 73,726.38 |
| | **Total expenses [ 4(a) to 4(g) ]** | | **59,918.15** | **57,172.02** | **57,635.79** | **2,26,686.43** | **1,95,032.29** |
| 5 | Profit / (Loss) before share of profit/(loss) of joint ventures & associates, exceptional items & tax [ 3 - 4 ] | | 3,212.93 | 182.14 | 11,979.91 | 17,703.74 | 49,711.77 |
| 6 | Share of profit / (loss) of joint ventures & associates | | 96.25 | 60.49 | 159.35 | 418.12 | 649.16 |
| 7 | **Profit / (Loss) before exceptional items & tax [ 5 + 6 ]** | | **3,309.18** | **242.63** | **12,139.26** | **18,121.86** | **50,360.93** |
| 8 | Exceptional items : | | | | | | |
| | a) | Profit / (loss) on sale of subsidiaries and non-current investments | (20.19) | 71.49 | 4.69 | 66.86 | 724.84 |
| | b) | Profit on sale of non current assets | - | - | 30.83 | - | 30.83 |
| | c) | Provision for impairment of investments / doubtful advances (net) | - | 96.07 | (94.71) | 83.68 | (99.74) |
| | d) | Provision for impairment of non-current assets (net) | 25.37 | - | (211.87) | 25.37 | (252.68) |
| | e) | Employee separation compensation | 4.58 | (7.22) | (31.09) | (91.94) | (330.81) |
| | f) | Restructuring and other provisions | (0.05) | (1.65) | (21.88) | (1.70) | (256.24) |
| | g) | Gain/(loss) on non-current investments classified as fair value through profit and loss (net) | 1.88 | 1.65 | 49.74 | 30.99 | 49.74 |
| | Total exceptional items [ 8(a) to 8(g) ] | | 11.59 | 160.34 | (274.29) | 113.26 | (134.06) |
| 9 | **Profit / (Loss) before tax [ 7 + 8 ]** | | **3,320.77** | **402.97** | **11,864.97** | **18,235.12** | **50,226.87** |
| 10 | Tax Expense | | | | | | |
| | a) | Current tax | 1,156.51 | 754.95 | 3,005.95 | 5,361.33 | 7,049.88 |
| | b) | Deferred tax | 598.02 | 2,149.97 | (976.10) | 4,798.44 | 1,427.67 |
| | Total tax expense [ 10(a) + 10(b) ] | | 1,754.53 | 2,904.92 | 2,029.85 | 10,159.77 | 8,477.55 |
| 11 | **Net Profit / (Loss) for the period [ 9 - 10 ]** | | **1,566.24** | **(2,501.95)** | **9,835.12** | **8,075.35** | **41,749.32** |
| 12 | Profit/ (Loss) for the period attributable to: | | | | | | |
| | Owners of the Company | | 1,704.86 | (2,223.84) | 9,756.20 | 8,760.40 | 40,153.93 |
| | Non controlling interests | | (138.62) | (278.11) | 78.92 | (685.05) | 1,595.39 |
| 13 | Other comprehensive income | | | | | | |
| | A | (i) Items that will not be reclassified to profit or loss | (805.77) | (7,125.23) | (1,425.76) | (13,529.65) | 1,170.95 |
| | | (ii) Income tax relating to items that will not be reclassified to profit or loss | 186.35 | 1,785.92 | 368.01 | 3,353.56 | (203.02) |
| | B | (i) Items that will be reclassified to profit or loss | 320.49 | 1,208.39 | 1,904.14 | (4,175.40) | 531.30 |
| | | (ii) Income tax on items that will be reclassified to profit or loss | 103.67 | 501.99 | (327.77) | 502.42 | (193.81) |
| | Total other comprehensive income | | (195.26) | (3,628.93) | 518.62 | (13,849.07) | 1,305.42 |
| 14 | **Total Comprehensive Income for the period [ 11 + 13 ]** | | **1,370.98** | **(6,130.88)** | **10,353.74** | **(5,773.72)** | **43,054.74** |
| 15 | Total comprehensive income for the period attributable to: | | | | | | |
| | Owners of the Company | | 1,514.38 | (5,917.75) | 10,257.72 | (5,107.74) | 41,468.40 |
| | Non controlling interests | | (143.40) | (213.13) | 96.02 | (665.98) | 1,586.34 |
| 16 | Paid-up equity share capital [Face value ₹ 1 per share] | | 1,221.24 | 1,221.21 | 1,221.21 | 1,221.24 | 1,221.21 |
| 17 | Reserves (excluding revaluation reserves) and Non controlling interest | | | | | 1,03,953.97 | 1,15,877.25 |
| 18 | Earnings per equity share: | | | | | | |
| | Basic earnings per share (not annualised) - in Rupees (after exceptional items) | | 1.40 | (1.82) | 7.99 | 7.17 | 33.24 |
| | Diluted earnings per share (not annualised) - in Rupees (after exceptional items) | | 1.40 | (1.82) | 7.99 | 7.17 | 33.21 |

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Chartered Accountants
FRN 304026E/E-300009
Mumbai

TATA STEEL LIMITED

Mumbai

**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

TATA

**Consolidated Balance Sheet as at 31st March 2023**

₹ Crore

| Particulars | As at 31.03.2023 Audited | As at 31.03.2022 Audited |
|---|---|---|
| **A ASSETS** | | |
| **(1) Non-current assets** | | |
| (a) Property, plant and equipment | 1,18,696.74 | 1,16,166.46 |
| (b) Capital work-in-progress | 30,307.90 | 21,227.62 |
| (c) Right-of-use assets | 9,222.52 | 8,337.70 |
| (d) Goodwill | 5,601.65 | 4,311.20 |
| (e) Other intangible assets | 13,100.55 | 4,472.47 |
| (f) Intangible assets under development | 905.12 | 817.93 |
| (g) Advance against equity | - | 1,210.00 |
| (h) Equity accounted investments | 3,233.33 | 2,961.65 |
| (i) Financial assets | | |
| (i) Investments | 1,546.92 | 1,653.78 |
| (ii) Loans | 64.74 | 72.44 |
| (iii) Derivative assets | 403.40 | 318.15 |
| (iv) Other financial assets | 510.88 | 442.64 |
| (j) Retirement benefit assets | 6,990.83 | 20,397.96 |
| (k) Non-current tax assets | 4,369.03 | 3,785.01 |
| (l) Deferred tax assets | 2,625.96 | 3,023.93 |
| (m) Other assets | 3,776.63 | 3,690.05 |
| **Sub-total - Non current assets** | **2,01,356.20** | **1,92,888.99** |
| **(2) Current assets** | | |
| (a) Inventories | 54,415.33 | 48,824.39 |
| (b) Financial assets | | |
| (i) Investments | 3,630.06 | 8,524.42 |
| (ii) Trade receivables | 8,257.24 | 12,246.43 |
| (iii) Cash and cash equivalents | 12,129.90 | 15,604.68 |
| (iv) Other balances with banks | 1,227.36 | 294.25 |
| (v) Loans | 1.84 | 5.84 |
| (vi) Derivative assets | 561.46 | 1,172.74 |
| (vii) Other financial assets | 1,435.51 | 2,011.62 |
| (c) Retirement benefit assets | - | 1.25 |
| (d) Current tax assets | 117.69 | 61.63 |
| (e) Other assets | 4,829.75 | 3,508.82 |
| **Sub-total - Current assets** | **86,606.14** | **92,256.07** |
| (3) Assets held for sale | 59.40 | [illegible] |
| **TOTAL - ASSETS** | **2,88,021.74** | **2,85,445.60** |
| **B EQUITY AND LIABILITIES** | | |
| **(1) Equity** | | |
| (a) Equity share capital | 1,221.24 | 1,221.21 |
| (b) Other equity | 1,01,860.86 | 1,13,221.83 |
| **Equity attributable to shareholders of the company** | 1,03,082.10 | 1,14,443.04 |
| Non controlling interest | 2,093.11 | 2,655.42 |
| **Sub-total - Total Equity** | **1,05,175.21** | **1,17,098.46** |
| **(2) Non-current liabilities** | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 51,446.33 | 44,764.07 |
| (ii) Lease Liabilities | 5,811.08 | 5,696.46 |
| (iii) Derivative liabilities | - | 10.35 |
| (iv) Other financial liabilities | 1,871.51 | 959.57 |
| (b) Provisions | 4,775.84 | 4,825.98 |
| (c) Retirement benefit obligations | 2,931.37 | 3,413.71 |
| (d) Deferred income | 132.36 | 137.16 |
| (e) Deferred tax liabilities | 14,115.64 | 12,325.78 |
| (f) Other liabilities | [illegible] | [illegible] |
| **Sub-total - Non current liabilities** | **85,551.40** | **77,759.14** |
| **(3) Current liabilities** | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 26,571.37 | 24,064.61 |
| (ii) Lease Liabilities | 1,064.27 | 1,036.21 |
| (iii) Trade payables | | |
| (a) Total outstanding dues of micro and small enterprises | 1,170.33 | 897.50 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | 36,662.21 | 35,867.37 |
| (iv) Derivative liabilities | 1,630.53 | 196.91 |
| (v) Other financial liabilities | 9,590.21 | 8,381.41 |
| (b) Provisions | 3,882.73 | 2,768.49 |
| (c) Retirement benefit obligations | 162.47 | 158.22 |
| (d) Deferred income | 91.93 | 130.45 |
| (e) Current tax liabilities | 1,923.98 | 1,382.70 |
| (f) Other liabilities | 14,545.10 | 15,513.02 |
| **Sub-total - Current liabilities** | **97,295.13** | **90,396.89** |
| (4) Liabilities held for sale | - | 191.11 |
| **TOTAL - EQUITY AND LIABILITIES** | **2,88,021.74** | **2,85,445.60** |

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Mumbai

TATA STEEL LIMITED
MUMBAI

**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

TATA

## Consolidated Segment Revenue, Results, Assets and Liabilities

₹ Crore

| Particulars | Quarter ended on 31.03.2023 | Quarter ended on 31.12.2022 | Quarter ended on 31.03.2022 | Financial year ended on 31.03.2023 | Financial year ended on 31.03.2022 |
|---|---|---|---|---|---|
| | Unaudited | Unaudited | Unaudited | Audited | Audited |
| **Segment Revenue:** | | | | | |
| Tata Steel India | 34,275.25 | 30,465.29 | 36,680.93 | 1,29,006.62 | 1,29,021.35 |
| Tata Steel Long Products | 3,015.81 | 2,112.54 | 1,799.40 | 8,991.78 | 6,801.63 |
| Other Indian Operations | 6,323.83 | 5,635.63 | 6,192.41 | 23,035.00 | 21,274.90 |
| Tata Steel Europe | 22,036.15 | 20,744.61 | 26,388.73 | 90,300.39 | 90,022.96 |
| Other Trade Related Operations | 17,208.11 | 14,788.82 | 17,188.51 | 73,973.53 | 60,123.91 |
| South East Asian Operations | 2,198.52 | 1,945.63 | 2,419.93 | 8,731.44 | 11,481.81 |
| Rest of the World | 26.77 | 231.61 | (19.88) | 648.77 | 739.38 |
| **Total** | 85,084.44 | 75,924.13 | 90,650.03 | 3,34,687.53 | 3,19,465.94 |
| Less: Inter Segment Revenue | 22,122.90 | 18,840.57 | 21,326.53 | 91,334.84 | 75,506.77 |
| **Total Segment Revenue from operations** | 62,961.54 | 57,083.56 | 69,323.50 | 2,43,352.69 | 2,43,959.17 |
| | | | | | |
| **Segment Results before exceptional items, interest, tax and depreciation :** | | | | | |
| Tata Steel India | 8,089.02 | 5,334.35 | 12,362.59 | 28,174.58 | 51,456.30 |
| Tata Steel Long Products | 1.49 | (351.85) | 176.57 | (613.08) | 1,288.31 |
| Other Indian Operations | 547.87 | 116.37 | (969.64) | 1,107.90 | 546.79 |
| Tata Steel Europe | (1,641.20) | (1,550.98) | 4,348.77 | 4,632.06 | 12,163.85 |
| Other Trade Related Operations | 355.47 | 876.94 | (1,263.62) | 168.49 | 39.40 |
| South East Asian Operations | 63.75 | (1.69) | 189.66 | 473.64 | 1,255.26 |
| Rest of the World | (129.99) | (256.15) | (122.20) | (480.91) | (382.98) |
| **Total** | 7,286.41 | 4,166.99 | 14,722.13 | 33,462.68 | 66,366.93 |
| Less: Inter Segment Eliminations | 61.04 | 13.32 | (451.95) | 765.17 | 2,537.35 |
| **Total Segment Results before exceptional items, interest, tax and depreciation** | 7,225.37 | 4,153.67 | 15,174.08 | 32,697.51 | 63,829.58 |
| Add: Finance income | 163.37 | 164.77 | 147.73 | 640.13 | 445.26 |
| Less: Finance costs | 1,793.60 | 1,767.92 | 1,098.51 | 6,298.70 | 5,462.20 |
| Less: Depreciation and Amortisation | 2,382.21 | 2,368.38 | 2,243.39 | 9,335.20 | 9,100.87 |
| Add: Share of profit / (loss) of joint ventures and associates | 96.25 | 60.49 | 159.35 | 418.12 | 649.16 |
| **Profit / (Loss) before exceptional items & tax** | 3,309.18 | 242.63 | 12,139.26 | 18,121.86 | 50,360.93 |
| Add: Exceptional items | 11.59 | 160.34 | (274.29) | 113.26 | (134.06) |
| **Profit / (Loss) before tax** | 3,320.77 | 402.97 | 11,864.97 | 18,235.12 | 50,226.87 |
| Less: Tax expense | 1,754.53 | 2,904.92 | 2,029.85 | 10,159.77 | 8,477.55 |
| **Net Profit / (Loss) for the period** | 1,566.24 | (2,501.95) | 9,835.12 | 8,075.35 | 41,749.32 |
| | | | | | |
| **Segment Assets:** | | | | | |
| Tata Steel India | 2,05,650.43 | 2,05,424.22 | 1,93,514.38 | 2,05,650.43 | 1,93,514.38 |
| Tata Steel Long Products | 22,206.99 | 21,536.67 | 19,797.39 | 22,206.99 | 19,797.39 |
| Other Indian Operations | 18,717.36 | 17,948.42 | 16,706.49 | 18,717.36 | 16,706.49 |
| Tata Steel Europe | 84,399.40 | 83,168.74 | 93,089.02 | 84,399.40 | 93,089.02 |
| Other Trade Related Operations | 30,362.20 | 26,566.15 | 28,563.12 | 30,362.20 | 28,563.12 |
| South East Asian Operations | 4,888.17 | 4,753.70 | 4,425.23 | 4,888.17 | 4,425.23 |
| Rest of the World | 7,082.40 | 7,381.26 | 6,893.03 | 7,082.40 | 6,893.03 |
| Less: Inter Segment Eliminations | 85,344.61 | 81,587.53 | 77,843.60 | 85,344.61 | 77,843.60 |
| **Total Segment Assets** | 2,87,962.34 | 2,85,191.63 | 2,85,145.06 | 2,87,962.34 | 2,85,145.06 |
| Assets held for sale | 59.40 | 62.56 | 300.54 | 59.40 | 300.54 |
| **Total Assets** | 2,88,021.74 | 2,85,254.19 | 2,85,445.60 | 2,88,021.74 | 2,85,445.60 |
| | | | | | |
| **Segment Liabilities:** | | | | | |
| Tata Steel India | 1,01,980.42 | 1,07,254.15 | 99,538.97 | 1,01,980.42 | 99,538.97 |
| Tata Steel Long Products | 20,833.83 | 19,930.91 | 16,608.80 | 20,833.83 | 16,608.80 |
| Other Indian Operations | 8,693.97 | 8,344.48 | 7,675.92 | 8,693.97 | 7,675.92 |
| Tata Steel Europe | 53,039.52 | 48,740.63 | 47,631.73 | 53,039.52 | 47,631.73 |
| Other Trade Related Operations | 73,889.08 | 69,044.69 | 65,277.81 | 73,889.08 | 65,277.81 |
| South East Asian Operations | 933.31 | 836.37 | 906.53 | 933.31 | 906.53 |
| Rest of the World | 9,560.37 | 9,596.84 | 8,164.08 | 9,560.37 | 8,164.08 |
| Less: Inter Segment Eliminations | 86,083.97 | 82,296.63 | 77,647.81 | 86,083.97 | 77,647.81 |
| **Total Segment Liabilities** | 1,82,846.53 | 1,81,451.44 | 1,68,156.03 | 1,82,846.53 | 1,68,156.03 |
| Liabilities held for sale | - | - | 191.11 | - | 191.11 |
| **Total Liabilities** | 1,82,846.53 | 1,81,451.44 | 1,68,347.14 | 1,82,846.53 | 1,68,347.14 |

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Corporate Identity Number L27100MH1907PLC000260

TATA STEEL LIMITED MUMBAI

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## Consolidated Statement of Cash Flows for the year ended on 31st March 2023 [1/2]

₹ Crore

| Particulars | Financial year ended on 31.03.2023 | | Financial year ended on 31.03.2022 | |
|---|---|---|---|---|
| | Audited | | Audited | |
| **(A) Cash flows from operating activities:** | | | | |
| **Profit / (Loss) before tax** | | 18,235.12 | | 50,226.87 |
| Adjustments for: | | | | |
| Depreciation and amortisation expense | 9,335.20 | | 9,100.87 | |
| Dividend income | (39.66) | | (35.30) | |
| (Gain)/loss on sale of non-current investments | (0.88) | | (0.22) | |
| (Gain)/loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off) | 43.57 | | (95.33) | |
| Exceptional (income)/expenses | (113.26) | | 134.06 | |
| (Gain)/loss on cancellation of forwards, swaps and options | 0.96 | | (39.05) | |
| Interest income and income from current investments | (640.12) | | (445.26) | |
| Finance costs | 6,298.70 | | 5,462.20 | |
| Foreign exchange (gain)/loss | (1,793.96) | | 1,579.15 | |
| Share of profit or loss of joint ventures and associates | (418.12) | | (649.16) | |
| Other non-cash items | 0.79 | | 661.56 | |
| | | 12,673.22 | | 15,673.52 |
| **Operating profit before changes in non-current/current assets and liabilities** | | 30,908.34 | | 65,900.39 |
| Adjustments for: | | | | |
| Non-current/current financial and other assets | 3,393.94 | | (6,220.09) | |
| Inventories | (4,031.37) | | (16,916.83) | |
| Non-current/current financial and other liabilities/provisions | (3,069.07) | | 13,519.22 | |
| | | (3,706.50) | | (9,617.70) |
| **Cash generated from operations** | | 27,201.84 | | 56,282.69 |
| Income taxes paid (net of refund) | | (5,518.76) | | (11,901.70) |
| **Net cash from/(used in) operating activities** | | 21,683.08 | | 44,380.99 |
| **(B) Cash flows from investing activities:** | | | | |
| Purchase of capital assets | (14,142.49) | | (10,522.20) | |
| Sale of capital assets | 327.70 | | 569.48 | |
| Purchase of non-current investments | (326.27) | | (48.70) | |
| Advance against equity paid | - | | (1,210.00) | |
| Sale of non-current investments | 1.71 | | 62.56 | |
| (Purchase)/sale of current investments (net) | 5,188.84 | | (1,104.05) | |
| Loans given | (20.93) | | - | |
| Repayment of loans given | 102.48 | | (80.97) | |
| Principal receipts under sublease | 2.95 | | 17.68 | |
| Fixed/restricted deposits with banks (placed)/realised (net) | 23.63 | | (18.26) | |
| Interest received | 248.08 | | 137.38 | |
| Dividend received from associates and joint ventures | 277.30 | | 126.19 | |
| Dividend received from others | 39.68 | | 35.31 | |
| Acquisition of subsidiaries/undertakings [5] | (10,568.95) | | (53.23) | |
| Sale of subsidiaries/undertakings [6] | 166.43 | | 1,207.58 | |
| **Net cash from/(used in) investing activities** | | (18,679.84) | | (10,881.23) |

table continued on next page

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TATA STEEL LIMITED MUMBAI

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**Consolidated Statement of Cash Flows for the year ended on 31st March 2023 (2/2)**

₹ Crore

| Particulars | Financial year ended on 31.03.2023 | | Financial year ended on 31.03.2022 | |
|---|---|---|---|---|
| | Audited | | Audited | |
| **(C) Cash flows from financing activities:** | | | | |
| Proceeds from issue of equity shares (net of issue expenses) | 1.37 | | 325.74 | |
| Proceeds from long-term borrowings (net of issue expenses) | 16,768.65 | | 906.66 | |
| Repayment of long-term borrowings | (4,605.68) | | (26,359.60) | |
| Proceeds/(repayments) of short term borrowings (net) | (5,620.41) | | 11,532.27 | |
| Payment of lease obligations | (1,114.43) | | (1,310.07) | |
| Amount received/(paid) on utilisation/cancellation of derivatives | 2.16 | | 29.90 | |
| Repayment of Hybrid Perpetual securities | - | | (775.00) | |
| Distribution on Hybrid Perpetual securities | - | | (44.20) | |
| Interest paid | (6,119.72) | | (4,686.67) | |
| Dividend paid | (6,292.63) | | (3,020.12) | |
| | | | | |
| **Net cash from/(used in) financing activities** | | (6,980.69) | | (23,401.09) |
| **Net increase/(decrease) in cash and cash equivalents** | | (3,977.45) | | 10,098.67 |
| **Opening cash and cash equivalents (iii)** | | 15,606.96 | | 5,532.08 |
| Effect of exchange rate on translation of foreign currency cash and cash equivalents | | 500.39 | | (23.79) |
| **Closing cash and cash equivalents (iii)** | | 12,129.90 | | 15,606.96 |

(i) Includes **₹12.83 crore** (2021-22: ₹54.18 crore) crore paid in respect of deferred consideration on acquisition of subsidiary.

(ii) Includes **₹50.69** crore (2021-22: Nil) received in respect of deferred consideration on disposal of an undertaking.

(iii) Opening cash and cash equivalents includes **₹2.28 crore** (2021-22: Nil) and closing cash and cash equivalents includes Nil (2021-22: ₹ 2.28 crore) in respect of subsidiaries classified as held for sale.

(iv) Significant non-cash movements in borrowings during the year include:

(a) addition on account of subsidiaries acquired during the year **₹4.09** crore (2021-22: ₹0.87 crore)

(b) reduction on account of subsidiaries disposed off and liquidated **Nil** (2021-22: ₹149.60 crore)

(c) exchange loss (including translation) **₹2,591.08** crore (2021-22: ₹897.63 crore)

(d) amortisation/effective interest rate adjustments of upfront fees **₹168.03** crore (2021-22: ₹1,156.35 crore)

(e) adjustment to lease obligations, increase **₹1,148.82** crore (2021-22: ₹385.42 crore)

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**Additional information pursuant to Regulation 52(4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, for Consolidated financial results as at and for the quarter/twelve months ended on 31st March, 2023 :**

| | Particulars | Quarter ended on 31.03.203 | Quarter ended on 31.12.2022 | Quarter ended on 31.03.2022 | Financial year ended on 31.03.2023 | Financial year ended on 31.03.2022 |
|---|---|---|---|---|---|---|
| 1 | **Net debt equity ratio**<br>*(Net debt / Average equity)*<br>*[Net debt: Non-current borrowings + Current borrowings + Non-current and current lease liabilities - Current investments - Cash and cash equivalents - Other balances with banks (including non-current earmarked balances)]*<br>*[Equity: Equity share capital + Other equity + Hybrid perpetual securities + Non controlling interest]* | 0.61 | 0.65 | 0.52 | 0.61 | 0.52 |
| 2 | **Debt service coverage ratio**<br>*(EBIT / (Net finance charges + Scheduled principal repayments of non-current borrowings and lease obligations (excluding prepayments) during the period))*<br>*[EBIT : Profit before taxes +/(-) Exceptional items + Net finance charges]*<br>*[Net finance charges: Finance costs (excluding interest on current borrowings) - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]* | 2.99 | 0.93 | 9.74 | 2.79 | 9.18 |
| 3 | **Interest service coverage ratio**<br>*(EBIT / Net finance charges)*<br>*[EBIT : Profit before taxes +/(-) Exceptional items + Net finance charges]*<br>*[Net finance charges: Finance costs (excluding interest on current borrowings) - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]* | 4.07 | 1.24 | 17.59 | 6.01 | 12.82 |
| 4 | **Current ratio**<br>*(Total current assets / Current liabilities)*<br>*[Current liabilities: Total current liabilities - Current maturities of non-current borrowings and lease obligations]* | 1.01 | 0.99 | 1.07 | 1.01 | 1.07 |
| 5 | **Long term debt to working capital ratio**<br>*((Non-current borrowings + Non-current lease liabilities + Current maturities of non-current borrowings and lease obligations) / (Total current assets - Current liabilities))*<br>*[Current liabilities: Total current liabilities - Current maturities of non-current borrowings and lease obligations]* | 69.78 | * | 9.42 | 69.78 | 9.42 |
| 6 | **Bad debts to account receivable ratio^**<br>*(Bad debts / Average trade receivables)* | 0.00 | 0.00 | 0.01 | 0.00 | 0.02 |
| 7 | **Current liability ratio**<br>*(Total current liabilities / Total liabilities)* | 0.53 | 0.55 | 0.54 | 0.53 | 0.54 |
| 8 | **Total debts to total assets ratio**<br>*((Non-current borrowings + Current borrowings + Non-current and current lease liabilities) / Total assets)* | 0.29 | 0.31 | 0.26 | 0.29 | 0.26 |
| 9 | **Debtors turnover ratio (in days)**<br>*(Average trade receivables / Turnover in days)*<br>*[Turnover: Revenue from operations]* | 12 | 15 | 16 | 15 | 16 |
| 10 | **Inventory turnover ratio (in days)**<br>*(Average inventory / Sale of products in days)* | 80 | 93 | 65 | 79 | 62 |
| 11 | **Operating EBIDTA margin (%)**<br>*(EBIDTA / Turnover)*<br>*[EBIDTA: Profit before taxes +/(-) Exceptional items + Net finance charges + Depreciation and amortisation - Share of results of equity accounted investments]*<br>*[(Net finance charges: Finance costs - Interest income - Dividend income from current investments - Net gain/ (loss) on sale of current investments)]*<br>*[Turnover: Revenue from operations]* | 11.48 | 7.28 | 21.89 | 13.44 | 26.16 |
| 12 | **Net profit margin (%)**<br>*(Net profit after tax / Turnover)*<br>*[Turnover: Revenue from operations]* | 2.49 | (4.38) | 14.19 | 3.32 | 17.11 |
| 13 | **Debenture redemption reserve (in ₹ Crore)** | 2,046.00 | 2,046.00 | 2,046.00 | 2,046.00 | 2,046.00 |
| 14 | **Net worth (in ₹ Crore)**<br>*(Equity share capital + Other equity - Capital reserve - Capital reserve on consolidation - Amalgamation reserve)* | 1,00,462.79 | 98,956.53 | 1,11,825.00 | 1,00,462.79 | 1,11,825.00 |
| 15 | **Outstanding redeemable preference shares (quantity and value)** | | | Not applicable | | |

* Net working capital is negative
^ 0.00 represents value less than 0.01

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★ Mumbai ★

TATA STEEL LIMITED ★ MUMBAI

**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

**Notes:**

1. The results have been reviewed by the Audit Committee and were approved by the Board of Directors in meetings on May 02, 2023.

2. The Board of Directors of the Company had considered and approved amalgamation of Tata Steel Long Products Limited ("TSLP"), Tata Metaliks Limited ("TML"), The Tinplate Company of India Limited ("TCIL"), TRF Limited ("TRF"), The Indian Steel & Wire Products Limited ("ISWP"), Tata Steel Mining Limited ("TSML") and S & T Mining Company Limited ("S & T Mining") into and with the Company by way of separate schemes of amalgamation and had recommended a share exchange ratio /cash consideration as below:

   a) 67 fully paid-up equity shares of ₹1/- each of the Company for every 10 fully paid-up equity shares of ₹10/- each held by the public shareholders of TSLP.

   b) 79 fully paid-up equity shares of ₹1/- each of the Company for every 10 fully paid-up equity shares of ₹10/- each held by the public shareholders of TML.

   c) 33 fully paid-up equity shares of ₹1/- each of the Company for every 10 fully paid-up equity shares of ₹10/- each held by the public shareholders of TCIL.

   d) 17 fully paid-up equity shares of ₹1/- each of the Company for every 10 fully paid-up equity shares of ₹10/- each held by the public shareholders of TRF.

   e) cash consideration of ₹426/- for every 1 fully paid-up equity share of ₹10/- each held by the minority shareholders of ISWP.

   As part of the scheme of amalgamations, equity shares and preference shares, if any, held by the Company in the above entities shall stand cancelled. No shares of the Company shall be issued nor any cash payment shall be made whatsoever by the Company in lieu of cancellation of shares of TSML and S & T Mining (both being wholly owned subsidiary companies).

   The proposed amalgamations will enhance management efficiency, drive sharper strategic focus and improve agility across businesses based on the strong parental support from the Company's leadership. The amalgamations will also drive synergies through operational efficiencies, raw material security and better facility utilisation.

   As part of defined regulatory process, the following schemes have received approval(s) from stock exchanges and Securities and Exchange Board of India:

   i. TSLP into and with the Company.
   ii. TCIL into and with the Company.
   iii. TML into and with the Company.
   iv. TRF into and with the Company.
   v. ISWP into and with the Company.

   Further the schemes as listed in (i) to (iv) above, have been filed and are pending with the Hon'ble National Company Law Tribunal ("NCLT"). The amalgamation scheme of TSML and S & T Mining into and with the

Company have been filed and are pending with NCLT and are subject to defined regulatory approval process.

3. The Board of Directors of the Company had considered and approved the amalgamation of Angul Energy Limited ("AEL") into and with the Company by way of a scheme of amalgamation and had recommended a cash consideration of ₹1,045/- for every 1 fully paid-up equity share of of ₹10/- each held by the shareholders (except the Company) in AEL. Upon the scheme coming into effect, the entire paid-up share capital of AEL shall stand cancelled in its entirety.

   The amalgamation will ensure consolidation of all power assets under a single entity, which will increase system agility for power generation and allocation. It will help the Company to improve its plant reliability, ensuring steady source of power supply while optimising cost. Further, such restructuring will lead to simplification of group structure by eliminating multiple companies in similar operation, optimum use of infrastructure, rationalisation of cost in the areas of operations and administrative overheads, thereby maximising shareholder value of the Company post amalgamation.

   The scheme is subject to defined regulatory approval process, which would require approval by stock exchanges and the Hon'ble National Company Law Tribunal.

4. Tata Steel Europe Limited ("TSE"), a wholly owned indirect subsidiary of the Company, has assessed the potential impact of the economic downturn in Europe caused by external factors including higher inflation, higher interest rates and supply chain disruption caused by the war in Ukraine on its future business outlook for UK and Mainland Europe (MLE) value chains.

   The Board has considered reasonably possible scenarios to stress test the financial position of both the UK and MLE businesses, including the impact of lower steel margins against the Annual Plan and the mitigating actions the Group could take to limit any adverse consequences to liquidity in the annual impairment assessments.

   Based on the assessment, the MLE business is expected to have adequate liquidity under all the reasonably possible scenarios considered. The outlook for Tata Steel UK Limited ("TSUK"), a wholly owned indirect subsidiary of TSE, however, is expected to be adversely impacted towards meeting its liquidity requirements and accordingly with respect to its ability to continue as a going concern. In response to the challenging market and business conditions, TSUK continues to implement various measures aimed at improving its business performance and conserving cash including but not limited to ensuring adequate liquidity, if required, through available financing options, management of working capital, implementation of cost reduction measures and discussions with the UK Government to seek adequate support for transition to Green Steel as part of its decarbonization strategy. The progress of discussions with the UK government is also being monitored closely given that based on the initial and subsequent discussions it remains uncertain whether adequate support for the decarbonisation strategy would be agreed. Given the risks and challenges associated with the underlying market and business conditions, the uncommitted nature of available financing options and the uncertainty with respect to whether adequate government support would be agreed, there exists a material uncertainty surrounding the impact of such adversities on the financial situation of TSUK.

   The financial statements of TSE have been prepared on a going concern basis recognising the material uncertainty in relation to TSUK.

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Whilst the Company's carrying amount of its equity investment in T Steel Holdings Pte. Ltd. after recognising impairment (refer note 5 below), which holds TSE, is considered recoverable in the standalone financial results, the associated uncertainties have been explained above.

The Group has assessed its ability to meet any liquidity requirements at TSE, if required, and concluded that its cashflow and liquidity position remains adequate.

5. Exceptional item 6(a) in the standalone financial results represents profit on sale of investment to a wholly owned subsidiary of the Company as part of the simplification exercise within the Group.

   Exceptional item 6(b) in the standalone financial results represents impairment charge (net of reversal) in respect of investments held by the Company in T Steel Holdings Pte. Ltd. on account of Tata Steel UK Limited, and other Group affiliates.

   Exceptional item 8(d) in the consolidated financial results primarily represents impairment reversal (net of charge) within the Group's European Operations.

   Exceptional item 8(f) in the consolidated financial results represents stamp duty and registration fees paid within the Group's Indian Operations.

6. The Board of Directors at its meeting held on May 03, 2022, recommended the sub-division of the Ordinary (equity) Shares of face value ₹10/- each into Ordinary (equity) Shares of face value of ₹1/- each. The Company had fixed July 29, 2022, as the record date for the purpose of sub-division of Ordinary (equity) Shares.

   The basic and diluted EPS for the prior periods of standalone and the consolidated financial results have been restated considering the face value of ₹1/- each in accordance with Ind AS 33 – "Earnings per Share".

7. On July 26, 2022, the Company completed the acquisition of assets of Stork Ferro Alloys and Mineral Industries Private Limited. The acquisition was carried out for a purchase consideration of ₹155 crore. The acquisition had been accounted for in accordance with Ind AS 103 - "Business Combinations".

8. On July 4, 2022, Tata Steel Long Products Limited ("TSLP"), a non-wholly owned subsidiary of the Company, had completed the acquisition of Neelachal Ispat Nigam Limited ("NINL") for a total purchase consideration of ₹12,100 crore as per the terms and conditions of the Share Sale and Purchase Agreement ("SPA").

   During the previous quarter, TSLP subscribed to further issue of equity shares by NINL for an amount aggregating to ₹600 crore. The Company also acquired further equity stake in NINL for an amount aggregating to ₹96.69 crore. During the quarter, the Company has subscribed to further issue of equity shares by NINL for an amount aggregating to ₹300 crore resulting in decrease in TSLP's holding in NINL to 92.68% as at March 31, 2023.

   The Company directly holds 5.24% stake in NINL raising the Group's effective holding in NINL to 74.67% as on March 31, 2023.

   The fair value of assets and liabilities acquired have been determined in accordance with Ind AS 103 "Business Combinations".

9. Pursuant to an order pronounced by the Hon'ble National Company Law Tribunal, Kolkata Bench ('Hon'ble NCLT') on April 7, 2022, Tata Steel Mining Limited ('TSML"), an unlisted wholly owned subsidiary of the

Company completed the acquisition of a controlling stake of 90% in Rohit Ferro-Tech Limited ("RFT") on April 11, 2022, under the Corporate Insolvency Resolution Process ("CIRP") of the Insolvency and Bankruptcy Code 2016 ("Code"). Vide the same order, 'Hon'ble NCLT' of Kolkata also approved the amalgamation of RFT with TSML subject to TSML acquiring 100% equity stake in RFT.

On June 14, 2022, TSML acquired the balance equity stake of 10% in RFT, post which RFT became a wholly owned subsidiary of TSML. Subsequently, basis the order of the Hon'ble NCLT and as approved by the TSML Board on July 6, 2022, RFT had been amalgamated with TSML.

The acquisition had been given effect to in the consolidated financial statements in accordance with the provisions of Ind AS 103 – "Business Combinations". The fair value of assets and liabilities acquired had been determined in accordance with Ind AS 103- "Business combinations".

10. During the quarter ended June 30, 2022, in accordance with Ind AS 21 – "The Effects of Changes in Foreign Exchange Rates", T Steel Holdings Pte. Ltd. and T S Global Holdings Pte. Ltd., wholly owned subsidiaries of the Company re-assessed and changed their functional currency from GBP to USD with effect from April 1, 2022. The change was based on a re-assessment of the relative impact of different currencies on the functioning of these entities which among other factors included how cash flows are managed and retained for the investment's portfolio held by these entities, change in their funding structure, currency in which significant costs are incurred and the increasing relevance of USD denominated transactions as compared to GBP both in terms of volume and frequency.

11. Figures for the quarter ended March 31, 2023, represents the difference between audited figures in respect of the full financial year and the published figures of nine months ended December 31, 2022.

12. The Board of Directors has recommended a dividend of ₹3.60 per fully paid-up Ordinary Share of ₹1/- each for the financial year 2022-23.

13. The Annual General Meeting of the Company will be held on July 5, 2023 to adopt the accounts for the financial year 2022-23.

T V Narendran
Chief Executive Officer &
Managing Director

Mumbai: May 02, 2023

Koushik Chatterjee
Executive Director &
Chief Financial Officer

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Mumbai

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Annexure 2b

# Price Waterhouse & Co Chartered Accountants LLP

**INDEPENDENT AUDITOR'S REPORT**

To
The Board of Directors
Tata Steel Limited,
Bombay House,
24, Homi Modi Street,
Fort, Mumbai 400001

**Report on the Audit of the Standalone Financial Results**

**Opinion**

1. We have audited the accompanying standalone quarterly financial results of Tata Steel Limited (hereinafter referred to as "the Company") for the quarter ended September 30, 2023 and the year to date results for the period from April 1, 2023 to September 30, 2023 , attached herewith, the Statement of Assets and Liabilities as on that date and the Statement of Cash Flows for the half-year ended on that date (the "Standalone Financial Results") which are included in the accompanying 'Standalone Statement of Profit and Loss for the quarter/ six months ended on 30th September 2023, Standalone Balance Sheet as at 30th September 2023 and Standalone Statement of Cash Flows for the six months ended on 30th September 2023'(the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015").

2. In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results:

   (i) are presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations, 2015 in this regard; and

   (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the quarter ended September 30, 2023 as well as the year to date results for the period from April 1, 2023 to September 30, 2023 and also the Statement of Assets and Liabilities as at September 30, 2023 and the Statement of Cash Flows for the half-year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Results' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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**Emphasis of Matter**

4. We draw your attention to Note 5 to the Statement in respect of Schemes of Amalgamation between the Company and its subsidiaries, namely Tata Steel Mining Limited and Tata Steel Long Products Limited with effect from the appointed date of April 1, 2023 and April 1, 2022 respectively ("the Schemes") as approved by National Company Law Tribunal. These Schemes have been accounted for in the Statement in accordance with the accounting treatment specified in the Schemes, that is, Ind AS 103 – Business Combinations, which is the beginning of the preceding period. Accordingly, figures for the quarter and six months ended September 30, 2022, year ended March 2023 and quarter ended June 30, 2023, have been restated to give effect to the aforesaid amalgamations.

   Our opinion is not modified in respect of this matter.

**Management's Responsibilities for the Standalone Financial Results**

5. These quarterly Standalone Financial Results as well as the year-to-date Standalone Financial Results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these Standalone Financial Results that give a true and fair view of the net loss and other comprehensive income and other financial information, the Statement of Assets and Liabilities and the Statement of Cash Flows in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Results**

8. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

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detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number:304026E/E-300009

S.Vivek.

Subramanian Vivek
Partner
Membership Number: 100332
UDIN: 23100332BGYVTU3508
Mumbai
November 1, 2023

# Price Waterhouse & Co Chartered Accountants LLP

**Review Report**

To
The Board of Directors
Tata Steel Limited
Bombay House,
24, Homi Modi Street,
Fort, Mumbai 400001

1. We have reviewed the consolidated unaudited financial results of Tata Steel Limited (the "Parent"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), and its share of the net profit after tax and total comprehensive income of its jointly controlled entities and associate companies for the quarter ended September 30, 2023 and the year to date results for the period April 1, 2023 to September 30, 2023, the Consolidated Unaudited Statement of Assets and Liabilities as on that date and the Consolidated Unaudited Statement of Cash Flows for the half-year ended on that date which are included in the accompanying 'Consolidated Statement of Profit and Loss for the quarter/six months ended 30th September 2023, Consolidated Balance Sheet as at 30th September 2023 and Consolidated Statement of Cash Flows for the six months ended on 30th September 2023' (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.

2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the entities listed in Annexure A.

5. We refer to Note 8 to the consolidated unaudited financial results. Our conclusion is modified in respect of the following matter that has been communicated to us by the auditors of Tata Steel Europe Limited, a step-down subsidiary of the Holding Company, vide their review report dated October 31, 2023 on the financial information for the period ended September 30, 2023:

   "On 15 September 2023, Tata Steel announced a joint agreement with the UK Government on a proposal to invest in an Electric Arc Furnace in Tata Steel UK Limited. The proposal is subject to relevant regulatory approvals, information and consultation processes, and the finalisation of detailed terms and conditions. As at 30 September 2023, Tata Steel Europe Limited has recognised an impairment charge of Rs. 3,363.50 crores [equivalent to £326m] against certain assets that are currently scheduled to be mothballed or closed in 2024 and booked an associated restructuring provision of Rs. 2,424.61 crores [equivalent to £235m] to

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reflect primarily future redundancies as a result of the announcement. Based on information provided to us by management, the recognition criteria had not been achieved regarding the restructuring provision of Rs. 2,424.61 crores [equivalent to £235m] as at 30 September 2023 in accordance with relevant accounting standards. In addition, the impairment charge on the assets that are currently scheduled for closure in 2024 was overstated by Rs. 1,650.80 crores [equivalent to £160m] as Tata Steel Europe Limited will continue to receive economic benefit from certain assets in the short term which therefore should not have been impaired under relevant accounting standards. The net impact to the income statement is an additional charge of Rs. 4,075.41 crores [equivalent to £395m] of loss before tax in the quarter and six months period to 30 September 2023."

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the audit/ review reports of other auditors referred to in paragraph 7 below, except for the effects of the matter set out in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. We refer to Note 6 to the consolidated unaudited financial results. Our conclusion is not modified in respect of the following Emphasis of Matter that has been communicated to us by the auditors of Tata Steel Europe Limited, a step-down subsidiary of the Holding Company, vide their review report dated October 31, 2023 on the financial information for the period ended September 30, 2023:

   "Without further modifying our conclusion on the interim financial information, we have considered the adequacy of the disclosure concerning the entity's ability to continue as a going concern. Tata Steel Europe Limited, via its UK business, has entered into a proposal with the UK Government to invest in an Electric Arc Furnace. As part of this agreement the UK company will receive a government grant of up to Rs. 5,089.22 crores [equivalent to £500m] along with a commitment from Tata Steel Limited to inject equity of at least Rs. 10,178.43 crores [equivalent to £1,000m]. Whilst both Tata Steel Limited and the UK Government have signed a term sheet setting out the details, the proposal is currently non-binding until the time that all relevant regulatory approvals, information and consultation processes and the finalisation of detailed terms and conditions have been completed. The UK business has also received a letter of support from T S Global Holdings Pte Ltd to either refinance or repay its Revolving Credit Facility and uncommitted facilities due to expire on or before June 2024. TS Global Procurement Pte Ltd has also provided a letter of support to the UK business for access to Rs. 3,053.53 crores [equivalent to £300m] of additional working capital. These letters state that they represent present policy, are given by way of comfort only and are not to be construed as constituting a promise as to the future conduct of the entities or Tata Steel Limited. Accordingly, there can be no certainty that the funds required by Tata Steel Europe Limited will be made available. These conditions, along with the other matters explained in the interim financial information, indicate the existence of a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern. The interim financial information does not include the adjustments that would result if the entity was unable to continue as a going concern."

8. We did not review the interim financial statements / special purpose financial information of six subsidiaries included in the consolidated unaudited financial results, whose interim financial statements / special purpose financial information reflect total assets of Rs. 80,228.58 crores and net assets of Rs. 17,567.18 crores as at September 30, 2023 and total revenues of Rs. 21,284.79 crores and Rs. 44,957.29 crores, total net (loss) after tax of Rs. (10,084.76) crores and Rs. (12,682.44) crores and total comprehensive income of Rs. (10,530.33) crores and Rs. (16,564.07) crores, for the quarter ended September 30, 2023 and for the period from April 1, 2023 to September 30, 2023, respectively, and cash flows (net) of Rs. (4,113.78) crores for the period from April 1, 2023 to September 30, 2023, as considered in the consolidated unaudited financial results. The interim financial statements / special purpose financial information of these subsidiaries also include their step-down associate companies and jointly controlled entities constituting Rs. 6.68 crores and Rs. 27.03 crores of the Group's share of total comprehensive income for the quarter ended September 30, 2023 and for the period from April 1, 2023

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to September 30, 2023 respectively. The consolidated unaudited financial results also includes the Group's share of total comprehensive income (comprising profit and total comprehensive income) of Rs. 9.26 crores and Rs. 17.42 crores for the quarter ended September 30, 2023 and for the period from April 1, 2023 to September 30, 2023, respectively, as considered in the consolidated unaudited financial results, in respect of one jointly controlled entity, whose interim financial statements / special purpose financial information have not been reviewed by us. These interim financial statements/ special purpose financial information have been reviewed by other auditors and their reports vide which they have issued an unmodified conclusion, have been furnished to us by the other auditors/ Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associate companies, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

9. The consolidated unaudited financial results includes the interim financial statements/ special purpose financial information of twenty two subsidiaries which have not been reviewed/ audited by their auditors, whose interim financial statements/ special purpose financial information reflect total assets of Rs. 10,579.90 crores and net assets of Rs. 5,577.40 crores as at September 30, 2023 and total revenue of Rs. 231.54 crores and Rs. 439.72 crores, total net (loss) after tax of Rs. (9.42) crores and Rs. (15.32) crores and total comprehensive income of Rs. 62.94 crores and Rs. 56.44 crores for the quarter ended September 30, 2023 and for the period from April 1, 2023 to September 30, 2023, respectively, and cash flows (net) of Rs. (36.33) crores for the period from April 1, 2023 to September 30, 2023, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 17.94 crores and Rs. 7.92 crores and total comprehensive income of Rs. 40.18 crores and Rs. 24.30 crores for the quarter ended September 30, 2023 and for the period from April 1, 2023 to September 30, 2023, respectively, as considered in the consolidated unaudited financial results, in respect of three associates and four jointly controlled entities, based on their interim financial statements/ special purpose financial information which have not been reviewed/audited by their auditors. According to the information and explanations given to us by the Management, these interim financial statements/ special purpose financial results are not material to the Group.

10. In the case of one subsidiary, three associate companies and one jointly controlled entity, the interim financial statements/ special purpose financial information for the quarter ended September 30, 2023 and for the period from April 1, 2023 to September 30, 2023 is not available. In absence of the aforesaid interim financial statements/ special purpose financial information, the interim financial statements/ special purpose financial information in respect of aforesaid subsidiaries and the Group's share of total comprehensive income of these associate companies and jointly controlled entities for the quarter ended September 30, 2023 and for the period from April 1, 2023 to September 30, 2023 have not been included in the consolidated unaudited financial results. In our opinion and according to the information and explanations given to us by the Management, these interim financial statements/ special purpose financial information are not material to the Group.

    Our opinion on the consolidated unaudited financial results is not modified in respect of the matters set out in paragraphs 8, 9 and 10 above.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

S Vivek

Subramanian Vivek
Partner
Membership Number: 100332
UDIN: 23100332BGYVTV8186
Mumbai
November 1, 2023

**AnnexureA**

# Price Waterhouse & Co Chartered Accountants LLP

**List of entities:**

| Sl.No | Name of the Company |
|---|---|
| **A.** | **Subsidiaries (Direct)** |
| 1 | ABJA Investment Co. Pte. Ltd. |
| 2 | Indian Steel & Wire Products Ltd. |
| 3 | Tata Steel Utilities and Infrastructure Services Limited |
| 4 | Mohar Export Services Pvt. Ltd |
| 5 | Rujuvalika Investments Limited |
| 6 | Tata Steel Mining Limited @ |
| 7 | Tata Korf Engineering Services Ltd. * |
| 8 | Tata Metaliks Limited |
| 9 | Tata Steel Long Products Limited @ |
| 10 | T Steel Holdings Pte. Ltd. |
| 11 | Tata Steel Downstream Products Limited |
| 12 | Tayo Rolls Limited |
| 13 | The Tinplate Company of India Limited |
| 14 | Tata Steel Foundation |
| 15 | Jamshedpur Football and Sporting Private Limited |
| 16 | Bhubaneshwar Power Private Limited |
| 17 | Creative Port Development Private Limited |
| 18 | Angul Energy Limited |
| 19 | Tata Steel Support Services Limited |
| 20 | Bhushan Steel (South) Ltd. |
| 21 | Tata Steel Technical Services Limited |
| 22 | Bhushan Steel (Australia) PTY Ltd. |
| 23 | S & T Mining Company Limited |
| 24 | Medica TS Hospital Pvt. Ltd. |
| 25 | Tata Steel Advanced Materials Limited |

| | |
|---|---|
| **B.** | **Subsidiaries (Indirect)** |
| 1 | Haldia Water Management Limited |
| 2 | Tata Steel Business Delivery Centre Limited |
| 3 | Tata Steel Special Economic Zone Limited |
| 4 | Tata Pigments Limited |
| 5 | Adityapur Toll Bridge Company Limited |
| 6 | Neelachal Ispat Nigam Limited |
| 7 | Ceramat Private Limited |
| 8 | Tata Steel TABB Limited |
| 9 | T S Global Holdings Pte Ltd. |
| 10 | Orchid Netherlands (No.1) B.V. |
| 11 | The Siam Industrial Wire Company Ltd. |
| 12 | TSN Wires Co., Ltd. |
| 13 | Tata Steel Europe Limited |
| 14 | Apollo Metals Limited |
| 15 | British Steel Corporation Limited |
| 16 | British Steel Directors (Nominees) Limited |
| 17 | British Steel Nederland International B.V. |
| 18 | C V Benine |
| 19 | CatnicGmbH |
| 20 | Catnic Limited |
| 21 | Tata Steel Mexico SA de CV |
| 22 | Cogent Power Limited |

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**AnnexureA**

# Price Waterhouse & Co Chartered Accountants LLP

| B. | Subsidiaries (Indirect) |
|---|---|
| 23 | Corbeil Les Rives SCI |
| 24 | Corby (Northants) & District Water Company Limited |
| 25 | Corus CNBV Investments |
| 26 | Corus Engineering Steels (UK) Limited |
| 27 | Corus Engineering Steels Limited |
| 28 | Corus Group Limited |
| 29 | Corus Holdings Limited |
| 30 | Corus Interuational (Overseas Holdings) Limited |
| 31 | Corus Interuational Limited |
| 32 | Corus International Romania SRL. |
| 33 | Corus Investments Limited |
| 34 | Corus Ireland Limited |
| 35 | Corus Liaison Services (India) Limited |
| 36 | Corus Management Limited |
| 37 | Corus Property |
| 38 | Corus UK Healthcare Trustee Limited |
| 39 | Crucible Insurance Company Limited |
| 40 | Degels GmbH |
| 41 | Demka B.V. |
| 42 | 00026466 Limited (Formerly known as Firsteel Group Limited) |
| 43 | Fischer Profil GmbH |
| 44 | Gamble Simms Metals Limited |
| 45 | H E Samson Limited |
| 46 | Hadfields Holdings Limited |
| 47 | Halmstad Steel Service Centre AB |
| 48 | Hille & Muller GmbH |
| 49 | Hille & Muller USA Inc. |
| 50 | Hoogovens USA Inc. |
| 51 | Huizenbezit "Breesaap" B.V. |
| 52 | Layde Steel S.L. |
| 53 | London Works Steel Company Limited |
| 54 | Montana Bausysteme AG |
| 55 | Naantali Steel Service Centre OY |
| 56 | Norsk Stal Tynnplater AS |
| 57 | Norsk Stal Tynnplater AB |
| 58 | Orb Electrical Steels Limited |
| 59 | Oremco Inc. |
| 60 | Rafferty-Brown Steel Co Inc Of Conn. |
| 61 | S A B Profiel B.V. |
| 62 | S A B Profil GmbH |
| 63 | Service Center Gelsenkirchen GmbH |
| 64 | Service Centre Maastricht B.V. |
| 65 | Societe Europeenne De Galvanisation (Segal) Sa |
| 66 | Surahammar Bruks AB |
| 67 | Swinden Housing Association Limited |
| 68 | Tata Steel Belgium Packaging Steels N.V. |
| 69 | Tata Steel Belgium Services N.V. |

**AnnexureA**

# Price Waterhouse & Co Chartered Accountants LLP

| B. | Subsidiaries (Indirect) |
|---|---|
| 70 | Tata Steel France Holdings SAS |
| 71 | Tata Steel Germany GmbH |
| 72 | Tata Steel IJmuiden BV |
| 73 | Tata Steel International (Americas) Holdings Inc |
| 74 | Tata Steel International (Americas) Inc |
| 75 | Tata Steel International (Czech Republic) S.R.O |
| 76 | Tata Steel International (France) SAS |
| 77 | Tata Steel International (Germany) GmbH |
| 78 | Tata Steel International (South America) Representações LTDA |
| 79 | Tata Steel International (Italia) SRL |
| 80 | Tata Steel International (Middle East) FZE |
| 81 | Tata Steel International (Nigeria) Ltd. |
| 82 | Tata Steel International (Poland) sp Zoo |
| 83 | Tata Steel International (Sweden) AB |
| 84 | Tata Steel International (India) Limited |
| 85 | Tata Steel International Iberica SA |
| 86 | Tata Steel Istanbul Metal Sanayi ve Ticaret AS |
| 87 | Tata Steel Maubeuge SAS |
| 88 | Tata Steel Nederland BV |
| 89 | Tata Steel Nederland Consulting & Technical Services BV |
| 90 | Tata Steel Nederland Services BV |
| 91 | Tata Steel Nederland Technology BV |
| 92 | Tata Steel Nederland Tubes BV |
| 93 | Tata Steel Netherlands Holdings B.V. |
| 94 | Tata Steel Norway Byggsystemer A/S |
| 95 | Tata Steel UK Consulting Limited |
| 96 | Tata Steel UK Holdings Limited |
| 97 | Tata Steel UK Limited |
| 98 | Tata Steel USA Inc. |
| 99 | The Newport And South Wales Tube Company Limited |
| 100 | Thomas Processing Company |
| 101 | Thomas Steel Strip Corp. |
| 102 | TS South Africa Sales Office Proprietary Limited |
| 103 | Tulip UK Holdings (No.2) Limited |
| 104 | Tulip UK Holdings (No.3) Limited |
| 105 | UK Steel Enterprise Limited |
| 106 | Unitol SAS |
| 107 | Fischer Profil Produktions -und-Vertriebs - GmbH |
| 108 | Al Rimal Mining LLC |
| 109 | TSMUK Limited |
| 110 | Tata Steel Minerals Canada Limited |
| 111 | T S Canada Capital Ltd |
| 112 | Tata Steel International (Shanghai) Ltd. |
| 113 | Tata Steel (Thailand) Public Company Ltd. |
| 114 | Tata Steel Manufacturing (Thailand) Public Company Limited |
| 115 | The Siam Construction Steel Co. Ltd. |
| 116 | The Siam Iron And Steel (2001) Co. Ltd. |
| 117 | T S Global Procurement Company Pte. Ltd. |
| 118 | Bowen Energy PTY Ltd. |
| 119 | Bowen Coal PTY Ltd. |
| 120 | Bowen Consolidated PTY Ltd. |
| 121 | Subarnarekha Port Private Limited |

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Mumbai

# Price Waterhouse & Co Chartered Accountants LLP

| C. | **Jointly Controlled Entities (Direct)** |
|---|---|
| 1 | mjunction services limited |
| 2 | Tata NYK Shipping Pte Ltd. |
| 3 | TM International Logistics Limited |
| 4 | Industrial Energy Limited |
| 5 | Andal East Coal Company Pvt. Ltd. |

| D. | **Jointly Controlled Entities (Indirect)** |
|---|---|
| 1 | Tata BlueScope Steel Private Limited |
| 2 | Jamshedpur Continuous Annealing & Processing Company Private Limited |
| 3 | Naba Diganta Water Management Limited |
| 4 | Jamipol Limited |
| 5 | Nicco Jubilee Park Limited * |
| 6 | Himalaya Steel Mills Services Private Limited |
| 7 | Laura Metaal Holding B.V. |
| 8 | Ravenscraig Limited |
| 9 | Tata Steel Ticaret AS |
| 10 | Texturing Technology Limited |
| 11 | Air Products Llanwern Limited |
| 12 | Hoogovens Court Roll Service Technologies VOF |
| 13 | Minas De Benga (Mauritius) Limited |
| 14 | BlueScope Lysaght Lanka (Pvt) Ltd |
| 15 | Tata NYK Shipping (India) Pvt. Ltd. |
| 16 | International Shipping and Logistics FZE |
| 17 | TKM Global China Limited |
| 18 | TKM Global GmbH |
| 19 | TKM Global Logistics Limited |

| E. | **Associates (Direct)** |
|---|---|
| 1 | Kalinga Aquatics Ltd * |
| 2 | Kumardhubi Fireclay & Silica Works Ltd. |
| 3 | Kumardhubi Metal Casting and Engineering Limited |
| 4 | Strategic Energy Technology Systems Private Limited |
| 5 | Tata Construction & Projects Ltd. |
| 6 | TRF Limited |
| 7 | Malusha Travels Pvt Ltd. |
| 8 | Bhushan Capital & Credit Services Private Limited * |
| 9 | Jawahar Credit & Holdings Private Limited* |

| F. | **Associates (Indirect)** |
|---|---|
| 1 | European Profiles (M) Sdn. Bhd. |
| 2 | GietWalsOnderhoudCombinatie B.V. |
| 3 | Hoogovens Gan Multimedia S.A. De C.V. |
| 4 | Wupperman Staal Nederland B.V. |
| 5 | 9336-0634 Québec Inc |
| 6 | TRF Singapore Pte Limited |
| 7 | TRF Holding Pte Limited |
| 8 | Dutch Lanka Trailer Manufacturers Limited |
| 9 | Dutch Lanka Engineering (Private) Limited |
| 10 | Fabsec Limited |

@ Merged with the Parent Company. Refer note 5 to the Statement.
* Not consolidated as the financial information is not available.

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**TATA**

## Standalone Statement of Profit and Loss for the quarter/six months ended on 30th September 2023

₹ Crore

| | Particulars | Quarter ended on 30.09.2023 | Quarter ended on 30.06.2023 | Quarter ended on 30.09.2022 | Six months ended on 30.09.2023 | Six months ended on 30.09.2022 | Financial year ended on 31.03.2023 |
|---|---|---|---|---|---|---|---|
| | | Audited | Audited | Audited | Audited | Audited | Audited |
| 1 | Revenue from operations | | | | | | |
| | a) Gross sales / income from operations | 32,793.59 | 34,328.52 | 34,302.70 | 67,122.11 | 68,302.35 | 1,37,344.10 |
| | b) Other operating revenues | 429.58 | 364.07 | 340.11 | 793.65 | 615.24 | 1,426.74 |
| | Total revenue from operations [ 1(a) + 1(b) ] | 33,223.17 | 34,692.59 | 34,642.81 | 67,915.76 | 68,917.59 | 1,38,770.84 |
| 2 | Other income | 849.83 | 1,474.67 | 814.00 | 2,324.50 | 1,346.88 | 2,530.62 |
| 3 | **Total income [ 1 + 2 ]** | **34,073.00** | **36,167.26** | **35,456.81** | **70,240.26** | **70,264.47** | **1,41,301.46** |
| 4 | Expenses | | | | | | |
| | a) Cost of materials consumed | 11,530.13 | 12,808.43 | 16,495.64 | 24,338.56 | 32,301.85 | 57,835.47 |
| | b) Purchases of stock-in-trade | 2,532.05 | 2,648.32 | 1,341.02 | 5,180.37 | 3,285.54 | 7,467.30 |
| | c) Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress | 540.08 | (477.29) | 1,583.13 | 62.79 | (3,126.57) | (1,224.33) |
| | d) Employee benefits expense | 1,774.86 | 1,635.07 | 1,708.47 | 3,409.93 | 3,326.00 | 6,901.95 |
| | e) Finance costs | 1,124.49 | 1,026.75 | 994.39 | 2,151.24 | 1,742.94 | 3,929.68 |
| | f) Depreciation and amortisation expense | 1,425.74 | 1,430.10 | 1,442.68 | 2,855.84 | 2,881.21 | 5,814.55 |
| | g) Other expenses | 10,095.26 | 11,464.01 | 8,848.81 | 21,559.27 | 18,905.35 | 40,045.70 |
| | **Total expenses [ 4(a) to 4(g) ]** | **29,022.61** | **30,535.39** | **32,414.14** | **59,558.00** | **59,316.32** | **1,20,770.32** |
| 5 | **Profit / (Loss) before exceptional items & tax [ 3 - 4 ]** | **5,050.39** | **5,631.87** | **3,042.67** | **10,682.26** | **10,948.15** | **20,531.14** |
| 6 | Exceptional items : | | | | | | |
| | a) Profit / (loss) on sale of non-current investments | - | - | - | - | - | 338.56 |
| | b) Provision for impairment of investments / doubtful advances / other financial assets (net) | (12,960.96) | - | - | (12,960.96) | (12.39) | (1,056.39) |
| | c) Employee separation compensation | (36.70) | (18.50) | (13.05) | (55.20) | (89.30) | (91.94) |
| | d) Restructuring and other provisions | - | (0.02) | - | (0.02) | - | (1.69) |
| | e) Gain/(loss) on non-current investments classified as fair value through profit and loss (net) | 4.89 | 7.28 | (6.38) | 12.17 | 27.46 | 30.99 |
| | Total exceptional items [ 6(a) to 6(e) ] | (12,992.77) | (11.24) | (19.43) | (13,004.01) | (74.23) | (780.47) |
| 7 | **Profit / (Loss) before tax [ 5 + 6 ]** | **(7,942.38)** | **5,620.63** | **3,023.24** | **(2,321.75)** | **10,873.92** | **19,750.67** |
| 8 | Tax Expense | | | | | | |
| | a) Current tax | 801.40 | 1,194.78 | 680.25 | 1,996.18 | 2,498.02 | 4,861.20 |
| | b) Deferred tax | (213.18) | (179.12) | 128.45 | (392.30) | 297.92 | 421.13 |
| | Total tax expense [ 8(a) + 8(b) ] | 588.22 | 1,015.66 | 808.70 | 1,603.88 | 2,795.94 | 5,282.33 |
| 9 | **Net Profit / (Loss) for the period [ 7 - 8 ]** | **(8,530.60)** | **4,604.97** | **2,214.54** | **(3,925.63)** | **8,077.98** | **14,468.34** |
| 10 | Other comprehensive income | | | | | | |
| | A (i) Items that will not be reclassified to profit or loss | 199.98 | 180.49 | 47.52 | 380.47 | (61.39) | 86.71 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | (13.03) | (17.22) | (1.75) | (30.25) | 5.54 | (47.86) |
| | B (i) Items that will be reclassified to profit or loss | 10.39 | (8.48) | 40.87 | 1.91 | 182.33 | 79.78 |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | (2.61) | 2.17 | (10.29) | (0.44) | (45.89) | (20.12) |
| | Total other comprehensive income | 194.73 | 156.96 | 76.35 | 351.69 | 80.59 | 98.51 |
| 11 | **Total Comprehensive Income for the period [ 9 + 10 ]** | **(8,335.87)** | **4,761.93** | **2,290.89** | **(3,573.94)** | **8,158.57** | **14,566.85** |
| 12 | Paid-up equity share capital [Face value ₹ 1 per share] | 1,222.40 | 1,222.40 | 1,222.37 | 1,222.40 | 1,222.37 | 1,222.40 |
| 13 | Paid-up debt capital | 10,625.88 | 10,624.84 | 12,908.26 | 10,625.88 | 12,908.26 | 15,058.49 |
| 14 | Reserves excluding revaluation reserves | | | | | | 1,33,446.15 |
| 15 | Securities premium reserve | 31,290.24 | 31,290.24 | 31,288.89 | 31,290.24 | 31,288.89 | 31,290.24 |
| 16 | Earnings per equity share | | | | | | |
| | Basic earnings per share (not annualised) - in Rupees (after exceptional items) | (6.94) | 3.74 | 1.80 | (3.19) | 6.57 | 11.77 |
| | Diluted earnings per share (not annualised) - in Rupees (after exceptional items) | (6.94) | 3.74 | 1.80 | (3.19) | 6.57 | 11.76 |

(a) Paid up debt capital represents debentures

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FRN 304026E/E-300009
Mumbai

**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

TATA STEEL LIMITED
MUMBAI

TATA

**Standalone Balance Sheet as at 30th September 2023**

| Particulars | | As at 30.09.2023 | As at 31.03.2023 |
|---|---|---|---|
| | | | ₹ Crore |
| | | Audited | Audited |
| **A ASSETS** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, plant and equipment | | 86,711.94 | 88,670.72 |
| (b) Capital work-in-progress | | 26,292.61 | 21,456.91 |
| (c) Right-of-use assets | | 5,492.94 | 5,732.09 |
| (d) Goodwill | | 12.66 | 12.66 |
| (e) Other intangible assets | | 1,181.69 | 1,228.76 |
| (f) Intangible assets under development | | 529.38 | 514.96 |
| (g) Financial assets | | | |
| (i) Investments | | 64,958.52 | 40,292.47 |
| (ii) Loans | | 4,924.63 | 32,574.10 |
| (iii) Derivative assets | | 263.01 | 403.40 |
| (iv) Other financial assets | | 1,435.99 | 2,299.16 |
| (h) Non-current tax assets (net) | | 4,363.91 | 4,252.13 |
| (i) Other assets | | 3,585.26 | 3,464.22 |
| | **Sub-total - Non current assets** | **1,99,752.54** | **2,00,901.58** |
| **(2) Current assets** | | | |
| (a) Inventories | | 23,140.80 | 24,546.94 |
| (b) Financial assets | | | |
| (i) Investments | | 2,023.30 | 2,615.55 |
| (ii) Trade receivables | | 2,274.72 | 2,538.56 |
| (iii) Cash and cash equivalents | | 1,983.04 | 1,044.35 |
| (iv) Other balances with banks | | 1,063.91 | 1,159.09 |
| (v) Loans | | 139.60 | 1,925.71 |
| (vi) Derivative assets | | 138.44 | 84.13 |
| (vii) Other financial assets | | 859.79 | 937.43 |
| (c) Other assets | | 3,582.80 | 3,629.24 |
| | **Sub-total - Current assets** | **35,206.40** | **38,481.00** |
| (3) Assets held for sale | | 26.70 | 65.38 |
| **TOTAL - ASSETS** | | **2,34,985.64** | **2,39,447.96** |
| **B EQUITY AND LIABILITIES** | | | |
| **(1) Equity** | | | |
| (a) Equity share capital | | 1,222.40 | 1,222.40 |
| (b) Other equity | | 1,25,473.47 | 1,33,446.15 |
| | **Sub-total - Total Equity** | **1,26,695.87** | **1,34,668.55** |
| **(2) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | | 34,885.95 | 31,568.81 |
| (ii) Lease liabilities | | 3,492.09 | 3,725.26 |
| (iii) Other financial liabilities | | 1,882.16 | 1,757.01 |
| (b) Provisions | | 2,605.34 | 2,599.44 |
| (c) Retirement benefit obligations | | 2,056.70 | 1,994.18 |
| (d) Deferred income | | 44.90 | 0.35 |
| (e) Deferred tax liabilities (net) | | 8,049.69 | 8,389.84 |
| (f) Other liabilities | | 3,295.12 | 3,878.50 |
| | **Sub-total - Non current liabilities** | **56,311.95** | **53,913.39** |
| **(3) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | | 7,921.59 | 7,298.12 |
| (ii) Lease liabilities | | 566.78 | 551.78 |
| (iii) Trade payables | | | |
| (a) Total outstanding dues of micro and small enterprises | | 753.31 | 902.94 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | | 20,450.54 | 18,837.73 |
| (iv) Derivative liabilities | | 8.07 | 68.28 |
| (v) Other financial liabilities | | 5,758.52 | 6,063.00 |
| (b) Provisions | | 1,128.75 | 1,952.62 |
| (c) Retirement benefit obligations | | 116.71 | 124.81 |
| (d) Deferred income | | 22.46 | 29.61 |
| (e) Current tax liabilities (net) | | 1,188.43 | 1,702.04 |
| (f) Other liabilities | | 14,062.66 | 13,335.09 |
| | **Sub-total - Current liabilities** | **51,977.82** | **50,866.02** |
| **TOTAL - EQUITY AND LIABILITIES** | | **2,34,985.64** | **2,39,447.96** |

TATA

**Standalone Statement of Cash Flows for the six months ended on 30th September 2023**

₹ Crore

| Particulars | Six months ended on 30.09.2023 | | Six months ended on 30.09.2022 | |
|---|---|---|---|---|
| | Audited | | Audited | |
| **(A) Cash flows from operating activities:** | | | | |
| **Profit / (Loss) before tax** | | **(2,321.75)** | | **10,873.92** |
| Adjustments for: | | | | |
| Depreciation and amortisation expense | 2,855.84 | | 2,881.21 | |
| Dividend income | (170.79) | | (115.28) | |
| (Gain)/loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off) | (871.52) | | 1.35 | |
| Exceptional (income)/expenses | 13,004.01 | | 74.23 | |
| (Gain)/loss on cancellation of forwards, swaps and options | (154.14) | | (6.17) | |
| Interest income and income from current investments | (1,269.23) | | (1,015.85) | |
| Finance costs | 2,151.24 | | 1,742.94 | |
| Foreign exchange (gain)/loss | (289.77) | | (2,234.53) | |
| Other non-cash items | 12.36 | | (47.55) | |
| | | 15,268.00 | | 1,280.35 |
| **Operating profit before changes in non-current/current assets and liabilities** | | **12,946.25** | | **12,154.27** |
| Adjustments for: | | | | |
| Non-current/current financial and other assets | 247.18 | | (1,609.01) | |
| Inventories | 1,433.73 | | (3,809.19) | |
| Non-current/current financial and other liabilities/provisions | 324.58 | | (361.68) | |
| | | 2,005.49 | | (5,779.88) |
| **Cash generated from operations** | | **14,951.74** | | **6,374.39** |
| Income taxes paid (net of refund) | | (2,577.69) | | (2,699.37) |
| **Net cash from/(used in) operating activities** | | **12,374.05** | | **3,675.02** |
| **(B) Cash flows from investing activities:** | | | | |
| Purchase of capital assets | (4,851.88) | | (3,968.30) | |
| Sale of capital assets | 18.41 | | 11.58 | |
| Purchase of investments in subsidiaries | (142.10) | | (11,560.31) | |
| Purchase of other non-current investments | - | | (190.00) | |
| Purchase of business undertaking | - | | (130.00) | |
| (Purchase)/sale of current investments (net) | 695.76 | | 4,478.11 | |
| Loans given | (4,881.22) | | (150.00) | |
| Repayment of loans given | 538.00 | | 80.99 | |
| Principal receipts under sublease | 0.25 | | - | |
| Fixed/restricted deposits with banks (placed)/realised (net) | (12.96) | | 15.03 | |
| Interest received | 74.92 | | 76.36 | |
| Dividend received from subsidiaries | 85.84 | | 63.26 | |
| Dividend received from associates and joint ventures | 51.47 | | 26.83 | |
| Dividend received from others | 33.48 | | 23.49 | |
| **Net cash from/(used in) investing activities** | | **(8,390.03)** | | **(11,222.96)** |
| **(C) Cash flows from financing activities:** | | | | |
| Proceeds from long-term borrowings (net of issue expenses) | 7,039.04 | | 7,996.12 | |
| Repayment of long-term borrowings | (6,455.27) | | (2,855.34) | |
| Proceeds/(repayments) of short term borrowings (net) | 3,298.86 | | 3,911.76 | |
| Payment of lease obligations | (243.07) | | (283.70) | |
| Amount received/(paid) on utilisation/cancellation of derivatives | 151.68 | | (5.86) | |
| Interest paid | (2,436.82) | | (1,559.77) | |
| Dividend paid | (4,399.75) | | (6,247.26) | |
| **Net cash from/(used in) financing activities** | | **(3,045.33)** | | **955.95** |
| **Net increase/(decrease) in cash and cash equivalents** | | **938.69** | | **(6,591.99)** |
| **Opening cash and cash equivalents** | | **1,044.35** | | **7,450.53** |
| **Closing cash and cash equivalents** | | **1,983.04** | | **858.54** |

(i) Significant non-cash movements in borrowings and advances during the period include:

(a) amortisation/effective interest rate adjustments of upfront fees **₹7.54** crore (six months ended 30.09.2022: ₹17.23 crore).

(b) exchange loss **₹23.28** crore (six months ended 30.09.2022: ₹241.34 crore).

(c) adjustments to lease obligations, increase **₹24.89** crore (six months ended 30.09.2022: ₹76.42 crore).

(d) conversion of loan given to a subsidiary into equity investment **₹34,168.90** crore (six months ended 30.09.2022: Nil).

(ii) (Gain)/loss on sale of property, plant and equipment includes a non-cash gain of **₹903.40** crore (six months ended 30.09.2022: Nil) on de-recognition of assets pursuant to long-term arrangement.

Price Waterhouse & Co. Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Mumbai

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

TATA STEEL LIMITED
MUMBAI

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**Additional information pursuant to Regulation 52(4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, for Standalone financial results as at and for the quarter/six months ended on 30th September 2023 :**

| | Particulars | Quarter ended on 30.09.2023 | Quarter ended on 30.06.2023 | Quarter ended on 30.09.2022 | Six months ended on 30.09.2023 | Six months ended on 30.09.2022 | Financial year ended on 31.03.2023 |
|---|---|---|---|---|---|---|---|
| 1 | **Net debt equity ratio**<br>*(Net debt / Average equity)*<br>*[Net debt: Non-current borrowings + Current borrowings + Non-current and current lease liabilities - Current investments - Cash and cash equivalents - Other balances with banks (including non-current earmarked balances)]*<br>*[Equity: Equity share capital + Other equity]* | 0.32 | 0.29 | 0.32 | 0.32 | 0.32 | 0.29 |
| 2 | **Debt service coverage ratio**<br>*(EBIT / (Net finance charges + Interest income from group companies + Scheduled principal repayments of non-current borrowings and lease obligations (excluding prepayments) during the period))*<br>*[EBIT : Profit before taxes +/(-) Exceptional items + Net finance charges]*<br>*[Net finance charges: Finance costs (excluding interest on current borrowings) - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]* | 2.49 | 1.11 | 5.33 | 1.50 | 2.82 | 3.88 |
| 3 | **Interest service coverage ratio**<br>*(EBIT / ( Net finance charges + Interest income from group companies))*<br>*[EBIT : Profit before taxes +/(-) Exceptional items + Net finance charges]*<br>*[Net finance charges: Finance costs (excluding interest on current borrowings) - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]* | 7.90 | 10.13 | 6.72 | 8.94 | 14.55 | 10.54 |
| 4 | **Current ratio**<br>*(Total current assets / Current liabilities)*<br>*[Current liabilities: Total current liabilities - Current maturities of non-current borrowings and lease obligations]* | 0.74 | 0.91 | 0.73 | 0.74 | 0.73 | 0.87 |
| 5 | **Long term debt to working capital ratio**<br>*((Non-current borrowings + Non-current lease liabilities + Current maturities of non-current borrowings and lease obligations) / (Total current assets - Current liabilities))*<br>*[Current liabilities: Total current liabilities - Current maturities of non-current borrowings and lease obligations]* | * | * | * | * | * | * |
| 6 | **Bad debts to account receivable ratio**<br>*(Bad debts / Average trade receivables)* | 0.20 | - | - | 0.19 | - | - |
| 7 | **Current liability ratio**<br>*(Total current liabilities / Total liabilities)* | 0.48 | 0.47 | 0.58 | 0.48 | 0.58 | 0.49 |
| 8 | **Total debts to total assets ratio**<br>*((Non-current borrowings + Current borrowings + Non-current and current lease liabilities) / Total assets)* | 0.20 | 0.19 | 0.19 | 0.20 | 0.19 | 0.18 |
| 9 | **Debtors turnover ratio** (in days)<br>*(Average trade receivables / Turnover in days)*<br>*[Turnover: Revenue from operations]* | 6 | 6 | 8 | 6 | 8 | 7 |
| 10 | **Inventory turnover ratio** (in days)<br>*(Average inventory / Sale of products in days)* | 70 | 68 | 79 | 66 | 67 | 64 |
| 11 | **Operating EBIDTA margin (%)**<br>*(EBIDTA / Turnover)*<br>*[EBIDTA: Profit before taxes +/(-) Exceptional items + Net finance charges + Depreciation and amortisation]*<br>*[(Net finance charges: Finance costs - Interest income - Dividend income from current investments - Net gain/ (loss) on sale of current investments)]*<br>*[Turnover: Revenue from operations]* | 20.82 | 21.63 | 14.30 | 21.23 | 21.14 | 20.37 |
| 12 | **Net profit margin (%)**<br>*(Net profit after tax / Turnover)*<br>*[Turnover: Revenue from operations]* | (25.68) | 13.27 | 6.39 | (5.78) | 11.72 | 10.43 |
| 13 | **Debenture redemption reserve** (in ₹ Crore) | 1,328.75 | 1,328.75 | 2,046.00 | 1,328.75 | 2,046.00 | 2,046.00 |
| 14 | **Net worth** (in ₹ Crore)<br>*(Equity share capital + Other equity - Capital reserve - Amalgamation reserve)* | 1,24,573.20 | 1,37,307.82 | 1,26,136.19 | 1,24,573.20 | 1,26,136.19 | 1,32,545.89 |
| 15 | **Outstanding redeemable preference shares** (quantity and value) | | | Not applicable | | | |

* Net working capital is negative

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TATA STEEL LIMITED
MUMBAI

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## Consolidated Statement of Profit and Loss for the quarter/six months ended on 30th September 2023

₹ Crore

| | Particulars | Quarter ended on 30.09.2023 | Quarter ended on 30.06.2023 | Quarter ended on 30.09.2022 | Six months ended on 30.09.2023 | Six months ended on 30.09.2022 | Financial year ended on 31.03.2023 |
|---|---|---|---|---|---|---|---|
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Revenue from operations | | | | | | |
| | a) Gross sales / income from operations | 55,107.21 | 59,015.80 | 59,512.54 | 1,14,123.01 | 1,22,640.86 | 2,41,636.25 |
| | b) Other operating revenues | 574.72 | 473.86 | 364.98 | 1,048.58 | 666.73 | 1,716.44 |
| | Total revenue from operations [ 1(a) + 1(b) ] | 55,681.93 | 59,489.66 | 59,877.52 | 1,15,171.59 | 1,23,307.59 | 2,43,352.69 |
| 2 | Other income | 228.23 | 1,176.82 | 329.26 | 1,405.05 | 597.34 | 1,037.48 |
| 3 | **Total income [ 1 + 2 ]** | **55,910.16** | **60,666.48** | **60,206.78** | **1,16,576.64** | **1,23,904.93** | **2,44,390.17** |
| 4 | Expenses | | | | | | |
| | a) Cost of materials consumed | 20,473.43 | 22,267.94 | 27,788.50 | 42,741.37 | 54,108.36 | 1,01,483.08 |
| | b) Purchases of stock-in-trade | 4,673.56 | 3,692.61 | 3,269.93 | 8,366.17 | 8,269.43 | 15,114.11 |
| | c) Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress | 756.14 | 1,514.62 | 280.59 | 2,270.76 | (7,818.15) | (3,358.89) |
| | d) Employee benefits expense | 5,916.53 | 5,925.38 | 5,318.25 | 11,841.91 | 11,281.65 | 22,419.32 |
| | e) Finance costs | 1,959.39 | 1,825.15 | 1,519.07 | 3,784.54 | 2,737.18 | 6,298.70 |
| | f) Depreciation and amortisation expense | 2,479.85 | 2,412.32 | 2,347.82 | 4,892.17 | 4,584.61 | 9,335.20 |
| | g) Other expenses | 19,594.45 | 20,915.23 | 17,159.93 | 40,509.68 | 36,433.18 | 75,394.91 |
| | **Total expenses [ 4(a) to 4(g) ]** | **55,853.35** | **58,553.25** | **57,684.09** | **1,14,406.60** | **1,09,596.26** | **2,26,686.43** |
| 5 | Profit / (Loss) before share of profit/(loss) of joint ventures & associates, exceptional items & tax [ 3 - 4 ] | 56.81 | 2,113.23 | 2,522.69 | 2,170.04 | 14,308.67 | 17,703.74 |
| 6 | Share of profit / (loss) of joint ventures & associates | 102.90 | (271.28) | 101.86 | (168.38) | 261.38 | 418.12 |
| 7 | **Profit / (Loss) before exceptional items & tax [ 5 + 6 ]** | **159.71** | **1,841.95** | **2,624.55** | **2,001.66** | **14,570.05** | **18,121.86** |
| 8 | Exceptional items : | | | | | | |
| | a) Profit / (loss) on sale of subsidiaries and non-current investments | - | 4.68 | - | 4.68 | 15.56 | 66.86 |
| | b) Provision for impairment of investments / doubtful advances / other financial assets (net) | - | 19.98 | - | 19.98 | (12.39) | 83.68 |
| | c) Provision for impairment of non-current assets (net) | (3,255.11) | - | - | (3,255.11) | - | 25.37 |
| | d) Employee separation compensation | (36.70) | (18.50) | (13.05) | (55.20) | (89.30) | (91.94) |
| | e) Restructuring and other provisions | (3,611.98) | (0.02) | - | (3,612.00) | - | (1.70) |
| | f) Gain/(loss) on non-current investments classified as fair value through profit and loss (net) | 4.89 | 7.28 | (6.38) | 12.17 | 27.46 | 30.99 |
| | Total exceptional items [ 8(a) to 8(f) ] | (6,898.90) | 13.42 | (19.43) | (6,885.48) | (58.67) | 113.26 |
| 9 | **Profit / (Loss) before tax [ 7 + 8 ]** | **(6,739.19)** | **1,855.37** | **2,605.12** | **(4,883.82)** | **14,511.38** | **18,235.12** |
| 10 | Tax Expense | | | | | | |
| | a) Current tax | 1,114.33 | 1,142.74 | 1,024.33 | 2,257.07 | 3,422.52 | 5,324.96 |
| | b) Current tax in relation to earlier years | (9.82) | (115.76) | 20.47 | (125.58) | 27.35 | 36.37 |
| | c) Deferred tax | (1,332.54) | 303.54 | 263.26 | (1,029.00) | 2,050.45 | 4,798.44 |
| | Total tax expense [ 10(a) to 10(c) ] | (228.03) | 1,330.52 | 1,308.06 | 1,102.49 | 5,500.32 | 10,159.77 |
| 11 | **Net Profit / (Loss) for the period [ 9 - 10 ]** | **(6,511.16)** | **524.85** | **1,297.06** | **(5,986.31)** | **9,011.06** | **8,075.35** |
| 12 | Profit/ (Loss) for the period attributable to: | | | | | | |
| | Owners of the Company | (6,196.24) | 633.95 | 1,514.42 | (5,562.29) | 9,279.38 | 8,760.40 |
| | Non controlling interests | (314.92) | (109.10) | (217.36) | (424.02) | (268.32) | (685.05) |
| 13 | Other comprehensive income | | | | | | |
| | A (i) Items that will not be reclassified to profit or loss | (922.70) | (4,690.20) | (766.51) | (5,612.90) | (5,598.65) | (13,529.65) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | 270.01 | 1,199.23 | 194.31 | 1,469.24 | 1,381.29 | 3,353.56 |
| | B (i) Items that will be reclassified to profit or loss | 61.80 | 430.68 | (2,738.82) | 492.48 | (5,704.28) | (4,175.40) |
| | (ii) Income tax on items that will be reclassified to profit or loss | (183.30) | (112.42) | (102.95) | (295.72) | (103.24) | 502.42 |
| | Total other comprehensive income | (774.19) | (3,172.71) | (3,413.97) | (3,946.90) | (10,024.88) | (13,849.07) |
| 14 | **Total Comprehensive Income for the period [ 11 + 13 ]** | **(7,285.35)** | **(2,647.86)** | **(2,116.91)** | **(9,933.21)** | **(1,013.82)** | **(5,773.72)** |
| 15 | Total comprehensive income for the period attributable to: | | | | | | |
| | Owners of the Company | (6,958.10) | (2,510.55) | (1,870.06) | (9,468.65) | (704.37) | (5,107.74) |
| | Non controlling interests | (327.25) | (137.31) | (246.85) | (464.56) | (309.45) | (665.98) |
| 16 | Paid-up equity share capital [Face value ₹ 1 per share] | 1,221.24 | 1,221.24 | 1,221.21 | 1,221.24 | 1,221.21 | 1,221.24 |
| 17 | Reserves (excluding revaluation reserves) and Non controlling interest | | | | | | 1,03,953.97 |
| 18 | Earnings per equity share: | | | | | | |
| | Basic earnings per share (not annualised) - in Rupees (after exceptional items) | (5.07) | 0.52 | 1.24 | (4.56) | 7.60 | 7.17 |
| | Diluted earnings per share (not annualised) - in Rupees (after exceptional items) | (5.07) | 0.52 | 1.24 | (4.56) | 7.60 | 7.17 |

**TATA STEEL LIMITED**
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Tel 91 22 6665 8282 Fax 91 22 6665 7724 Website www.tatasteel.com
Corporate Identity Number L27100MH1907PLC000260

TATA

**Consolidated Balance Sheet as at 30th September 2023**

₹ Crore

| Particulars | | As at 30.09.2023 Unaudited | As at 31.03.2023 Audited |
|---|---|---|---|
| **A ASSETS** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, plant and equipment | | 1,15,541.00 | 1,18,696.74 |
| (b) Capital work-in-progress | | 35,761.11 | 30,307.90 |
| (c) Right-of-use assets | | 7,476.68 | 9,222.52 |
| (d) Goodwill | | 5,605.88 | 5,601.65 |
| (e) Other intangible assets | | 12,356.38 | 13,100.55 |
| (f) Intangible assets under development | | 948.68 | 905.12 |
| (g) Equity accounted investments | | 2,964.35 | 3,233.33 |
| (h) Financial assets | | | |
| (i) Investments | | 2,070.27 | 1,546.92 |
| (ii) Loans | | 71.02 | 64.74 |
| (iii) Derivative assets | | 263.01 | 403.40 |
| (iv) Other financial assets | | 1,566.93 | 510.88 |
| (i) Retirement benefit assets | | 24.65 | 6,990.83 |
| (j) Non-current tax assets | | 4,512.36 | 4,369.03 |
| (k) Deferred tax assets | | 3,848.41 | 2,625.96 |
| (l) Other assets | | 3,865.47 | 3,776.63 |
| | **Sub-total - Non current assets** | **1,96,876.20** | **2,01,356.20** |
| **(2) Current assets** | | | |
| (a) Inventories | | 49,170.83 | 54,415.33 |
| (b) Financial assets | | | |
| (i) Investments | | 2,657.95 | 3,630.06 |
| (ii) Trade receivables | | 6,779.68 | 8,257.24 |
| (iii) Cash and cash equivalents | | 8,796.67 | 12,129.90 |
| (iv) Other balances with banks | | 1,135.52 | 1,227.36 |
| (v) Loans | | 2.29 | 1.84 |
| (vi) Derivative assets | | 445.61 | 561.46 |
| (vii) Other financial assets | | 1,178.03 | 1,435.51 |
| (c) Current tax assets | | 45.95 | 117.69 |
| (d) Other assets | | 4,681.74 | 4,829.75 |
| | **Sub-total - Current assets** | **74,894.27** | **86,606.14** |
| (3) Assets held for sale | | 43.53 | 59.40 |
| **TOTAL - ASSETS** | | **2,71,814.00** | **2,88,021.74** |
| **B EQUITY AND LIABILITIES** | | | |
| **(1) Equity** | | | |
| (a) Equity share capital | | 1,221.24 | 1,221.24 |
| (b) Other equity | | 87,975.95 | 1,01,860.86 |
| **Equity attributable to shareholders of the company** | | **89,197.19** | **1,03,082.10** |
| Non controlling interest | | 1,605.06 | 2,093.11 |
| | **Sub-total - Total Equity** | **90,802.25** | **1,05,175.21** |
| **(2) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | | 47,195.60 | 51,446.33 |
| (ii) Lease Liabilities | | 4,462.34 | 5,811.08 |
| (iii) Other financial liabilities | | 2,000.76 | 1,871.51 |
| (b) Provisions | | 4,712.41 | 4,775.84 |
| (c) Retirement benefit obligations | | 2,903.18 | 2,931.37 |
| (d) Deferred income | | 178.33 | 132.36 |
| (e) Deferred tax liabilities | | 13,177.87 | 14,115.64 |
| (f) Other liabilities | | 3,808.18 | 4,467.27 |
| | **Sub-total - Non current liabilities** | **78,438.67** | **85,551.40** |
| **(3) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | | 36,792.36 | 26,571.37 |
| (ii) Lease Liabilities | | 1,272.65 | 1,064.27 |
| (iii) Trade payables | | | |
| (a) Total outstanding dues of micro and small enterprises | | 1,032.77 | 1,170.33 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | | 32,223.94 | 36,662.21 |
| (iv) Derivative liabilities | | 701.04 | 1,630.53 |
| (v) Other financial liabilities | | 9,284.43 | 9,590.21 |
| (b) Provisions | | 4,349.48 | 3,882.73 |
| (c) Retirement benefit obligations | | 151.02 | 162.47 |
| (d) Deferred income | | 103.83 | 91.93 |
| (e) Current tax liabilities | | 1,327.14 | 1,923.98 |
| (f) Other liabilities | | 15,334.42 | 14,545.10 |
| | **Sub-total - Current liabilities** | **1,02,573.08** | **97,295.13** |
| **TOTAL - EQUITY AND LIABILITIES** | | **2,71,814.00** | **2,88,021.74** |

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TATA STEEL LIMITED
MUMBAI

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**Consolidated Segment Revenue, Results, Assets and Liabilities**

₹ Crore

| Particulars | Quarter ended on 30.09.2023 | Quarter ended on 30.06.2023 | Quarter ended on 30.09.2022 | Six months ended on 30.09.2023 | Six months ended on 30.09.2022 | Financial year ended on 31.03.2023 |
|---|---|---|---|---|---|---|
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| **Segment Revenue:** | | | | | | |
| Tata Steel India | 33,223.17 | 34,692.59 | 34,642.81 | 67,915.76 | 68,917.59 | 1,38,770.84 |
| Neelachal Ispat Nigam Limited | 1,283.99 | 1,668.28 | 20.12 | 2,952.27 | 20.12 | 1,645.55 |
| Other Indian Operations | 4,620.03 | 4,294.30 | 4,553.52 | 8,914.33 | 8,895.78 | 18,155.04 |
| Tata Steel Europe | 18,846.71 | 21,334.82 | 21,558.75 | 40,181.53 | 47,519.63 | 90,300.39 |
| Other Trade Related Operations | 12,376.72 | 15,299.32 | 16,829.30 | 27,676.04 | 41,976.59 | 73,973.53 |
| South East Asian Operations | 1,798.23 | 1,879.61 | 2,074.93 | 3,677.84 | 4,587.30 | 8,731.44 |
| Rest of the World | 527.96 | 271.32 | 215.92 | 799.28 | 390.40 | 648.77 |
| **Total** | **72,676.81** | **79,440.24** | **79,895.35** | **1,52,117.05** | **1,72,307.41** | **3,32,225.56** |
| Less: Inter Segment Revenue | 16,994.88 | 19,950.58 | 20,017.83 | 36,945.46 | 48,999.82 | 88,872.87 |
| **Total Segment Revenue from operations** | **55,681.93** | **59,489.66** | **59,877.52** | **1,15,171.59** | **1,23,307.59** | **2,43,352.69** |
| **Segment Results before exceptional items, interest, tax and depreciation :** | | | | | | |
| Tata Steel India | 6,917.02 | 7,503.10 | 4,954.44 | 14,420.12 | 14,567.15 | 28,264.90 |
| Neelachal Ispat Nigam Limited | (76.44) | 13.39 | (178.14) | (63.05) | (178.14) | (773.23) |
| Other Indian Operations | 329.97 | 216.81 | 267.88 | 546.78 | 568.32 | 1,205.73 |
| Tata Steel Europe | (2,512.42) | (1,569.15) | 1,787.62 | (4,081.57) | 7,824.23 | 4,632.06 |
| Other Trade Related Operations | 749.63 | (12.86) | (477.11) | 736.77 | (1,063.92) | 168.49 |
| South East Asian Operations | 10.67 | 54.08 | 108.69 | 64.75 | 411.58 | 473.64 |
| Rest of the World | 56.29 | 27.10 | (59.17) | 83.39 | (94.77) | (480.91) |
| **Total** | **5,474.72** | **6,232.47** | **6,404.21** | **11,707.19** | **22,034.45** | **33,490.68** |
| Less: Inter Segment Eliminations | 1,159.99 | 110.49 | 133.21 | 1,270.48 | 715.98 | 793.17 |
| **Total Segment Results before exceptional items, interest, tax and depreciation** | **4,314.73** | **6,121.98** | **6,271.00** | **10,436.71** | **21,318.47** | **32,697.51** |
| Add: Finance income | 181.32 | 228.72 | 118.58 | 410.04 | 311.99 | 640.13 |
| Less: Finance costs | 1,959.39 | 1,825.15 | 1,519.07 | 3,784.54 | 2,737.18 | 6,298.70 |
| Less: Depreciation and Amortisation | 2,479.85 | 2,412.32 | 2,347.82 | 4,892.17 | 4,584.61 | 9,335.20 |
| Add: Share of profit / (loss) of joint ventures and associates | 102.90 | (271.28) | 101.86 | (168.38) | 261.38 | 418.12 |
| **Profit / (Loss) before exceptional items & tax** | **159.71** | **1,841.95** | **2,624.55** | **2,001.66** | **14,570.05** | **18,121.86** |
| Add: Exceptional items | (6,898.90) | 13.42 | (19.43) | (6,885.48) | (58.67) | 113.26 |
| **Profit / (Loss) before tax** | **(6,739.19)** | **1,855.37** | **2,605.12** | **(4,883.82)** | **14,511.38** | **18,235.12** |
| Less: Tax expense | (228.03) | 1,330.52 | 1,308.06 | 1,102.49 | 5,500.32 | 10,159.77 |
| **Net Profit / (Loss) for the period** | **(6,511.16)** | **524.85** | **1,297.06** | **(5,986.31)** | **9,011.06** | **8,075.35** |
| **Segment Assets:** | | | | | | |
| Tata Steel India | 1,77,855.80 | 2,15,470.65 | 2,06,692.14 | 1,77,855.80 | 2,06,692.14 | 2,06,364.01 |
| Neelachal Ispat Nigam Limited | 13,237.79 | 13,228.86 | 13,272.43 | 13,237.79 | 13,272.43 | 13,449.21 |
| Other Indian Operations | 14,589.83 | 14,233.11 | 13,425.66 | 14,589.83 | 13,425.66 | 13,664.82 |
| Tata Steel Europe | 67,577.64 | 76,611.38 | 85,859.53 | 67,577.64 | 85,859.53 | 84,399.40 |
| Other Trade Related Operations | 28,080.99 | 28,522.72 | 24,303.51 | 28,080.99 | 24,303.51 | 30,362.20 |
| South East Asian Operations | 3,597.79 | 4,630.38 | 4,419.35 | 3,597.79 | 4,419.35 | 4,888.17 |
| Rest of the World | 8,031.17 | 7,172.17 | 7,363.92 | 8,031.17 | 7,363.92 | 7,082.40 |
| Less: Inter Segment Eliminations | 41,200.54 | 72,775.08 | 66,185.91 | 41,200.54 | 66,185.91 | 72,247.87 |
| **Total Segment Assets** | **2,71,770.47** | **2,87,094.19** | **2,89,150.63** | **2,71,770.47** | **2,89,150.63** | **2,87,962.34** |
| Assets held for sale | 43.53 | 52.61 | 56.47 | 43.53 | 56.47 | 59.40 |
| **Total Assets** | **2,71,814.00** | **2,87,146.80** | **2,89,207.10** | **2,71,814.00** | **2,89,207.10** | **2,88,021.74** |
| **Segment Liabilities:** | | | | | | |
| Tata Steel India | 1,11,380.82 | 1,13,054.54 | 1,15,330.93 | 1,11,380.82 | 1,15,330.93 | 1,08,328.17 |
| Neelachal Ispat Nigam Limited | 7,509.56 | 7,177.34 | 7,038.09 | 7,509.56 | 7,038.09 | 7,176.98 |
| Other Indian Operations | 3,947.80 | 3,831.47 | 4,257.75 | 3,947.80 | 4,257.75 | 4,112.11 |
| Tata Steel Europe | 53,129.07 | 51,795.70 | 43,779.19 | 53,129.07 | 43,779.19 | 53,039.52 |
| Other Trade Related Operations | 37,150.69 | 73,595.07 | 66,466.83 | 37,150.69 | 66,466.83 | 73,889.08 |
| South East Asian Operations | 767.77 | 790.05 | 850.52 | 767.77 | 850.52 | 933.31 |
| Rest of the World | 10,797.56 | 9,774.52 | 9,115.26 | 10,797.56 | 9,115.26 | 9,560.37 |
| Less: Inter Segment Eliminations | 43,671.52 | 75,399.38 | 67,661.38 | 43,671.52 | 67,661.38 | 74,193.01 |
| **Total Segment Liabilities** | **1,81,011.75** | **1,84,619.31** | **1,79,177.19** | **1,81,011.75** | **1,79,177.19** | **1,82,846.53** |
| **Total Liabilities** | **1,81,011.75** | **1,84,619.31** | **1,79,177.19** | **1,81,011.75** | **1,79,177.19** | **1,82,846.53** |

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Mumbai


**TATA STEEL LIMITED**

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Corporate Identity Number L27100MH1907PLC000260


TATA STEEL LIMITED
MUMBAI

Consolidated Statement of Cash Flows for the six months ended on 30th September 2023 (1/2)

₹ Crore

| Particulars | Six months ended on 30.09.2023 | | Six months ended on 30.09.2022 | |
|---|---|---|---|---|
| | Unaudited | | Unaudited | |
| **(A) Cash flows from operating activities:** | | | | |
| **Profit / (Loss) before tax** | | **(4,883.82)** | | **14,511.38** |
| Adjustments for: | | | | |
| Depreciation and amortisation expense | 4,892.17 | | 4,584.61 | |
| Dividend income | (38.13) | | (26.42) | |
| (Gain)/loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off) | (916.21) | | (17.93) | |
| Exceptional (income)/expenses | 6,885.48 | | 58.67 | |
| (Gain)/loss on cancellation of forwards, swaps and options | (151.68) | | (10.63) | |
| Interest income and income from current investments | (410.04) | | (311.99) | |
| Finance costs | 3,784.54 | | 2,737.18 | |
| Foreign exchange (gain)/loss | 427.08 | | (333.00) | |
| Share of profit or loss of joint ventures and associates | 168.38 | | (261.38) | |
| Other non-cash items | 39.76 | | (44.65) | |
| | | 14,681.35 | | 6,374.46 |
| **Operating profit before changes in non-current/current assets and liabilities** | | **9,797.53** | | **20,885.84** |
| Adjustments for: | | | | |
| Non-current/current financial and other assets | 1,275.59 | | 2,132.02 | |
| Inventories | 4,988.97 | | (9,996.41) | |
| Non-current/current financial and other liabilities/provisions | (6,767.32) | | (4,969.21) | |
| | | (502.76) | | (12,833.60) |
| **Cash generated from operations** | | **9,294.77** | | **8,052.24** |
| Income taxes paid (net of refund) | | (2,757.87) | | (3,041.87) |
| **Net cash from/(used in) operating activities** | | **6,536.90** | | **5,010.37** |
| **(B) Cash flows from investing activities:** | | | | |
| Purchase of capital assets | (8,642.14) | | (6,114.21) | |
| Sale of capital assets | 175.33 | | 112.96 | |
| Purchase of non-current investments | (1.32) | | (200.57) | |
| Sale of non-current investments | 4.73 | | 2.55 | |
| (Purchase)/sale of current investments (net) | 1,102.50 | | 4,235.96 | |
| Loans given | (6.73) | | (6.72) | |
| Repayment of loans given | - | | 28.86 | |
| Principal receipts under sublease | 0.77 | | 6.35 | |
| Fixed/restricted deposits with banks (placed)/realised (net) | (20.79) | | 53.16 | |
| Interest received | 210.67 | | 117.01 | |
| Dividend received from associates and joint ventures | 110.34 | | 199.25 | |
| Dividend received from others | 38.76 | | 26.87 | |
| Acquisition of subsidiaries/undertakings | - | | (10,483.02) | |
| Sale of subsidiaries/undertakings[i] | 49.87 | | 40.20 | |
| **Net cash from/(used in) investing activities** | | **(6,978.01)** | | **(11,981.35)** |

table continued on next page

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TATA STEEL LIMITED
MUMBAI

**Consolidated Statement of Cash Flows for the six months ended on 30th September 2023** (2/2)

₹ Crore

| Particulars | Six months ended on 30.09.2023 | | Six months ended on 30.09.2022 | |
|---|---|---|---|---|
| | Unaudited | | Unaudited | |
| **(C) Cash flows from financing activities:** | | | | |
| Proceeds from long-term borrowings (net of issue expenses) | 7,554.91 | | 7,996.12 | |
| Repayment of long-term borrowings | (10,776.51) | | (2,865.79) | |
| Proceeds/(repayments) of short term borrowings (net) | 8,863.07 | | 5,931.03 | |
| Payment of lease obligations | (517.43) | | (585.64) | |
| Acquisition of additional stake in subsidiary | (12.08) | | - | |
| Amount received/(paid) on utilisation/cancellation of derivatives | 406.36 | | (5.86) | |
| Interest paid | (3,861.76) | | (2,415.79) | |
| Dividend paid | (4,428.87) | | (6,291.79) | |
| **Net cash from/(used in) financing activities** | | **(2,772.31)** | | **1,762.28** |
| **Net increase/(decrease) in cash and cash equivalents** | | **(3,213.42)** | | **(5,208.70)** |
| **Opening cash and cash equivalents** (ii) | | **12,129.90** | | **15,606.96** |
| Effect of exchange rate on translation of foreign currency cash and cash equivalents | | (119.81) | | (378.47) |
| **Closing cash and cash equivalents** | | **8,796.67** | | **10,019.79** |

(i) **₹49.87** crore (six months ended 30.09.2022: Nil) received in respect of deferred consideration on disposal of an undertaking.

(ii) Opening cash and cash equivalents includes **Nil** (six months ended 30.09.2022: ₹2.28 crore) in respect of subsidiaries classified as held for sale.

(iii) Significant non-cash movements in borrowings during the period include:

(a) addition on account of subsidiaries acquired during the year **Nil** (six months ended 30.09.2022: ₹4.09 crore)

(b) exchange loss (including translation) **₹227.01** crore (six months ended 30.09.2022: ₹1,088.66 crore)

(c) amortisation/effective interest rate adjustments of upfront fees **₹107.92** crore (six months ended 30.09.2022: ₹200.30 crore)

(d) adjustment to lease obligations, decrease **₹622.49** crore (six months ended 30.09.2022: increase ₹186.84 crore)

(iv) (Gain)/loss on sale of property, plant and equipment includes a non-cash gain of **₹903.40** crore (six months ended 30.09.2022: Nil) on de-recognition of assets pursuant to long-term arrangement.

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TATA STEEL LIMITED
MUMBAI

**Additional information pursuant to Regulation 52(4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, for Consolidated financial results as at and for the quarter/six months ended on 30th September 2023 :**

| | Particulars | Quarter ended on 30.09.2023 | Quarter ended on 30.06.2023 | Quarter ended on 30.09.2022 | Six months ended on 30.09.2023 | Six months ended on 30.09.2022 | Financial year ended on 31.03.2023 |
|---|---|---|---|---|---|---|---|
| 1 | **Net debt equity ratio**<br>*(Net debt / Average equity)*<br>*[Net debt: Non-current borrowings + Current borrowings + Non-current and current lease liabilities - Current investments - Cash and cash equivalents - Other balances with banks (including non-current earmarked balances)]*<br>*[Equity: Equity share capital + Other equity + Non controlling interest]* | 0.79 | 0.69 | 0.63 | 0.79 | 0.63 | 0.61 |
| 2 | **Debt service coverage ratio**<br>*(EBIT / (Net finance charges + Scheduled principal repayments of non-current borrowings and lease obligations (excluding prepayments) during the period))*<br>*[EBIT : Profit before taxes +/(-) Exceptional items + Net finance charges]*<br>*[Net finance charges: Finance costs (excluding interest on current borrowings) - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]* | 0.21 | 0.47 | 3.14 | 0.32 | 3.23 | 2.79 |
| 3 | **Interest service coverage ratio**<br>*(EBIT / Net finance charges)*<br>*[EBIT : Profit before taxes +/(-) Exceptional items + Net finance charges]*<br>*[Net finance charges: Finance costs (excluding interest on current borrowings) - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]* | 1.12 | 3.55 | 4.11 | 1.97 | 10.48 | 6.01 |
| 4 | **Current ratio**<br>*(Total current assets / Current liabilities)*<br>*[Current liabilities: Total current liabilities - Current maturities of non-current borrowings and lease obligations]* | 0.84 | 0.98 | 1.01 | 0.84 | 1.01 | 1.01 |
| 5 | **Long term debt to working capital ratio**<br>*((Non-current borrowings + Non-current lease liabilities + Current maturities of non-current borrowings and lease obligations) / (Total current assets - Current liabilities))*<br>*[Current liabilities: Total current liabilities - Current maturities of non-current borrowings and lease obligations]* | * | * | 52.28 | * | 52.28 | 69.78 |
| 6 | **Bad debts to account receivable ratio**^<br>*(Bad debts / Average trade receivables)* | 0.06 | 0.00 | 0.00 | 0.06 | 0.00 | 0.00 |
| 7 | **Current liability ratio**<br>*(Total current liabilities / Total liabilities)* | 0.57 | 0.52 | 0.56 | 0.57 | 0.56 | 0.53 |
| 8 | **Total debts to total assets ratio**<br>*((Non-current borrowings + Current borrowings + Non-current and current lease liabilities) / Total assets)* | 0.33 | 0.31 | 0.30 | 0.33 | 0.30 | 0.29 |
| 9 | **Debtors turnover ratio** (in days)<br>*(Average trade receivables / Turnover in days)*<br>*[Turnover: Revenue from operations]* | 12 | 12 | 15 | 12 | 16 | 15 |
| 10 | **Inventory turnover ratio** (in days)<br>*(Average inventory / Sale of products in days)* | 86 | 84 | 94 | 84 | 80 | 79 |
| 11 | **Operating EBIDTA margin** (%)<br>*(EBIDTA / Turnover)*<br>*[EBIDTA: Profit before taxes +/(-) Exceptional items + Net finance charges + Depreciation and amortisation - Share of results of equity accounted investments]*<br>*[(Net finance charges: Finance costs - Interest income - Dividend income from current investments - Net gain/ (loss) on sale of current investments)]*<br>*[Turnover: Revenue from operations]* | 7.75 | 10.29 | 10.47 | 9.06 | 17.29 | 13.44 |
| 12 | **Net profit margin** (%)<br>*(Net profit after tax / Turnover)*<br>*[Turnover: Revenue from operations]* | (11.69) | 0.88 | 2.17 | (5.20) | 7.31 | 3.32 |
| 13 | **Debenture redemption reserve** (in ₹ Crore) | 1,328.75 | 1,328.75 | 2,046.00 | 1,328.75 | 2,046.00 | 2,046.00 |
| 14 | **Net worth** (in ₹ Crore)<br>*(Equity share capital + Other equity - Capital reserve - Capital reserve on consolidation - Amalgamation reserve)* | 86,577.53 | 97,935.69 | 1,04,880.94 | 86,577.53 | 1,04,880.94 | 1,00,462.79 |
| 15 | **Outstanding redeemable preference shares** (quantity and value) | | | Not applicable | | | |

* Net working capital is negative
^ 0.00 represents value less than 0.01

**Notes:**

1. The results have been reviewed by the Audit Committee and were approved by the Board of Directors in meetings on November 1, 2023.

2. The Board of Directors of the Company at its meeting held on September 22, 2022, considered and approved the amalgamation of Tata Steel Long Products Limited ("TSLP"), Tata Metaliks Limited ("TML"), The Tinplate Company of India Limited ("TCIL"), TRF Limited ("TRF"), The Indian Steel & Wire Products Limited ("ISWP"), Tata Steel Mining Limited ("TSML") and S&T Mining Company Limited ("S&T Mining") into and with the Company by way of separate schemes of amalgamation and had recommended a share exchange ratio/cash consideration as below:

   a) 67 fully paid-up equity shares of ₹1/- each of the Company for every 10 fully paid-up equity shares of ₹10/- each held by the public shareholders of TSLP.

   b) 79 fully paid-up equity shares of ₹1/- each of the Company for every 10 fully paid-up equity shares of ₹10/- each held by the public shareholders of TML.

   c) 33 fully paid-up equity shares of ₹1/- each of the Company for every 10 fully paid-up equity shares of ₹10/- each held by the public shareholders of TCIL.

   d) 17 fully paid-up equity shares of ₹1/- each of the Company for every 10 fully paid-up equity shares of ₹10/- each held by the public shareholders of TRF.

   e) cash consideration of ₹426/- for every 1 fully paid-up equity share of ₹10/- each held by the minority shareholders of ISWP.

   As part of the scheme of amalgamations, equity shares and preference shares, if any, held by the Company in the above entities shall stand cancelled. No shares of the Company shall be issued nor any cash payment shall be made whatsoever by the Company in lieu of cancellation of shares of TSML and S&T Mining (both being wholly owned subsidiaries).

   The proposed amalgamations will enhance management efficiency, drive sharper strategic focus and improve agility across businesses based on the strong parental support from the Company's leadership. The amalgamations will also drive synergies through operational efficiencies, raw material security and better facility utilisation.

   As part of defined regulatory process, each of the above schemes have received approval(s) from stock exchanges and Securities and Exchange Board of India (SEBI). S&T Mining and TSML being wholly owned subsidiaries of the Company, approval from stock exchanges and SEBI was not required.

   Each of the above schemes have been filed at the relevant benches of the Hon'ble National Company Law Tribunal ('NCLT'). Status of each of these schemes is as below-

   a) Scheme of amalgamation of TSML with the Company - received the sanction of the NCLT. (Also refer Note 5)

   b) Scheme of amalgamation of TSLP with the Company - received the sanction of the NCLT, Mumbai and Cuttack. (Also refer Note 5)

   c) Scheme of amalgamation of TCIL with the Company- received the sanction of NCLT, Mumbai. The scheme has also been filed at NCLT, Kolkata, and the sanction of the NCLT, Kolkata is awaited.

   d) Scheme of amalgamation of S&T with the Company- sanction of the NCLT awaited.

e) Scheme of amalgamation of TML with the Company- sanction of NCLT awaited.
f) Scheme of amalgamation of ISWP with the Company- sanction of NCLT awaited.
g) Scheme of amalgamation of TRF with the Company- sanction of NCLT awaited.

3. The Board of Directors of the Company at its meeting held on February 6, 2023, considered and approved the amalgamation of Angul Energy Limited ("AEL") into and with the Company by way of a scheme of amalgamation and had recommended a cash consideration of ₹1,045/- for every 1 fully paid-up equity share of ₹10/- each held by the shareholders (except the Company) in AEL. Upon the scheme coming into effect, the entire paid-up share capital of AEL shall stand cancelled in its entirety.

   The amalgamation will ensure consolidation of all power assets under a single entity, which will increase system agility for power generation and allocation. It will help the Company to improve its plant reliability, ensuring steady source of power supply while optimising cost. Further, such restructuring will lead to simplification of group structure by eliminating multiple companies in similar operation, optimum use of infrastructure, rationalisation of cost in the areas of operations and administrative overheads, thereby maximising shareholder value of the Company post amalgamation.

   As part of the defined regulatory approval process, this scheme has received approval(s) from stock exchanges and SEBI. Thereafter, the scheme has been filed at the relevant benches of the NCLT and the sanctions of the NCLTs are awaited.

4. The Board of Directors of the Company at its meeting held on November 1, 2023, considered and approved the amalgamation of Bhubaneshwar Power Private Limited ('BPPL') into and with the Company, by way of scheme of amalgamation.

   As part of the scheme, equity shares and preference shares, if any, held by the Company in the BPPL shall stand cancelled. No shares of the Company shall be issued nor any cash payment shall be made whatsoever by the Company in lieu of cancellation of shares of BPPL (being wholly owned subsidiary).

5. The Hon'ble National Company Law Tribunal, Cuttack Bench has vide Order dated August 8, 2023, had approved the Scheme of Amalgamation of TSML with the Company. (Also refer Note 2)

   The Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated October 20, 2023, had approved the Scheme of Amalgamation of TSLP with the Company. (Also refer Note 2)

   Accordingly, the Company has accounted for the above mergers using the pooling of interest method retrospectively for all periods presented in the standalone results as prescribed in Ind AS 103 – "Business Combinations". The non-controlling interest in TSLP is presented under other equity pending allotment of shares in the Company to the non-controlling shareholders of TSLP and the same is considered in both basic and diluted EPS of standalone results. The previous periods' figures in the standalone results have been accordingly restated from April 1, 2022.

   The figures in the consolidated financial results for the quarter ended September 30, 2023 include the impact of the accounting adjustments in accordance with the applicable Ind AS.

   Consequent to the merger, TSML and TSLP are now reported as part of Tata Steel India segment and Neelachal Ispat Nigam Limited, a non-wholly owned subsidiary of TSLP, is now presented as a separate segment with previous periods restated accordingly.

6. Tata Steel Europe Limited ("TSE"), a wholly owned indirect subsidiary of the Company, has assessed the potential impact of the economic downturn in Europe caused by external factors including higher inflation, higher interest rates and supply chain disruption caused by the war in Ukraine on its future business outlook for UK and Mainland Europe (MLE) value chains.

The Board has considered reasonably possible scenarios to stress test the financial position of both the UK and MLE businesses, including the impact of lower steel margins against the Annual Plan and the mitigating actions the Group could take to limit any adverse consequences to liquidity in the annual impairment assessments.

Based on the assessment, the MLE business is expected to have adequate liquidity under all the reasonably possible scenarios considered. In relation to the likely investments required for the de-carbonisation of the MLE operations driven by regulatory changes in Europe and Netherlands, inter alia, the scenarios consider that the Dutch government will provide financial support to execute the decarbonisation strategy.

On 15 September 2023, Tata Steel UK Limited ('TSUK') which forms the main part of the UK Business, announced a joint agreement with the UK Government on a proposal to invest in state-of-the-art electric arc furnace ('EAF') steelmaking at the Port Talbot site with a capital cost of £1.25 billion inclusive of a grant from the UK Government of up to £500 million, subject to relevant regulatory approvals, information and consultation processes, and the finalisation of detailed terms and conditions. Whilst both the Company and the UK Government have signed a term sheet setting out the details and confirming the commitments they intend to enter if the proposal was to proceed, the proposal is currently non-binding until the time that all relevant regulatory approvals, information and consultation processes, and the finalisation of detailed terms and conditions have been completed.

In response to the challenging market and business conditions, TSUK continues to implement various measures aimed at improving its business performance and conserving cash including but not limited to ensuring adequate liquidity, if required, through available financing options, management of working capital and implementation of cost reduction measures.

Given the risks and challenges associated with the underlying market and business conditions, the uncommitted nature of available financing options and the non-binding nature of the proposed EAF investment, there exists a material uncertainty surrounding the impact of such adversities on the financial situation of TSUK.

The financial statements of TSE have been prepared on a going concern basis recognising the material uncertainty in relation to TSUK. The Group has assessed its ability to meet any liquidity requirements at TSE, if required, and concluded that its cashflow and liquidity position remains adequate.

7. The Company had infused funds in the form of loans to T Steel Holdings Pte. Ltd amounting to US$ 4,115 million. During the quarter, the outstanding amount of such loans have been converted into equity based on the fair value of shares of T Steel Holdings Pte. Ltd. Accordingly, the carrying value of such loans amounting to ₹34,168.90 crore as on September 29, 2023 has been recorded as investment in equity shares.

8. During the quarter, the Company and its step-down subsidiary, TSUK, has executed a non-binding term sheet with the UK Government on a proposed plan, under which it would close its blast furnaces and coke ovens (referred to as the 'Heavy End' assets) and would invest in a state-of-the-art electric arc furnace ('EAF') at the Port Talbot site (and also upgrade associated assets) with a capital cost of £1.25 billion inclusive of a grant from the UK Government of up to £500 million.

   The board of directors of TSUK has evaluated that basis the Company's decarbonisation strategy and the prevailing condition of its Heavy End assets, continuing the same on an "as-is" configuration is not sustainable, and accordingly, identified the restructuring plan as being necessary to ensure an economically viable outcome.

In view of the Company's proposed plan to change the business model and process route for steel making, the Heavy End assets will be used only for a defined period, during which the value in use of such assets is expected to be negative and shall not exceed their fair value less cost of disposal. Further, considering the current condition of the Heavy End assets, the fair value less cost of disposal is expected to be negligible.

Hence, the Company carried out an impairment assessment separately for these Heavy End assets and accordingly on a prudent basis impaired the assets that are expected to be used only for a defined period resulting in an impairment charge of ₹2,631 crore during the current quarter which is included within exceptional item 8(c) in the consolidated statement of profit and loss.

The Company has made an announcement of the proposed restructuring plan and executed a term sheet with the UK Government containing details with respect to the restructuring of the Heavy End assets in Port Talbot, the construction and commissioning of the EAF assets and the likely time frame for implementation. The Company initiated informal discussions with trade union representatives in September 2023 explaining the impact of the restructuring proposal including the business operations/sites affected, the proposed timelines and the financial consequences. The Company believes it has created a valid expectation to those affected and a constructive obligation exists as on the reporting date.

Accordingly, the Company on a prudent basis has recorded a provision of ₹2,425 crore during the quarter towards restructuring costs (including potential asset closures and redundancy costs) which is included within exceptional item 8(e) in the consolidated statement of profit and loss.

Considering the above, the carrying value of investments and other financial assets held by the Company in T Steel Holdings Pte. Ltd. (a wholly owned subsidiary) has been tested for impairment and a charge of ₹12,560 crore has been recognized which is included within exceptional item 6(b) in the standalone statement of profit and loss.

9. Exceptional item 8(e) in the consolidated financial results includes a provision of ₹1,187 crore in respect of past service costs on account of additional benefits granted to the members of the British Steel Pension Scheme.

10. The consolidated financial results have been subjected to limited review and the standalone financial results have been audited by the statutory auditors.

T V Narendran
Chief Executive Officer &
Managing Director

Koushik Chatterjee
Executive Director &
Chief Financial Officer

Mumbai: November 1, 2023

TATA STEEL LIMITED
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Tel 91 22 6665 8282 Fax 91 22 6665 7724 Website www.tatasteel.com
Corporate Identity Number L27100MH1907PLC000260

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Angul Energy Limited

### Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Angul Energy Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Reporting of Key audit matters are not applicable on the Company being unlisted entity.

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

**Other Matter**

The Scheme of Amalgamation between Tata Steel Limited ("Transferee Company") with Angul Energy Limited ("Transferor Company'") and their respective shareholders w.e.f. appointed date i.e. April 1, 2022 has been approved by the shareholders in their meeting held on February 06, 2023. The Scheme is subject to the receipt of approval from the (a) requisite majority of the shareholders of the Transferor Company and Transferee Company; (b) Competent Authority (as defined in the Schemes), (c) SEBI and Stock Exchanges (where the shares of transferee Company are listed) and (d) such other approvals, permissions and sanctions of regulatory and other statutory or governmental authorities / quasi-judicial authorities, as may be necessary as per applicable laws. Pending sanction of the scheme, no effect has been considered in these financial statements.

**Responsibilities of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.



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**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

   (g) In our opinion and according to the information and explanations given to us, the managerial remuneration paid/ provided by the company for the year ended March 31,2023 is in accordance with the provisions of section 197 read with schedule V to the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

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i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The Company has not declared and paid any dividend during the year. Therefore, reporting in this regard is not applicable to the Company.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the Company w.e.f. April 1, 2023. Therefore, reporting in this regard is not applicable.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN : 23088926BGXAZC2375

Date: April 24, 2023
Place: Noida (Delhi – NCR)

**Annexure A to Independent Auditor's Report of even date to the members of Angul Energy Limited on the financial statements as of and for the year ended March 31, 2023 (Referred to in paragraph 1 of our report on the other legal and regulatory requirements)**

(i) a. (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant & equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

b. The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified once in a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature its property, plant and equipment. In accordance with this programme, property, plant and equipment were physically verified during the year and no material discrepancies were identified on such verification.

c. Based on the records examined by us, title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) included in note no. 3 to the financial statements are held in the name of the Company.

d. The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.

e. According to information and explanations given by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, provisions of clause 3(1)(e) of the Order are not applicable to the Company.

(ii) a. The management has conducted physical verification of inventories during the year at reasonable interval and in our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification.

b. Based on our examination of the books of accounts of the Company, the Company has not been sanctioned working capital limits from banks or financial institutions during the year. Therefore, the provisions of clause 3(ii)(b) of the Order are not applicable to the Company.

(iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Therefore, the provisions of clause 3(iii) of the Order are not applicable to the Company.

(iv) The Company has no transaction with respect to loan, investment, guarantee and security covered under section 185 and 186 of the Companies Act, 2013 during the year. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.

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(v) The Company has not accepted any deposit or amount which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.

(vii) a. According to the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value Added tax, Cess and other statutory dues as applicable, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.

b. According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) on account of any dispute.

(viii) According to the information and explanation given to us, there was no transactions which have not recorded in the books of account, but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.

(ix) a. The Company has not defaulted in repayment of loan and in the payment of interest thereon during the year. Therefore, the provisions of clause 3(ix)(a) of the Order are not applicable to the Company.

b. According to information and explanations given by the management, the Company is not declared willful defaulter by any bank or financial institution or other lender during the year.

c. The Company has not obtained any term loan during the year. Therefore, the provisions of clause 3(ix)(c) of the Order are not applicable to the Company.

d. The Company has not raised funds on short term basis during the year. Therefore, the provisions of clause 3(ix)(d) of the Order are not applicable to the Company.

e. According to the information and explanations given to us, the Company has no subsidiaries, joint ventures or associates. Therefore, the provisions of clause 3(ix)(e) and 3(ix)(f) of the Order are not applicable to the Company.

(x) a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.

b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.

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(xi) a. Based upon the audit procedures performed and the considering the principles of materiality outline in Standards on Auditing for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.

b. During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c. According to the information and explanation given to us, there are no whistle-blower complaints received by the Company during the year.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

(xiii) As per records of the Company examined by us, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details for the same have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) a. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business;

b. We have considered internal audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with them and during the year hence provision of section 192 of the Companies Act, 2013 are not applicable to the Company. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.

(xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.

b. In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company.

c. In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.

d. According to the information and explanation given to us by the management, the Group has five CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.

Singhi & Co. Chartered Accountants NOIDA DELHI NCR

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Therefore, the provisions of clause 3(xvii) of the Order are not applicable to the Company.

(xviii) There has been no resignation of statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) There are no unspent amounts that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act, 2013 towards Corporate Social Responsibility.

(xxi) The Company does not have subsidiary, associate or joint venture. Therefore, the provisions of clause 3(xxi) of the Order are not applicable to the Company.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN : 23088926BGXAZC2375

Date: April 24, 2023
Place: Noida (Delhi – NCR)

**Annexure B to Independent Auditor's Report of even date to the members of Angul Energy Limited on the financial statements for the year ended March 31, 2023 (Referred to in paragraph 2(f) of our report on the other legal and regulatory requirements)**

We have audited the internal financial controls with reference to financial statements of Angul Energy Limited ('the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to financial statements included obtaining an understanding of Internal Financial Controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

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**Meaning of Internal Financial Controls with reference to financial statements**

A Company's Internal Financial Controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN : 23088926BGXAZC2375

Date: April 24, 2023
Place: Noida (Delhi – NCR)

# ANGUL ENERGY LIMITED

## FINANCIAL STATEMENTS
for the year ended March 31, 2023

# ANGUL ENERGY LIMITED

AEL

BALANCE SHEET as at March 31, 2023

(₹ Lakhs)

| | Note | As at March 31 , 2023 | As at March 31, 2022 |
|---|---|---|---|
| ASSETS | | | |
| **I Non-current assets** | | | |
| (a) Property, plant and equipment | 3 | 92,146.74 | 98,806.62 |
| (b) Capital Work in Progress | 3A | 325.79 | 21.40 |
| (c) Right of use asset | 3B | 117.07 | 118.68 |
| (d) Intangible assets | 4 | - | - |
| (e) Intangible assets under development | | - | - |
| (f) Financial assets | | | |
| (i) Investments | 5A | 106.98 | 91.65 |
| (ii) Other financial assets | 5B | 205.51 | 3.19 |
| (g) Income tax assets | 6 | 923.45 | 1,091.61 |
| (h) Other non-current assets | 7 | 469.76 | 44.81 |
| **Total non-current assets** | | **94,295.30** | **1,00,177.96** |
| **II Current assets** | | | |
| (a) Inventories | 8 | 533.15 | 388.70 |
| (b) Financial assets | | | |
| (i) Investments | 5A | 1,854.38 | - |
| (ii) Trade receivables | 9 | 3,863.02 | 4,243.48 |
| (iii) Cash and cash equivalents | 10 | 64.26 | 231.99 |
| (iv) Other balance with bank | 11 | 6.39 | 244.24 |
| (v) Other financial assets | 5B | 1.03 | 0.81 |
| (c) Contract Assets | 6A | 94.03 | - |
| (d) Other assets | 7 | 31.93 | 33.31 |
| **Total current assets** | | **6,448.19** | **5,142.53** |
| **III Assets held for sale** | | - | - |
| Total assets | | **1,00,743.49** | **1,05,320.49** |
| | | | |
| EQUITY AND LIABILITIES | | | |
| **I Equity** | | | |
| (a) Equity share capital | 12 | 1,000.01 | 1,000.01 |
| (b) Other equity | 13 | 92,429.31 | 87,008.68 |
| **Total Equity** | | **93,429.32** | **88,008.69** |
| **II Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14A | - | 4,200.00 |
| (ii) Lease Liabilities | 14B | 17.74 | 18.88 |
| (iii) Other financial liabilities | 14D | 168.26 | 173.70 |
| (b) Provisions | 15 | 403.79 | 367.86 |
| (c) Deferred tax liabilities (net) | | - | - |
| (d) Other liabilities | | - | - |
| **Total non-current liabilities** | | **589.79** | **4,760.44** |
| **III Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14A | 3,000.00 | 8,400.00 |
| (ii) Lease Liabilities | 14B | 1.52 | 0.01 |
| (iii) Trade payables | | | |
| - total outstanding dues of micro enterprises and small enterprises | 14C | 483.79 | 239.71 |
| - total outstanding dues of creditors other than micro enterprises and small | 14C | 1,452.66 | 1,272.79 |
| (iv) Other financial liabilities | 14D | 792.82 | 1,550.43 |
| (b) Other liabilities | 16 | 983.54 | 1,080.98 |
| (c) Provisions | 15 | 10.05 | 7.45 |
| (d) Current tax liabilities (net) | | - | - |
| **Total current liabilities** | | **6,724.38** | **12,551.37** |
| Total equity and liabilities | | **1,00,743.49** | **1,05,320.49** |
| The accompanying notes are forming part of financial statements | 1-49 | | |

As per our report of even date attached
For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

**Bimal Kumar Sipani**
Partner
Membership No. 088926

Date: April 24, 2023
Place: Noida (Delhi - NCR)

For and on behalf of the Board of Directors

**Subodh Pandey**
Director
(DIN : 08279634)
Place : Angul

**Shailesh Verma**
Managing Director
(DIN : 08830968)
Place : Angul

Rupesh Purwar

**Rupesh Purwar**
Company Secretary
Place : New Delhi

**Sanjeev Kumar Poddar**
Chief Financial Officer
Place : Angul

## ANGUL ENERGY LIMITED

### STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2023

(₹ Lakhs)

| | | Note | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|
| I | **Revenue** | | | |
| | (a) Revenue from operations | 17 | 19,499.66 | 18,511.05 |
| | (b) Other income | 18 | 499.37 | 257.15 |
| | **Total income** | | **19,999.03** | **18,768.20** |
| II | **Expenses:** | | | |
| | (a) Cost of materials consumed | | - | - |
| | (b) Purchases of stock-in-trade | | - | - |
| | (c) Changes in inventories of finished goods, stock-in-trade and work-in-progress | | - | - |
| | (d) Employee benefit expense | 19 | 989.30 | 1,108.69 |
| | (e) Finance costs | 20 | 647.49 | 1,547.26 |
| | (f) Depreciation and amortisation expense | 21 | 6,740.82 | 6,787.99 |
| | (g) Other expenses | 22 | 6,221.15 | 4,183.23 |
| | **Total expenses** | | **14,598.76** | **13,627.17** |
| III | **Profit before exceptional items and tax (I-II)** | | **5,400.27** | **5,141.03** |
| IV | Exceptional items | 23 | - | 50.00 |
| V | **Profit before tax (III+IV)** | | **5,400.27** | **5,191.03** |
| VI | **Tax expense:** | | | |
| | (a) Current tax | 25 | - | - |
| | (b) Deferred tax | 25 | - | - |
| | **Total tax expense** | | - | - |
| VII | **Profit for the year (V-VI)** | | **5,400.27** | **5,191.03** |
| VIII | **Other comprehensive income** | | | |
| | **(a) (i) Items that will not be reclassified to profit or loss** | | | |
| | - Re-measurement of the net defined benefit plan | | 5.02 | (67.04) |
| | - Changes in fair value of equity instruments through other comprehensive Income | | 15.34 | 26.36 |
| | **(ii) Income tax relating to items that will not be reclassified to profit or loss** | | - | - |
| | **(b) (i) Items that will be reclassified to profit and loss** | | - | - |
| | **(ii) Income tax relating to items that will be reclassified to profit or loss** | | - | - |
| | **Total other comprehensive income** | | **20.36** | **(40.68)** |
| IX | **Total comprehensive income for the year (VII+VIII)** | | **5,420.63** | **5,150.35** |
| X | **Earnings per equity share [face value of ₹ 10 each]** | | | |
| | Basic (₹) | 24 | 54.00 | 51.91 |
| | Diluted (₹) | 24 | 54.00 | 51.91 |
| | **The accompanying notes are forming part of the financial statements** | 1-49 | | |

As per our report of even date attached
For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

**Bimal Kumar Sipani**
Partner
Membership No. 088926

Date: April 24, 2023
Place: Noida (Delhi - NCR)

For and on behalf of the Board of Directors

**Subodh Pandey**
Director
(DIN : 08279634)
Place : Angul

**Shailesh Verma**
Managing Director
(DIN : 08830968)
Place : Angul

Rupesh Purwar

**Rupesh Purwar**
Company Secretary
Place : New Delhi

**Sanjeev Kumar Poddar**
Chief Financial Officer
Place : Angul

## ANGUL ENERGY LIMITED

STATEMENT OF CASH FLOWS for the year ended March 31, 2023

(₹ Lakhs)

| | For the year ended March 31, 2023 | | For the year ended March 31, 2022 | |
|---|---|---|---|---|
| **(A) CASH FLOW FROM OPERATING ACTIVITIES:** | | | | |
| **Profit before tax** | | **5,400.27** | | **5,191.03** |
| Adjustments for: | | | | |
| Depreciation and amortisation expenses | 6,740.82 | | 6787.99 | |
| Finance costs | 647.49 | | 1547.26 | |
| Exceptional items | - | | (50.00) | |
| Net gain/(loss) on sale/fair value changes of current investments carried at fair value through profit and loss. | (32.37) | | | |
| Dividend income on non-current investments carried at fair value through other comprehensive income | (11.63) | | (8.75) | |
| Interest income | (155.45) | | (4.69) | |
| | | 7,188.86 | | 8,271.81 |
| **Operating cash flows before working capital changes** | | **12,589.13** | | **13,462.84** |
| Adjustments for: | | | | |
| Trade receivables | 380.46 | | 34.07 | |
| Inventories | (144.45) | | 264.17 | |
| Non-current/current financial and other assets | 149.57 | | 165.39 | |
| Non-current/current financial and other liabilities/provisions | 269.88 | | 388.75 | |
| | | 655.46 | | 852.38 |
| **Cash generated from operations** | | **13,244.59** | | **14,315.22** |
| Direct taxes paid (net of refund) | | 168.16 | | (489.43) |
| **Net cash generated/(used) from operating activities** | | **13,412.75** | | **13,825.79** |
| **(B) CASH FLOW FROM INVESTING ACTIVITIES:** | | | | |
| Payments made for purchase of Property plant and equipment including capital work in progress and capital advances | (812.72) | | (113.58) | |
| Interest received | 155.45 | | 4.69 | |
| Purchase)/sale of current investments (net) | (1,822.00) | | - | |
| (Increase) / decrease in fixed/restricted deposits with banks | (202.89) | | - | |
| Proceeds from redemption of investment in Preference shares | - | | 50.00 | |
| Dividend received | 11.63 | | 11.53 | |
| **Net cash generated/(used) from Investing Activities** | | **(2,670.53)** | | **(47.36)** |
| **(C) CASH FLOW FROM FINANCING ACTIVITIES:** | | | | |
| Repayment of borrowings | (9,600.00) | | (12,200.00) | |
| Payment of lease liabilities | (1.52) | | (1.52) | |
| Finance costs paid | (1,308.43) | | (2,557.96) | |
| **Net cash generated/(used) from Financing Activities** | | **(10,909.95)** | | **(14,759.48)** |
| **Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)** | | **(167.73)** | | **(981.04)** |
| **Cash and Cash Equivalents at the beginning of the year** | | **231.99** | | **1,213.03** |
| **Cash and Cash Equivalents at the end of the year (Refer note 10 )** | | **64.26** | | **231.99** |

**Notes:**

A. The Statement of Cash Flow has been prepared in accordance with 'Indirect Method' as set out in Ind AS 7 'Statement of Cash Flows'.

B. Additional disclosure required under IND AS 7, Refer Note no. 35

**The accompanying notes are forming part of the financial statements.**

As per our report of even date attached
For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

**Bimal Kumar Sipani**
Partner
Membership No. 088926

Date: April 24, 2023
Place: Noida (Delhi - NCR)

For and on behalf of the Board of Directors

**Subodh Pandey**
Director
(DIN : 08279634)
Place : Angul

**Shailesh Verma**
Managing Director
(DIN : 08830968)
Place : Angul

Rupesh Purwar

**Rupesh Purwar**
Company Secretary
Place : New Delhi

**Sanjeev Kumar Poddar**
Chief Financial Officer
Place : Angul

# ANGUL ENERGY LIMITED

## STATEMENT OF CHANGES IN EQUITY for year ended March 31, 2023

### A. EQUITY SHARE CAPITAL

(₹ Lakhs)

| | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | No of shares | Amount | No of shares | Amount |
| Equity Shares of ₹ 10 each issued, subscribed and fully paid | | | | |
| Balance at the beginning of the year | 10000142 | 1000.01 | 10000142 | 1000.01 |
| Changes due to prior period errors | - | - | - | - |
| **Restated balance at the beginning of the year** | **10000142** | **1000.01** | **10000142** | **1000.01** |
| Changes during the year | - | - | - | - |
| **Balance at the end of the year** | **10000142** | **1000.01** | **10000142** | **1000.01** |

### B. OTHER EQUITY

(₹ Lakhs)

| | Reserves and Surplus | | Equity instruments at fair value through other comprehensive income (Refer note 13(c)) | Capital contribution (Refer note 13(d)) | Total Equity |
|---|---|---|---|---|---|
| | Securities premium (Refer note 13(a)) | Retained earnings (Refer note 13(b)) | | | |
| **Balance as at March 31, 2021** | **44,318.00** | **(2,20,038.44)** | **(2,563.38)** | **2,60,142.15** | **81,858.33** |
| Profit for the year (A) | - | 5,191.03 | - | - | 5,191.03 |
| Other comprehensive income for the year (B) | - | (67.04) | 26.36 | - | (40.68) |
| **Total comprehensive income for the year (A+B)** | - | **5,123.99** | **26.36** | - | **5,150.35** |
| **Balance as at March 31, 2022** | **44,318.00** | **(2,14,914.45)** | **(2,537.02)** | **2,60,142.15** | **87,008.68** |
| Profit for the year (A) | - | 5,400.27 | - | - | 5,400.27 |
| Other comprehensive income for the year (B) | - | 5.02 | 15.34 | - | 20.36 |
| **Total comprehensive income for the year (A+B)** | - | **5,405.29** | **15.34** | - | **5,420.63** |
| **Balance as at March 31, 2023** | 44,318.00 | (2,09,509.16) | (2,521.68) | 2,60,142.15 | 92,429.31 |

**The accompanying notes are forming part of the financial statements**

As per our report of even date attached
For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

**Bimal Kumar Sipani**
Partner
Membership No. 088926

Date: April 24, 2023
Place: Noida (Delhi - NCR)

For and on behalf of the Board of Directors

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(DIN : 08279634)
Place : Angul

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Managing Director
(DIN : 08830968)
Place : Angul

Rupesh Purwar

**Rupesh Purwar**
Company Secretary
Place : New Delhi

**Sanjeev Kumar Poddar**
Chief Financial Officer
Place : Angul

## 1. Company Information

Angul Energy Limited ("the Company") is a public limited company incorporated in India with its registered office located at Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110065. The main objective of the Company is to carry on business of generation of thermal power.

The Company was established in the year 2005. The Company has set up 300 MW (2X150MW) and 165 MW (1X165MW) thermal power project at Meramandali Village, District Dhenkanal, Odisha under Phase-I. The plants were commissioned in the year 2010 and 2016 respectively.

### Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, 2015 as amended time to time.

Accounting Policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

The Board of Directors approved the financial statements for the year ended March 31, 2023 and authorised for issue on April 24, 2023.

### Basis of preparation

The financial statements have been prepared on a historical cost basis except certain items that are measured at fair value as explained in accounting policies.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

These financial statements are presented in Indian National Rupee ('₹'), which is the Company's functional currency. All amounts have been rounded to the nearest Lakhs (₹ 00,000), except when otherwise indicated.

### Use of estimates and critical accounting judgements

In the preparation of financial statements, the Company makes judgements in the application of accounting policies; and estimates and assumptions which affects carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions and contingent liabilities, fair value measurements of financial instruments and retirement benefit obligations as disclosed below:

**Impairment**
The Company estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value.

**Useful lives of property, plant and equipment and intangible assets**
The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

**Valuation of deferred tax assets**
The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

**Provisions and contingent liabilities**
A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements.

**Fair value measurements of financial instruments**
When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**Retirement benefit obligations**

The Company's retirement benefit obligations are subject to number of assumptions including discount rates, inflation and salary growth. Significant assumptions are required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these assumptions based on previous experience and third party actuarial advice.

## 2. Summary of significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

### a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities respectively.

### b) Property, plant, and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2015 measured as per the previous Generally Accepted Accounting Principles (GAAP). Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

### c) Intangible assets

Intangible assets are stated at cost of acquisition or construction less accumulated amortisation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous Generally Accepted Accounting Principles (GAAP). Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

### d) Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation is provided on straight line method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013. Estimated useful life (years)

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

| Nature | As per Schedule III | As per Technical Assessment |
|---|---|---|
| Plant and machinery | - 15 years | 01- 26 years |
| Factory Building | - 30 years | 20 - 26 years |

Assets value up to ₹5,000 are fully depreciated in the year of acquisition.

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. In case of computer software, the Company has estimated useful life of five years or less.

Depreciation on all assets commences from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period or estimated useful life whichever is less. The estimated useful lives of assets and residual values are regularly reviewed and, when necessary, are revised.

## e) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

## f) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## g) Inventories

Inventories are valued as follows:

Inventories are valued at lower of cost and net realisable value. Cost of stores & spare parts are computed on first-in-first-out (FIFO) basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. However, materials and other items held for use in the production of finished goods or providing services are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

## h) Revenue Recognition

The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when;

- effective control of goods along with significant risks and rewards of ownership has been transferred to customer;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts with customers is recognized when control of the goods (power) or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services having regard to the terms of the Power Purchase Agreements, tolling agreements, relevant tariff regulations and the tariff orders by the regulator, as applicable, and contracts for services.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated having regard to various relevant factors including historical trend and constraint until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Delayed payment charges and compensation towards shortfall in offtake are recognized when there is reasonable certainty to expect ultimate collections.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends are recognised at the time the right to receive payment is established.

## i) Foreign currencies

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in statement of profit or loss are also recognised in OCI or statement of profit or loss, respectively).

## j) Income Taxes

**Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date.

Current tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets is offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognised for all the taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that

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it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

MAT credit is recognised as an asset, whenever there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

### k) Employee benefits

**Short-term benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees are recognised during the period when the employee renders the services.

**Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Company's contribution to state defined contribution plans namely Employee State Insurance is made in accordance with the Statute, and are recognised as an expense when employees have rendered services entitling them to the contribution.

**Defined benefits plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. In respect of post-retirement benefit re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

**Other long-term benefits**

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/ losses on the compensated absences are immediately taken to the statement of profit and loss and are not deferred.

### l) Leases

**Company as a lessee**

The Company assesses if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the country, term and currency of the contract. Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Company is reasonably certain to exercise these options. The lease liability is subsequently measured at amortized cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lease transfers the ownership of the underlying asset to the Company at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. other are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of operations in the period in which the events or conditions which trigger those payments occur. In the statement of financial position right-of-use assets and lease liabilities are classified respectively as part of property, plant and equipment and short-term/long-term debt.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rentals are recognised as revenue in the period in which they are earned.

## m) Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

**Contingent liability is disclosed for:**

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

## n) Earnings per share

Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

## o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

## p) Fair value measurement

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at

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fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

**Level 1 inputs** are quoted prices /net asset value (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;

**Level 2 inputs** are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

**Level 3 inputs** are unobservable inputs for the asset or liability.

## q) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. The benefit of a government loan at below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

## r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Company operates in a single operating segment and geographical segment.

## s) Financial instruments

**Initial recognition and measurement**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial instrument (except trade receivables) are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115 for pricing adjustments embedded in the contract. Subsequent measurement of financial assets and financial liabilities is described below:

Non-derivative financial assets

**Subsequent measurement**

i. **Financial assets carried at amortised cost**

A financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Investments in equity instruments**

Investments in equity instruments, where the Company has opted to classify such instruments at fair value through other comprehensive income (FVOCI) are measured at fair value through other comprehensive income. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iii. **Financial assets at fair value through Profit & Loss (FVTPL)**

Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

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**t) Compound Financial Instrument**

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. The conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade receivables:** In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

**Other financial assets:** In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

**De-recognition of financial assets:** A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Derivative financial instruments:** In the ordinary course of business, the Company uses derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange. The instruments are confined principally to forward foreign exchange contracts and these contracts do not generally extend beyond six months.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

**Non-derivative financial liabilities**

**Subsequent measurement:** Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

**De-recognition of financial liabilities:** A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability.

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The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments:** Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**u) Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

i. **Ind AS 1 – Material accounting policies** - The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS).

ii. **Ind AS 8 – Definition of accounting estimates** - The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'.

iii. **Ind AS 12 – Income taxes** - Annual Improvements to Ind AS (2021) - The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. Also, If a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1 April 2022.

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## 3. PROPERTY, PLANT AND EQUIPMENT

(₹ Lakhs)

| Gross Carrying Value | Building | Plant and Equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | Total |
|---|---|---|---|---|---|---|---|
| **Cost as at March 31, 2021** | 33,520.63 | 3,28,267.63 | 16.61 | 10.07 | 9.26 | 10.62 | 3,61,834.82 |
| Addition during the year | - | 65.67 | 6.74 | - | 9.80 | 10.27 | 92.48 |
| Sold/discarded during the year | - | - | - | - | - | - | - |
| **Cost as at March 31, 2022** | 33,520.63 | 3,28,333.30 | 23.35 | 10.07 | 19.06 | 20.89 | 3,61,927.30 |
| Addition during the year | - | 74.97 | 0.85 | | 0.68 | 2.83 | 79.33 |
| Sold/discarded during the year | - | - | - | - | - | - | - |
| Cost as at March 31,2023 | 33,520.63 | 3,28,408.27 | 24.20 | 10.07 | 19.74 | 23.72 | 3,62,006.63 |

| Accumulated depreciation and impairment | Building | Plant and Equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | Total |
|---|---|---|---|---|---|---|---|
| **Accumulated impairment as at March 31, 2021** | 6,778.92 | 1,09,370.61 | - | - | - | - | 1,16,149.53 |
| **Accumulated depreciation as at March 31, 2021** | 15,142.23 | 1,25,020.12 | 9.29 | 9.24 | 3.59 | 0.31 | 1,40,184.78 |
| Depreciation for the year | 520.28 | 6,255.60 | 1.16 | 0.07 | 7.16 | 2.10 | 6,786.37 |
| Impairment | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - |
| **Accumulated impairment as at March 31, 2022** | 6,778.92 | 1,09,370.61 | - | - | - | - | 1,16,149.53 |
| **Accumulated depreciation as at March 31, 2022** | 15,662.51 | 1,31,275.72 | 10.45 | 9.31 | 10.75 | 2.41 | 1,46,971.15 |
| Depreciation for the year | 520.28 | 6,205.82 | 1.49 | 0.07 | 4.39 | 7.16 | 6,739.21 |
| Impairment | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - |
| Accumulated impairment as at March 31,2023 | 6,778.92 | 1,09,370.61 | - | - | - | - | 1,16,149.53 |
| Accumulated depreciation as at March 31,2023 | 16,182.79 | 1,37,481.54 | 11.94 | 9.37 | 15.14 | 9.57 | 1,53,710.35 |
| Net carrying value as at March 31, 2022 | 11,079.20 | 87,686.97 | 12.90 | 0.76 | 8.31 | 18.48 | 98,806.62 |
| Net carrying value as at March 31,2023 | 10,558.92 | 81,556.12 | 12.26 | 0.70 | 4.60 | 14.15 | 92,146.74 |

**Note :**

(i) There were no revaluation carried out by the company during the year reported above.

(ii) All title deeds of immovable properties are held in the name of the Company.

### 3A : CAPITAL WORK IN PROGRESS

(₹ Lakhs)

| | As at March 31 , 2023 | As at March 31, 2022 |
|---|---|---|
| Opening carrying amount | 21.40 | - |
| Additions | 383.72 | 21.40 |
| Assets capitalized | (79.33) | - |
| **Closing carrying amount** | **325.79** | **21.40** |

**(i) Ageing schedule of Capital work in progress :**

**As at March 31 , 2023**

(₹ Lakhs)

| | Amount in capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Total |
| Projects in progress | 304.39 | 21.40 | - | - | 325.79 |
| Projects temporary suspended | - | - | - | - | - |
| Total | 304.39 | 21.40 | - | - | 325.79 |

**As at March 31, 2022**

(₹ Lakhs)

| | Amount in capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Total |
| Projects in progress | 21.40 | - | - | - | 21.40 |
| Projects temporary suspended | - | - | - | - | - |
| Total | 21.40 | - | - | - | 21.40 |

(ii) The Company does not have any material project which is overdue or has exceeded its cost compared to its original plan.

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# ANGUL ENERGY LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 3B. RIGHT OF USE ASSETS

(₹ Lakhs)

| | Lease hold Land | Total |
|---|---|---|
| Cost as at March 31, 2021 | 124.74 | 124.74 |
| Sold/discarded during the year | - | - |
| Adjustment during the year | - | - |
| **Cost as at March 31, 2022** | **124.74** | **124.74** |
| Addition during the year | - | - |
| Sold/discarded during the year | - | - |
| Adjustment during the year | - | - |
| Cost as at March 31,2023 | **124.74** | **124.74** |

(₹ Lakhs)

| **Accumulated Amortisation** | Lease hold Land | Total |
|---|---|---|
| Accumulated Amortisation as at March 31, 2021 | 4.44 | 4.44 |
| Amortisation for the year | 1.62 | 1.62 |
| Adjustment / Reclassification during the year | - | - |
| **Accumulated Amortisation as at March 31, 2022** | **6.06** | **6.06** |
| Amortisation for the year | 1.62 | 1.62 |
| Adjustment / Reclassification during the year | - | - |
| Accumulated Amortisation as at March 31,2023 | **7.67** | **7.67** |
| | | |
| Net carrying value as at March 31, 2022 | 118.68 | 118.68 |
| Net carrying value as at March 31,2023 | **117.07** | **117.07** |

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# ANGUL ENERGY LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 4. INTANGIBLE ASSETS

(₹ Lakhs)

| | Commputer Software | Total |
|---|---|---|
| **Cost as at March 31, 2021** | **115.62** | **115.62** |
| Addition during the year | - | - |
| Sold/discarded during the year | - | - |
| **Cost as at March 31, 2022** | **115.62** | **115.62** |
| Addition during the year | - | - |
| Sold/discarded during the year | - | - |
| Cost as at March 31, 2023 | **115.62** | **115.62** |

| | Commputer Software | Total |
|---|---|---|
| **Accumulated amortisation as at March 31, 2021** | **115.62** | **115.62** |
| Amortisation during the year | - | - |
| Disposals | - | - |
| **Accumulated amortisation as at March 31, 2022** | **115.62** | **115.62** |
| Amortisation during the year | - | - |
| Disposals | - | - |
| Accumulated amortisation as at March 31, 2023 | **115.62** | **115.62** |

| | | |
|---|---|---|
| **Net carrying value as at March 31, 2022** | - | - |
| Net carrying value as at March 31, 2023 | - | - |

**Note:** There were no revaluation carried out by the Company during the year.

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5. FINANCIAL ASSETS

A. INVESTMENTS

**NON-CURRENT**

| | | As at March 31, 2023 | As at March 31, 2022 (₹ Lakhs) |
|---|---|---|---|
| **A.** | **Investment carried at fair value through other comprehensive income** | | |
| **a.** | **Investments in Equity shares (quoted)** | | |
| | 267 shares (Previous year 267 shares) of ₹ 2 each of Punjab National Bank Limited | 0.12 | 0.09 |
| | 50,018 shares (Previous year 50,018 shares) of ₹ 10 each of Coal India Limited | 106.86 | 91.56 |
| **b.** | **Investments in ordinary shares (unquoted)** | | |
| | 47,00,000 (Previous year 47,00,000) shares of AUD 1 each fully paid up of Bhushan Steel (Australia ) Pty Limited | - | - |
| | | 106.98 | 91.65 |
| | **Other disclosures** | | |
| | Aggregate carrying value of quoted investments | 106.98 | 91.65 |
| | Aggregate fair value of quoted investments | 106.98 | 91.65 |
| | Aggregate value of unquoted investments | - | - |
| | Aggregate value of impairment in value of unquoted investments | - | - |

**CURRENT**

| | | As at March 31, 2023 | As at March 31, 2022 (₹ Lakhs) |
|---|---|---|---|
| **A.** | **Investment carried at fair value through profit and loss** | | |
| **a.** | **Investments in mutual funds-unquoted** | | |
| | 1,05,191.81 units (Previous year: Nil) of ₹ each of ICICI Prudential liquid fund -Direct growth | 350.48 | - |
| | 18,415.49 units (Previous year: Nil) of ₹ each of Bandhan Liquid fund - Growth (Direct plan) | 500.64 | - |
| | 11,362.58 units (Previous year: Nil) of ₹ each of HDFC liquid fund-Direct growth | 502.59 | - |
| | 11,007.60 units (Previous year: Nil) of ₹ each of Kotak liquid fund-Direct growth | 500.67 | - |
| | | 1,854.38 | - |
| | **Other disclosures** | | |
| | Aggregate carrying value of quoted investments | - | - |
| | Aggregate fair value of quoted investments | - | - |
| | Aggregate value of unquoted investments | 1,854.38 | - |
| | Aggregate value of impairment in value of unquoted investments | - | - |

B. OTHER FINANCIAL ASSETS

**NON-CURRENT**

| | As at March 31, 2023 | As at March 31, 2022 (₹ Lakhs) |
|---|---|---|
| (a) Security deposits | 2.62 | 3.19 |
| (b) Deposit with maturity of more than than twelve months (under CIRP Process) | 202.89 | - |
| | 205.51 | 3.19 |

**CURRENT**

| | As at March 31, 2023 | As at March 31, 2022 (₹ Lakhs) |
|---|---|---|
| **Unsecured, considered good** | | |
| (a) Other advances | 1.03 | 0.81 |
| | 1.03 | 0.81 |
| **Unsecured, Credit impaired** | | |
| (a) Security deposits | 2,058.27 | 2,058.27 |
| Less: Allowance for expected credit loss | (2,058.27) | (2,058.27) |
| | - | - |
| | 1.03 | 0.81 |

6. INCOME TAX ASSETS

**NON-CURRENT**

| | As at March 31, 2023 | As at March 31, 2022 (₹ Lakhs) |
|---|---|---|
| Advance tax and TDS deducted at source (net of tax provisions) | 923.45 | 1,091.61 |
| | 923.45 | 1,091.61 |

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6A CONTRACT ASSETS

**CURRENT**

| | As at March 31, 2023 | (₹ Lakhs) As at March 31, 2022 |
|---|---|---|
| Reimbursement of operation and maintenance expenses (unbilled) | 94.03 | - |
| | **94.03** | - |

7. OTHER ASSETS

**NON-CURRENT**

| | As at March 31, 2023 | (₹ Lakhs) As at March 31, 2022 |
|---|---|---|
| **Unsecured, Considered good** | | |
| (a) Capital advances | 429.00 | - |
| (b) Payment under protest to statutory authorities (refer sub-note (i)) | 12.81 | 12.81 |
| (c) Prepaid expenses | 27.95 | 32.00 |
| | **469.76** | **44.81** |
| **Unsecured, considered doubtful** | | |
| (a) Capital advances | 1,140.37 | 1,140.37 |
| (b) Payment under protest to statutory authorities (refer sub-note (i)) | 4,367.77 | 4,367.77 |
| Less: Provision for doubtful | (5,508.14) | (5,508.14) |
| | - | - |
| | **469.76** | **44.81** |

**CURRENT**

| | As at March 31, 2023 | (₹ Lakhs) As at March 31, 2022 |
|---|---|---|
| **Unsecured, Considered Good** | | |
| (a) Balances with statutory authorities (refer sub-note (i)) | - | 3.20 |
| (b) Prepaid expenses | 10.40 | 9.66 |
| (c) Advance to suppliers | 21.53 | 20.45 |
| | **31.93** | **33.31** |
| **Unsecured, Credit Impaired** | | |
| (a) Advance to suppliers | 310.86 | 310.86 |
| Less: Provision for doubtful | (310.86) | (310.86) |
| | - | - |
| | **31.93** | **33.31** |

(i) Payment under protest relates to custom duty.

8. INVENTORIES

**CURRENT**

(Valued at lower of cost or net realisable value)

| | As at March 31, 2023 | (₹ Lakhs) As at March 31, 2022 |
|---|---|---|
| Stores and spares | 533.15 | 388.70 |
| | **533.15** | **388.70** |

As at March 31, 2023, there is no provision for slow-moving and obsolete items (March 31, 2022: NIL).

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9. TRADE RECEIVABLES

**CURRENT**

(₹ Lakhs)

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Unsecured, Considered good | 3,863.02 | 4,243.48 |
| Less: Allowance for expected credit losses | - | - |
| | **3,863.02** | **4,243.48** |

(i) For details of receivables from related parties, refer note no. 28

(ii) Trade receivables relates to Company's contract with holding company, are non-interest bearing and are on credit terms not exceeding 30 days.

(iii) There are no outstanding receivable debts due from directors or other officers of the Company.

**Reconciliation of receivables outstanding as the beginning and closing of the year are as follows:**

| | For the year ended March 31, 2023 | For the year ended March 31,2022 |
|---|---|---|
| **Opening Balance** | 4,243.48 | 4,277.55 |
| Add: Revenue including reimbursements recognised during the year | 19,499.66 | 18,511.05 |
| Less: Unbilled revenue | 94.03 | - |
| Less: Receipts during the year | 19,786.09 | 18,545.12 |
| **Closing Balance** | **3,863.02** | **4,243.48** |

(iv) Ageing schedule of trade receivable:

As at March 31, 2023

(₹ Lakhs)

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed – considered good | 3,863.02 | - | - | - | - | - | 3,863.02 |
| Undisputed – credit impaired | - | - | - | - | - | - | - |
| Disputed - considered good | - | - | - | - | - | - | - |
| Disputed - credit impaired | - | - | - | - | - | - | - |
| **Sub total** | **3,863.02** | - | - | - | - | - | **3,863.02** |
| Less: Allowance for credit losses | - | - | - | - | - | - | - |
| **Total trade receivables** | **3,863.02** | - | - | - | - | - | **3,863.02** |

As at March 31, 2022

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed – considered good | 4,243.48 | - | - | - | - | - | 4,243.48 |
| Undisputed – credit impaired | - | - | - | - | - | - | - |
| Disputed - considered good | - | - | - | - | - | - | - |
| Disputed - credit impaired | - | - | - | - | - | - | - |
| **Sub total** | **4,243.48** | - | - | - | - | - | **4,243.48** |
| Less: Allowance for credit losses | - | - | - | - | - | - | - |
| **Total receivable** | **4,243.48** | - | - | - | - | - | **4,243.48** |

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10. CASH AND CASH EQUIVALENTS

**CURRENT**

(₹ Lakhs)

| | | As at March 31 , 2023 | As at March 31, 2022 |
|---|---|---|---|
| (a) | Balance with banks | | |
| | - In current accounts | 64.26 | 231.57 |
| (b) | Cash on hand | - | 0.42 |
| | | **64.26** | **231.99** |

11. OTHER BALANCES WITH BANK

**CURRENT**

(₹ Lakhs)

| | As at March 31 , 2023 | As at March 31, 2022 |
|---|---|---|
| **Earmarked balances with banks** | | |
| - Retained balances with bank (under CIRP Process) | 6.39 | 244.24 |
| - Deposit with maturity of more than than twelve months (under CIRP Process) | 202.89 | - |
| | **209.28** | **244.24** |
| **Less: Transferred to other non current financial assets** | (202.89) | - |
| | **6.39** | **244.24** |

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## 12. EQUITY SHARE CAPITAL

(₹ Lakhs)

| | As at March 31 , 2023 | As at March 31, 2022 |
|---|---|---|
| **a) Authorized:** | | |
| **21,00,00,000** (Previous year 21,00,00,000) Equity shares of ₹ 10/- each (Previous year ₹ 10/- each) | 21,000.00 | 21,000.00 |
| | **21,000.00** | **21,000.00** |
| **b) Issued, Subscribed and Paid-up:** | | |
| **1,00,00,142** (Previous year 10,000,142) Equity shares of ₹ 10/- each (Previous year ₹ 10/- each) | 1,000.01 | 1,000.01 |
| | **1,000.01** | **1,000.01** |

**c) Reconciliation of number of shares outstanding at the beginning and at the end of the year**

| Particulars | As at March 31 , 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Number of shares | Amount ( ₹ in lakhs) | Number of shares | Amount (₹ in lakhs) |
| Shares outstanding at the beginning of the year | 1,00,00,142 | 1,000.01 | 1,00,00,142 | 1,000.01 |
| Shares issued during the year | - | - | - | - |
| Reduction during the year | - | - | - | - |
| Shares outstanding at the end of the year | **1,00,00,142** | **1,000.01** | **1,00,00,142** | **1,000.01** |

**d) Rights, preferences and restrictions attached to the equity shares**

The Company has only one class of equity share having a par value of ₹ 10 each (Previous year ₹ 10 each). Each shareholder is eligible for one vote for every share held and is entitled to dividend declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

**e) Details of Equity Shareholders holding more than 5% share in the Company**

Equity shares of ₹ 10/- each fully paid up

| Particulars | As at March 31 , 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Number of shares held | % of holding | Number of shares held | % of holding |
| Tata Steel Limited ("Holding company") | 99,99,904 | 99.99% | 99,99,904 | 99.99% |
| **Total** | **99,99,904** | **99.99%** | **99,99,904** | **99.99%** |

**f) Details of the Promoters Equity Shareholding :**

Equity shares of ₹ 10/- each fully paid up

| Particulars | As at March 31 , 2023 | | | As at March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | Number of shares held | % of holding | % change during the year | Number of shares held | % of holding | % change during the year |
| Tata Steel Limited ("Holding company") | 99,99,904 | 99.99% | - | 99,99,904 | 99.99% | - |
| **Total** | **99,99,904** | **99.99%** | - | **99,99,904** | **99.99%** | - |

**There is no change in Promoters Equity Shareholding during the year.**

**g) In preceding five (5) years, there was no issue of bonus, buy back and issue of shares for consideration other than cash.**

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# ANGUL ENERGY LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 13. OTHER EQUITY

| | | (₹ Lakhs) |
|---|---|---|
| | As at March 31 , 2023 | **As at March 31, 2022** |
| **a) Security premium** | | |
| Balance as at the beginning of the year | 44,318.00 | 44,318.00 |
| Changes during the year | - | - |
| **Balance as at the end of the year** | **44,318.00** | 44,318.00 |
| **b) Retained earnings** | | |
| Balance as at the beginning of the year | (2,14,914.45) | (2,20,038.44) |
| Profit for the year | 5,400.27 | 5,191.03 |
| Transfer from other comprehensive income | - | - |
| Other comprehensive income for the year* | 5.02 | (67.04) |
| **Balance as at the end of the year** | **(2,09,509.16)** | (2,14,914.45) |
| **c) Other comprehensive income** | | |
| Balance as at the beginning of the year | (2,537.02) | (2,563.38) |
| Transfer to retained earnings | - | - |
| Other comprehensive income for the year** | 15.34 | 26.36 |
| **Balance as at the end of the year** | **(2,521.68)** | (2,537.02) |
| **d) Capital contribution** | | |
| Balance as at the beginning of the year | 2,60,142.15 | 2,60,142.15 |
| Addition during the year | - | - |
| **Balance as at the end of the year** | **2,60,142.15** | 2,60,142.15 |
| **Total other equity** | **92,429.31** | **87,008.68** |

* Includes re-measurement gain/(loss) of ₹ 5.02 Lakhs (Previous year ₹ (67.04) Lakhs) on defined benefit plans.

** net gain/(loss) of ₹ 15.34 Lakhs (Previous year ₹ 26.36 Lakhs) on fair value of equity securities through other comprehensive income.

**(a) Securities premium** - This represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

**(b) Retained earnings** - Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders, if any.

**(c) Other comprehensive income** - The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within FVTOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**(d) Capital contribution** - Post implementation of resolution plan dated May 30, 2019, Tata Steel BSL Ltd (now amalgamated with Tata Steel Limited) ("Holding Company") had waived off novated debts (reduced by cost of novation) of ₹ 2,60,142.15 Lakhs in its capacity as the promoter of the Company and recognised such waiver as a capital contribution by the promoter and shown under "Other Equity".

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## 14. FINANCIAL LIABILITIES

### A. BORROWINGS

**NON-CURRENT**

| | As at March 31, 2023 | (₹ Lakhs) As at March 31, 2022 |
|---|---|---|
| **Unsecured** | | |
| Loan from Holding Company* | 3,000.00 | 12,600.00 |
| | **3,000.00** | **12,600.00** |
| Less: Current maturities of loan from holding company classified under 'Current Borrowings' | 3,000.00 | 8,400.00 |
| | - | **4,200.00** |

**CURRENT**

| | As at March 31, 2023 | (₹ Lakhs) As at March 31, 2022 |
|---|---|---|
| Current maturities of loan from holding company # | 3,000.00 | 8,400.00 |
| | **3,000.00** | **8,400.00** |

*Loan from Holding Company carries interest rate of 8% per annum and is repayable on the expiry of 6 years from the date of receipt however the Company may at its discretion prepay the loan.

# The Board of directors have decided the prepayment of ₹ 3,000 lakhs in their meeting held on March 22, 2023 (Previous year ₹ 8,400 lakhs in their meeting held on March 25, 2022).

### B. LEASE LIABILITIES

**NON-CURRENT**

| | As at March 31, 2023 | (₹ Lakhs) As at March 31, 2022 |
|---|---|---|
| **Secured** | | |
| Long-term maturities of finance lease obligations | 19.26 | 18.89 |
| | **19.26** | **18.89** |
| Less: Current maturities of lease liabilities | 1.52 | 0.01 |
| | **17.74** | **18.88** |

**Liabilities are secured by way of underlying asset.**

**CURRENT**

| | As at March 31, 2023 | (₹ Lakhs) As at March 31, 2022 |
|---|---|---|
| **Secured** | | |
| Current maturities of lease liabilities (refer note 34) | 1.52 | 0.01 |
| | **1.52** | **0.01** |

**Liabilities are secured by way of underlying asset.**

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

14C. TRADE PAYABLES

**CURRENT**

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| | | (₹ Lakhs) |
| (a) Total outstanding dues of micro enterprises and small enterprises; | 483.79 | 239.71 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,452.66 | 1,272.79 |
| | 1,936.45 | 1,512.50 |

(i) For details of payables from related parties, refer note no. 28

(ii) Based on the information available and as identified by the management, certain vendors have confirmed their status under the Micro, Small and Medium Enterprises Development Act, 2006, as amended. Accordingly, disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

| | | |
|---|---|---|
| (a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period | | |
| - Principal amount remaining unpaid | 482.75 | 238.67 |
| - Interest due on above | 1.04 | 1.04 |
| (b) The amount of interest paid by the buyer under MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period; | - | - |
| (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006. | - | - |
| (d) The amount of interest accrued and remaining unpaid at the end of accounting period; and | 1.04 | 1.04 |
| (e) The amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. | - | - |

(iii) The Company considers its maximum exposure to liquidity risk with respect to vendors as at March 31, 2023 to be ₹ 1936.45 Lakhs (Marchk 31, 2022 : ₹ 1512.50 Lakhs).

(iv) **Trade Payable ageing**

**As at March 31, 2023**

(₹ Lakhs)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Trade payable | | | | | | | |
| (i) MSME | 483.79 | - | - | - | - | - | 483.79 |
| (ii) Others | 1,438.93 | 1.34 | 3.77 | 0.01 | 2.11 | 6.50 | 1,452.66 |
| (iii) Disputed dues – MSME | | | | | | - | - |
| (iv) Disputed dues - Others | | | | | | | - |
| Total Payable | 1,922.72 | 1.34 | 3.77 | 0.01 | 2.11 | 6.50 | 1,936.45 |

**As at March 31, 2022**

(₹ Lakhs)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Trade payable | | | | | | | |
| (i) MSME | 239.71 | - | - | - | - | - | 239.71 |
| (ii) Others | 994.45 | 73.98 | 95.14 | 63.66 | 42.34 | 3.21 | 1,272.79 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total Payable | 1,234.16 | 73.98 | 95.14 | 63.66 | 42.34 | 3.21 | 1,512.50 |

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14D. OTHER FINANCIAL LIABILITIES

**NON-CURRENT**

| | As at March 31 , 2023 | (₹ Lakhs) As at March 31, 2022 |
|---|---|---|
| (a) Liability towards Employee Benefit Pension Scheme | 168.26 | 173.70 |
| | **168.26** | **173.70** |

**CURRENT**

| | As at March 31 , 2023 | (₹ Lakhs) As at March 31, 2022 |
|---|---|---|
| (a) Interest accrued on borrowings (Holding company) | 434.19 | 1,097.02 |
| (b) Employees Emoluments | 70.09 | 71.78 |
| (c) Other payables # | 266.19 | 381.63 |
| (d) Liability towards Employee Benefit Pension Scheme | 22.35 | - |
| | **792.82** | **1,550.43** |

# Related to expenses payable and contractual manpower obligation.

15. PROVISIONS

**NON-CURRENT**

| | As at March 31 , 2023 | (₹ Lakhs) As at March 31, 2022 |
|---|---|---|
| Provision for employee benefits | | |
| (a) Gratuity (Refer note 26) | 267.32 | 240.14 |
| (b) Leave encashment (Refer note below) | 136.47 | 127.72 |
| | **403.79** | **367.86** |

**CURRENT**

| | As at March 31 , 2023 | (₹ Lakhs) As at March 31, 2022 |
|---|---|---|
| Provision for employee benefits | | |
| (a) Gratuity (Refer note 26) | 6.45 | 4.60 |
| (b) Leave encashment (Refer note below) | 3.60 | 2.85 |
| | **10.05** | **7.45** |

As per the leave policy of the Company, an employee is entitled to be paid the accumulated leave balance on separation. The Company presents provision for compensated absences as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employee etc.

16. OTHER LIABILITIES

**CURRENT**

| | As at March 31 , 2023 | (₹ Lakhs) As at March 31, 2022 |
|---|---|---|
| Statutory Dues | 983.54 | 1,080.98 |
| | **983.54** | **1,080.98** |

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## ANGUL ENERGY LIMITED

NOTES TO FINANCIAL STATEMENTS

### 17. REVENUE FROM OPERATIONS

| | For the year ended March 31, 2023 | (₹ Lakhs) For the year ended March 31, 2022 |
|---|---|---|
| (a) Tolling charges | 16,661.31 | 16,676.50 |
| (b) Recovery of Operation and Maintenance Cost * | 2,838.35 | 1,834.55 |
| | 19,499.66 | 18,511.05 |

*Recovery of operation and Maintenance cost includes ₹ 2838.35 Lakhs (Previous year ₹ 1,834.55 Lakhs) on account of reimbursement of one time operation related cost and are net off of electricity duty amounting ₹ 8677.82 Lakhs (Previous year : ₹ 8746.00 Lakhs)

For transactions made with related parties, refer note no. 28

A. **Disaggregated revenue information**

The disaggregation of the Company's revenue from contract with a customer is as under:

(i) **Reconciliation of revenue as per contract price and as recognised in Statement of Profit or Loss:**

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Revenue as per contract price | 19,499.66 | 18,511.05 |
| Less: Rebates, incentives, discounts etc. | - | - |
| **Revenue as per Statement of Profit and Loss** | **19,499.66** | 18,511.05 |

(ii) The Company presented disaggregated revenue based on the type of goods sold or services rendered directly to customers. Revenue is recognised for goods transferred or services rendered at a point in time or completion of performance obligation.

B. **Movement of contract assets outstanding as the beginning and closing of the year are as follows.**

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Opening Balance** | - | - |
| Add: Reimbursements recognised during the year | 2,838.35 | 1,834.55 |
| Less: Invoicing done during the year | 2,744.32 | 1,834.55 |
| **Closing Contract Assets** | **94.03** | - |

There are no contract liablities at end of the year and for movement of trade receivables, refer note no. 9

C. **Performance Obligation**

Information about the Company's performance obligations for electricity supply contract are summarised below:

The performance obligation of the Company in case of supply of electricity is based on supply of electricity through installed meters. Revenue from supply of electricity is accounted for on the basis of billing cycles on calendar month basis to the customer.

The customer makes the payment for electricity supplied during the billing cycle at contracted price as per terms stipulated under agreement.

There is no unsatisfied performance obligation as on year ending March 31, 2023.

### 18. OTHER INCOME

| | For the year ended March 31, 2023 | (₹ Lakhs) For the year ended March 31, 2022 |
|---|---|---|
| (a) Interest income on: | | |
| -Fixed deposits | 6.69 | 4.69 |
| -Income tax refund | 148.76 | - |
| (b) Net gain/(loss) on sale/fair value changes of current investments carried at fair value through profit and loss. | 32.37 | - |
| (c) Liability/Provision written back | 76.79 | 156.50 |
| (d) Dividend income on non-current investments carried at fair value through other comprehensive income | 11.63 | 8.75 |
| (e) Miscellaneous income (including scrap sales) | 223.13 | 87.21 |
| | 499.37 | 257.15 |

For transactions made with related parties, refer note no. 28

### 19. EMPLOYEE BENEFIT EXPENSES

| | For the year ended March 31, 2023 | (₹ Lakhs) For the year ended March 31, 2022 |
|---|---|---|
| (a) Salaries, wages and gratuity * | 923.74 | 883.82 |
| (b) Contribution to provident and other funds | 20.28 | 27.99 |
| (c) Staff welfare expenses # | 45.28 | 196.88 |
| | 989.30 | 1,108.69 |

* Salary & wages are net off of employee cost of ₹ 396.87 lakhs ( Previous year : ₹ 386.77 Lakhs) recovered from holding Company, Tata Steel Limited under Service agreement.

# includes ₹ 36.73 lakhs ( Previous year : ₹ 193.94 lakhs) pension payable to nominee / spouse of deceased employees.

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## 20. FINANCE COSTS

(₹ Lakhs)

| | | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| (a) | Interest expenses | | |
| | - borrowings | 645.28 | 1,545.42 |
| | - others | 0.32 | 0.02 |
| (b) | Interest on lease obligations | 1.89 | 1.82 |
| | | **647.49** | **1,547.26** |

## 21. DEPRECIATION AND AMORTISATION EXPENSE

(₹ Lakhs)

| | | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| (a) | Depreciation of property, plant and equipment | 6,739.20 | 6,786.37 |
| (b) | Depreciation of right of use assets | 1.62 | 1.62 |
| | | **6,740.82** | **6,787.99** |

## 22. OTHER EXPENSES

(₹ Lakhs)

| | | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| (a) | Consumption of stores, spares and consumables | 2,936.19 | 2,227.13 |
| (b) | Contractual handling expenses | 537.10 | 549.27 |
| (c) | Insurance charges | 276.88 | 257.96 |
| (d) | Rates and taxes | 433.63 | 53.50 |
| (e) | **Repairs and maintenance: #** | | |
| | Machinery | 1,610.14 | 679.54 |
| | Building | - | 79.68 |
| (f) | **Payment to auditor:** | | |
| | Statutory audit fee (including quarterly audit) | 25.00 | 25.00 |
| | Tax audit fee | 5.00 | 5.00 |
| | Certification and other fees | 6.10 | 4.10 |
| | Reimbursement of expenses | 0.65 | 0.23 |
| (g) | Net loss on foreign currency translations and transactions | 0.58 | - |
| (h) | Legal and professional | 86.42 | 80.92 |
| (i) | Directors' sitting fee | 6.80 | 7.40 |
| (j) | Directors' commission | 40.00 | - |
| (k) | Deputation charges | 201.32 | 189.70 |
| (l) | CSR Expenses (refer note 47) | 30.25 | - |
| (m) | Miscellaneous | 25.09 | 23.80 |
| | | **6,221.15** | **4,183.23** |

For transactions made with related parties, refer note no. 28

# Repair and maintenance expenses of ₹ 284.70 lakhs (Previous year ₹ 290.30 lakhs) recovered under service agreement.

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

# ANGUL ENERGY LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 23. EXCEPTIONAL ITEMS

(₹ Lakhs)

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| (a) Reversal of Impairment on investments in preference shares | - | 50.00 |
| | - | **50.00** |

### 24. EARNING PER SHARE

The following table reflects the income and shares data used in computation of the basic and diluted earnings per share:

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| (a) Profit for the year (₹ Lakhs) | 5,400.27 | 5,191.03 |
| (b) Face value per share (₹) | 10.00 | 10.00 |
| (c) Number of equity shares at the beginning of the year | 1,00,00,142 | 1,00,00,142 |
| Add: Issued during the year | - | - |
| Less: Cancelled during the year | - | - |
| Number of equity shares at the end of the year | 1,00,00,142 | 1,00,00,142 |
| (d) Weighted average number of equity shares* | **1,00,00,142** | **1,00,00,142** |
| (e) Effect of dilution | - | - |
| (f) Weighted average number of equity shares for diluted EPS* | **1,00,00,142** | **1,00,00,142** |
| (g) **Earning Per Share : (not annualised)** | | |
| Basic (₹ / share) [ (a)/(d) ] | 54.00 | 51.91 |
| Diluted (₹/ share) [ (a)/(f) ] | 54.00 | 51.91 |

*There have been no transactions involving Equity shares or Potential Equity shares between the reporting date and the date of approval of these financial statements that would have an impact on the outstanding weighted average number of equity shares as at the year end.

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25. TAX EXPENSES

**(a) Income tax expense:**

The major components of income tax expenses are as follows:

**(i) Profit or loss section** **(₹ Lakhs)**

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Current tax expense | - | - |
| Deferred tax expense | - | - |
| **Total income tax expense recognised in statement of profit & loss** | - | - |

**(ii) OCI section** **(₹ Lakhs)**

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Net (gain) on remeasurement of defined benefit plans | - | - |
| Unrealised (gain)/loss on FVTOCI equity securities | - | - |
| **Income tax charged to OCI** | - | - |

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :**

**(₹ Lakhs)**

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Accounting profit before tax from continuing operations | 5,400.27 | 5,191.03 |
| Accounting profit before tax from discontinuing operations | - | - |
| **Accounting profit before income tax** | **5,400.27** | **5,191.03** |
| At India's statutory income tax rate of 34.944% (Previous year: 34.944%) | 1,887.07 | 1,813.95 |
| ***Non-deductible expenses for tax purposes:*** | | |
| (a) Tax effect of Income exempt from tax | - | - |
| (b) Tax effect of Items not deductible | 10.57 | - |
| (c) Tax effect of items brought forward losses and other items | - | - |
| (d) Tax effect due to non accounting of deferred tax assets on brought forward tax losses | (1,897.64) | (1,813.95) |
| Income tax expense reported in the statement of profit and loss | - | - |

**(c)** Deferred tax assets of ₹ 80,685.83 Lakhs (Previous year: ₹ 82,250.43 Lakhs) have not been recognised on unused tax losses and unabsorbed depreciation, as at present it is not probable that sufficient taxable income will be available in near future against which such unused tax losses and unabsorbed depreciation can be utilised.

**(d)** The amounts and expiry dates, if any, of unused tax losses and unabsorbed depreciation on which no deferred tax asset is recognised in the balance sheet are given below :

**As at March 31, 2023** **(₹ Lakhs)**

| Particulars | Year of expiry | Amount |
|---|---|---|
| Unabsorbed depreciation | No expiry | 1,82,709.06 |
| Unused tax losses | next 2 to 8 years | 48,191.34 |
| | | **2,30,900.40** |

**As at March 31, 2022** **(₹ Lakhs)**

| Particulars | Year of expiry | Amount |
|---|---|---|
| Unabsorbed depreciation | No expiry | 1,80,142.44 |
| Unused tax losses | next 3 to 8 years | 55,235.38 |
| | | **2,35,377.82** |

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26 Employee benefits

A. **Defined Contribution Plans**

Provident Fund: During the year, the Company has recognised ₹ 20.28 Lakhs (Previous year ₹ 27.99 Lakhs) as contribution to Employee Provident Fund in the Statement of Profit and Loss.

B. **Defined Benefit Plans - Gratuity**

The Company made provision for gratuity in accordance with Ind-AS 19 "Employee Benefits". Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service subject to maximum of ₹ 20 Lakhs at the time of separation from the company.

**The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2023 wherein expense and liabilities in respect of gratuity were measured using the Projected Unit Credit Method : The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for defined benefit plans:**

(₹ Lakhs)

| | | Current Year | Previous Year |
|---|---|---|---|
| (i) | **Reconciliation of fair value of plan assets and defined benefit obligation:** | | |
| | Fair value of plan assets | - | - |
| | Defined benefit obligation | 273.77 | 244.74 |
| | **Net assets / (liability) recognised in the Balance Sheet at year end** | **(273.77)** | **(244.74)** |
| (ii) | **Changes in the present value of the defined benefit obligation are, as follows:** | | |
| | **Defined benefit obligation at beginning of the year** | **244.74** | **152.09** |
| | Current service cost | 25.59 | 18.76 |
| | Interest expense | 17.42 | 10.27 |
| | Benefits paid | (8.97) | (3.42) |
| | Actuarial (gain)/ loss on obligations - OCI | (5.02) | 67.04 |
| | **Defined benefit obligation at year end** | **273.77** | **244.74** |
| (iii) | **Amount recognised in Statement of Profit and Loss:** | | |
| | Current service cost | 25.59 | 18.76 |
| | Net interest expense | 17.42 | 10.27 |
| | Remeasurement of Net Benefit Liability/ Asset | - | - |
| | **Amount recognised in Statement of Profit and Loss** | **43.01** | **29.03** |
| (iv) | **Amount recognised in Other Comprehensive Income:** | | |
| | Actuarial (gain)/ loss on obligations | (5.02) | 67.04 |
| | Return on plan assets (excluding amounts included in net interest expense) | - | - |
| | **Amount recognised in Other Comprehensive Income** | **(5.02)** | **67.04** |
| (v) | **The Company has no plan assets.** | | |
| (vi) | **The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:** | | |
| | Discount rate (in %) | 7.30% | 7.25% |
| | Salary Escalation (in %) | 8.00% | 8.00% |
| | Rate of return in plan assets (in %) | - | - |
| | Expected average remaining working lives of employees (in years) | 60 | 60 |
| | Expected average remaining working lives of employees (in years) | 18.64 | 19.64 |

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26 Employee benefits

**(vii) A quantitative sensitivity analysis for significant assumption are given as below :** **(₹ Lakhs)**

| | As at March 31 , 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| **Sensitivity Level** | 1% | -1% | 1% | -1% |
| Effect of change in discount rate | (10.00) | 12.00 | (11.00) | 13.00 |
| Effect of change in salary escalation | 11.00 | (10.00) | 12.00 | (11.00) |

a. The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

b. Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

c. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**(viii) Maturity profile of defined benefit obligation :** **(₹ Lakhs)**

| | As at March 31 , 2023 | As at March 31, 2022 |
|---|---|---|
| Within next twelve months | 6.68 | 5.86 |
| Between one to five years | 61.18 | 57.98 |
| Beyond five years | 205.91 | 180.90 |

(ix) **Expected contribution for the next Annual reporting period.** **(₹ Lakhs)**

| | As at March 31 , 2023 | As at March 31, 2022 |
|---|---|---|
| Service Cost | - | - |
| Net Interest Cost | - | - |
| **Expected Expense for the next annual reporting period** | - | - |

**(x) Actuarial Valuation Assumptions**

The Principal actuarial assumptions considered in the valuation were :

**Economic Assumptions :**The discount rate and salary increase rate are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

**Discount Rate :** The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The term of the risk free investments has to be consistent with the estimated term of benefit obligations.

**Salary Escalation Rate :** The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again, a long-term view as to the trend in salary escalation rates has to be taken rather than guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

**Attrition Rate / Withdrawal Rate :** Past experience indicates the current level of attrition. The assumption may incorporate the company's policy towards retention of employees, historical data & industry outlook.

**Mortality Rate :** Mortality Table (IALM) 2012-2014, as issued by Institute of Actuaries of India, for the valuation.

27 Segment Reporting

(a) According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one business segment viz. "Generation and Supply of Power under tolling arrangement" within the country. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

(b) Holding company account for entire revenue of the company for the current year and previous year.

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28 Related party disclosures
(to the extent identified by the Company)
**Names of related parties and description of relationship**

**A Relationship**

**i) Entity having significant influence over the ultimate holding company**
Tata Sons Private Limited

**ii) Holding company**
Tata Steel Limited

**iii) Key Management Personnel :**

| | |
|---|---|
| Mr. Shailesh Verma | Managing Director |
| Mr. Sanjib Nanda ^ | Director |
| Mr. Ansuman Das ^ | Director |
| Mrs. Meena Lall ^ | Director |
| Mr. Subodh Pandey ^ | Director |
| Mr. Sougata Ray ^ | Director |
| Mr. Rajesh Kumar Aggarwal ^ | Director (from July 13, 2021) |
| Mr. Sanjeev Kumar Poddar $ | Chief Financial Officer (from September 15, 2021) |
| Mr. Rupesh Purwar $ | Company Secretary |

^ under Ind AS
$ under the Companies Act, 2013

**iv) Tata Steel Ltd (holding company) holds 50% in joint venture:**
Mjunction Services Limited

**v) Fellow Subsidiaries (being subsidiaries of holding company)***
Tata Steel Technical Services Limited
Bhushan Steel (South) Limited
Tata Pigments Limited
Tata Steel Foundation.
*where transactions has taken place during the period

(₹ Lakhs)

| | Year Ended | Holding Company ^ | Key Management Personnel (KMP) | Fellow Subsidiaries | Grand Total |
|---|---|---|---|---|---|
| **Transactions during the period** | | | | | |
| Tolling charges (including recovery of one time costs) | 31-Mar-23 | 19,499.66 | - | - | 19,499.66 |
| | 31-Mar-22 | 18,511.05 | - | - | 18,511.05 |
| Reimbursement of electricity duty | 31-Mar-23 | 8,677.82 | - | - | 8,677.82 |
| | 31-Mar-22 | 8,746.00 | - | - | 8,746.00 |
| Interest expenses on borrowings | 31-Mar-23 | 645.28 | - | - | 645.28 |
| | 31-Mar-22 | 1,545.42 | - | - | 1,545.42 |
| Proceeds from redemption of preference shares | 31-Mar-23 | - | - | | - |
| | 31-Mar-22 | - | - | 50.00 | 50.00 |
| Deputation cost incurred (Refer note 3 below) # | 31-Mar-23 | 201.32 | - | - | 201.32 |
| | 31-Mar-22 | 189.70 | - | - | 189.70 |
| Short-term employee benefits (Including Director Sitting Fee) | 31-Mar-23 | - | 46.80 | - | 46.80 |
| | 31-Mar-22 | - | 7.40 | - | 7.40 |
| Reimbursement of employee cost [recovered] | 31-Mar-23 | 396.87 | - | - | 396.87 |
| | 31-Mar-22 | 386.77 | - | - | 386.77 |
| Reimbursement of repair and maintenance expenses recovered | 31-Mar-23 | 284.70 | - | - | 284.70 |
| | 31-Mar-22 | 290.30 | - | - | 290.30 |
| Short-term employee benefits (Managerial remuneration to KMP)** | 31-Mar-23 | - | 28.64 | - | 28.64 |
| | 31-Mar-22 | - | 23.63 | - | 23.63 |
| Purchase of goods | 31-Mar-23 | 158.72 | - | - | 158.72 |
| | 31-Mar-22 | 119.49 | - | - | 119.49 |
| Services received # | 31-Mar-23 | 9.58 | - | 370.35 | 379.93 |
| | 31-Mar-22 | 23.90 | - | 418.64 | 442.54 |
| Scrap sales | 31-Mar-23 | 147.10 | - | - | 147.10 |
| | 31-Mar-22 | 87.20 | - | - | 87.20 |
| **Closing balances** | | | | | |
| Receivables (including GST) | 31-Mar-23 | 3,957.05 | - | - | 3,957.05 |
| | 31-Mar-22 | 4,243.48 | - | - | 4,243.48 |
| Borrowing payable | 31-Mar-23 | 3,000.00 | - | - | 3,000.00 |
| | 31-Mar-22 | 12,600.00 | - | - | 12,600.00 |
| Interest on borrowing payable | 31-Mar-23 | 434.19 | - | - | 434.19 |
| | 31-Mar-22 | 1,097.02 | - | - | 1,097.02 |
| Payables (including GST) | 31-Mar-23 | 56.99 | - | 106.52 | 163.51 |
| | 31-Mar-22 | 22.44 | - | 237.85 | 260.29 |

# Including provisions

** The amount related to gratuity cannot be ascertained separately since they are included in the contribution in respect made to the insurance company on a group basis for all employees together. As the liability for leave encashment are provided on actuarial basis for the company as a whole, hence not included as above.

Above amounts are excluding GST unless otherwise stated.

**Terms and conditions related to Outstanding balances :**
1) Trade and others receivables are receivable in cash within 30 days of the due date and are unsecured.
2) All outstanding payables are unsecured and payable in cash.
3) Key management personnel services are provided by holding company.

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29 Financial Instruments

**A) Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:**

(₹ Lakhs)

| | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial assets** | | | | |
| **Measured at amortized cost** | | | | |
| Other financial Assets | | | | |
| - Non Current | 205.51 | 205.51 | 3.19 | 3.19 |
| - Current | 1.03 | 1.03 | 0.81 | 0.81 |
| Trade receivables | 3,863.02 | 3,863.02 | 4,243.48 | 4,243.48 |
| Cash and cash equivalents | 64.26 | 64.26 | 231.99 | 231.99 |
| Other balances with bank | 6.39 | 6.39 | 244.24 | 244.24 |
| **Total Financial assets at amortised cost (A)** | **4,140.21** | **4,140.21** | **4,723.71** | **4,723.71** |
| **Financial Assets** | | | | |
| **Measured at fair value through profit and loss** | | | | |
| Current Investments | 1,854.38 | 1,854.38 | - | - |
| **Total financial assets at fair value through profit and loss (B)** | **1,854.38** | **1,854.38** | - | - |
| **Measured at fair value through other Comprehensive Income** | | | | |
| Non Current Investments | 106.98 | 106.98 | 91.65 | 91.65 |
| **Total financial assets at fair value through other comprehensive Income (C)** | **106.98** | **106.98** | **91.65** | **91.65** |
| **Total financial assets ( A+B+C )** | **6,101.57** | **6,101.57** | **4,815.36** | **4,815.36** |
| **Financial liabilities** | | | | |
| **Measured at amortized cost** | | | | |
| Borrowings and lease liabilities | 3,019.26 | 3,019.26 | 12,618.89 | 12,618.89 |
| Trade payables | 1,936.45 | 1,936.45 | 1,512.50 | 1,512.50 |
| Other financial liabilities | 168.26 | 168.26 | 1,724.13 | 1,724.13 |
| **Total** | **5,123.97** | **5,123.97** | **15,855.52** | **15,855.52** |

The management assessed that cash and cash equivalents, other bank balances, trade and other receivables, trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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**B) Fair value hierarchy**

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:-

**Level 1:** Quoted prices for identical instruments in an active market;

**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

**B.1) Financial assets and liabilities measured at fair value - recurring fair value measurements**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ Lakhs)

| As at 31st March 2023 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Assets at fair value** | | | | |
| Investments measured at - | | | | |
| Fair value through other comprehensive income | 106.98 | - | - | **106.98** |
| Fair value through profit & loss | - | 1,854.38 | - | **1,854.38** |

| As at 31st March 2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Assets at fair value** | | | | |
| Investments measured at - | | | | |
| Fair value through other comprehensive income | 91.65 | - | - | **91.65** |
| Fair value through profit & loss | - | - | - | - |

**a) Valuation process and technique used to determine fair value**

i) The fair value of investments in quoted equity shares is based on the current bid price of respective investment as at the balance sheet date and fair value of investments in mutual funds is based on unquoted net assets value as at the balance sheet date.

ii) There is no transfer between level 1 to level 2.

iii) The Company has investments in equity of a foreign company which has negative networth therefore fair value has been considered NIL (Previous year NIL).

**B.2) Fair value of instruments measured at amortised cost**

For the purpose of disclosing fair values of financial instruments measured at amortised cost, the management assessed that fair values of short term financial assets and liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. Further, the fair value of long term financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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30 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposits given, employee advances, trade and other receivables, cash and term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk, liquidity risk, interest risk and foreign currency risk. The Company's management oversees the management of these risks. The management reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Company is not significantly exposed to currency risk and other price risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's long-term debt obligations with prevailing market interest rate .

After CIRP process, the Company have fixed rate borrowings therefore no interest rate risk exist.

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities including deposits with banks and other third parties and other financial instruments.

**Trade and other receivables:**

Trade receivables do not have any significant potential credit risk for the Company as the business of the Company is with single customer. The Company Management has established a credit policy under which the customer is analyzed for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit limit has been set up and reviewed periodically. The credit risk from loans and advances are being managed in accordance with the procedures defined by the Company which includes parameters of safety, liquidity and returns. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank reference checks are also done.

**Liquidity risk**

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of liquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable the Company to meet its payment obligations. Currently the Company is facing liquidity crises due to cash losses and major capitalisation in past.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ Lakhs)

| | < 1 year | 2-3 years | 3-5 years | > 5 years | Total |
|---|---|---|---|---|---|
| **Year ended March 31, 2023** | | | | | |
| Borrowings and lease liabilities # | 3,001.52 | 1.52 | 3.04 | 13.18 | 3,019.26 |
| Trade payables | 1,936.45 | - | - | - | 1,936.45 |
| Other financial liabilities | 168.26 | - | - | - | 168.26 |
| | **5,106.23** | **1.52** | **3.04** | **13.18** | **5,123.97** |
| **Year ended March 31, 2022** | | | | | |
| Borrowings and lease liabilities # | 8,400.01 | 4,200.01 | 3.04 | 15.82 | 12,618.88 |
| Trade payables | 1,512.50 | - | - | - | 1,512.50 |
| Other financial liabilities | 1,724.13 | - | - | - | 1,724.13 |
| | **11,636.64** | **4,200.01** | **3.04** | **15.82** | **15,855.51** |

**# Refer Note No. 14**

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The exposure of entity to foreign currency risk is very limited on account of limited transactions in foreign currency.

**Foreign currency sensitivity**

The Company has exposure in foreign currencies. The impact on the Company's profit before tax is due to changes in foreign exchange rates and its impact on value of monetary assets and liabilities. The Company's exposure to foreign currency changes is not material.

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31 Exposure to Financial and Commodity Derivatives

**The Company has not entered into derivative instruments to hedge their foreign currency contracts. Foreign currency exposure that are not hedged by a derivative instrument as at Balance Sheet are as follows**

(₹ Lakhs)

| | Currency | As at March 31 , 2023 | | | As at March 31, 2022 | | |
|---|---|---|---|---|---|---|---|
| | | Amount in Foreign Currency | Amount | Conversion Rate | Amount in Foreign Currency | Amount | Conversion Rate |
| **Unhedged Payables** | | | | | | | |
| Trade Payables | USD | - | - | - | 0.06 | 4.39 | 75.67 |
| **Total** | | - | - | | **0.06** | **4.39** | |

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ Lakhs)

| | Currency | As at March 31 , 2023 | As at March 31, 2022 |
|---|---|---|---|
| **USD sensitivity** | | | |
| INR/USD- increase by 10%* | USD | - | (0.01) |
| INR/USD- decrease by 10%* | USD | - | 0.01 |

*Holding all other variables constant

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### 32 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

(₹ Lakhs)

| | As at March 31 , 2023 | As at March 31, 2022 |
|---|---|---|
| Equity Share Capital | 1,000.01 | 1,000.01 |
| Other Equity | 92,429.31 | 87,008.68 |
| **Shareholders' Fund** | **93,429.32** | **88,008.69** |
| Borrowings | 3,000.00 | 12,600.00 |
| Lease Liabilities | 19.26 | 18.89 |
| **Total debts** | **3,019.26** | **12,618.89** |
| **Net debt to total equity** | **0.03** | **0.14** |

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33 Commitments and Contingencies

**Contingent liabilities, contingent assets and commitments as identified by the Company**

(₹ Lakhs)

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Contingent liabilities (not provided for) in respect of:** | | |
| **A. Demands, among others against which the Company has preferred appeals** | | |
| - Entry Tax | - | - |
| - Income Tax | - | - |
| - Customs | - | - |
| **Total** | - | - |

As per the approved Resolution Plan, contingent liabilities (which have / are capable of being crystallized) prior to May 30, 2019 ("Effective Date") stand extinguished.

Furthermore, the Resolution Plan, among other matters, provide that except to the extent of the amount payable to the relevant Operational Creditors in accordance with the Resolution Plan, all liabilities of the Company relating in any manner to the period prior to the Effective Date, immediately, irrevocably and unconditionally stand fully and finally discharged and settled and there being no further claims whatsoever, and all the rights of the Operational Creditors and Other Creditors to invoke or enforce the same stands waived off. It is provided that any and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors to enforce any rights or claims against the Company also stands extinguished. Further, in terms of the Resolution Plan, no Governmental Authority has any further rights or claims against the Company, in respect of the period prior to the Effective Date and / or in respect of the amounts written off and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors, to enforce any rights or claims against the Company will immediately, irrevocably and unconditionally stand withdrawn, abated, settled and/or extinguished. Further, the Operational Creditors of the Company (including Governmental Authorities) and Other Creditors will have no further rights or claims against the Company (including but not limited to, in relation to any past breaches by the Company), in respect of any liability for period prior to the Effective Date, and all such claims shall immediately, irrevocably and unconditionally stand extinguished.

The Company has been advised that while the Resolution Plan provides for extinguishment of all liabilities of the Company owed to Operational Creditors and Other Creditors as of the Insolvency Commencement Date i.e. January 08, 2018, the implementation of the Resolution Plan does not have any such similar effect over claims or receivables owed to the Company. Accordingly, the Company has concluded that any receivables due to the Company, evaluated based on merits of underlying litigations, from various governmental agencies continue to subsist.

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **B. Capital Commitment** | | |
| - The Company has entered into contracts with suppliers and contractors for Erection, Installation, Commissioning of capital items (net of advances ₹ 429 lakhs). | 4,378.52 | - |

34 Leases

**As a Lessee**

(i) The Company recognizes the expenses of short-term leases on a straight-line basis over the lease term. There was no expenses related to short-term leases in current year and previous year..

(ii) There are no income from subleasing right-of-use assets nor any gains or losses from sales and leaseback for the year ended March 31, 2023. (Previous year Nil)

(iii) There are no variable lease payments for the year ended March 31, 2023 and March 31, 2022.

(iv) Total cash outflow on leases for the year ended March 31, 2023 was ₹ 1.52 Lakhs (Previous year ₹ 1.52 Lakhs)

(v) The maturity profile of the lease liabilities as of March 31, 2023 is as follows:

| Financial Year | 0-1 year | 1-3 years | 3-5 Years | Total |
|---|---|---|---|---|
| FY 22-23 | 1.52 | 3.04 | 3.04 | 7.60 |
| FY 21-22 | 1.52 | 3.04 | 3.04 | 7.60 |

**As a Lessor**

The Company had given certain assets on operating lease to Tata Steel Limited w.e.f. October 24, 2019 for a period of 15 years. Based on agreed terms, Tata Steel Limited shall pay job charges based on electricity unit transferred or ₹ 975 lakhs per month which ever is higher.

35 Other Notes

As per Ind AS 7, the Company is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities is given below :

| Item | Balance as on April 1, 2022 | Cash Flow | Non Cash Changes | Balance as on March 31, 2023 |
|---|---|---|---|---|
| Lease Liability | 18.89 | (1.52) | 1.89 | 19.26 |

| Item | Balance as on April 1, 2021 | Cash Flow | Non Cash Changes | Balance as on March 31, 2022 |
|---|---|---|---|---|
| Lease Liability | 18.59 | (1.52) | 1.82 | 18.89 |

SINGHI & CO
NOIDA DELHI NCR
Chartered Accountants

36 Ratios and their Elements as per the requirements of Schedule III to Companies Act 2013

| Particulars | Numerator | Denominator | March 31, 2023 | March 31, 2022 | % Change | Reason of Change (% change beyond 25%) |
|---|---|---|---|---|---|---|
| a) Current Ratio (Times) | Current Asset | Current Liability | 0.96 | 0.41 | 134.15% | Due to decrease in / repayment of current liablities |
| b) Debt-Equity Ratio (Times) | Total Debt | Shareholder Equity | 0.03 | 0.14 | -78.57% | Due to repayment of borrowings |
| c) Debt Service Coverage Ratio (Times) | EBITDA | Debt Service | 3.72 | 1.42 | 161.97% | Due to repayment of borrowings |
| d) Return on Equity Ratio | Profit after tax | Average Shareholder Equity | 5.95% | 6.08% | -2.14% | |
| e) Inventory turnover ratio (Times) | Cost of material consumed | Average Inventory | NA | NA | NA | |
| f) Trade Receivables turnover ratio (Times) | Net Credit Sales | Average Trade Receivables | 4.81 | 4.34 | 10.83% | |
| g) Trade payables turnover ratio (Times) | Net Credit Purchases | Average Trade Payables | NA | NA | NA | |
| h) Net capital turnover ratio (Times) | Net Sales | Average Working Capital | - | - | - | Being negative hence not disclosed. |
| i) Net profit ratio | Net Profit after Tax | Net Sales | 27.69% | 28.04% | -1.25% | |
| j) Return on Capital employed | Earning before interest and tax | Capital Employed | 5.95% | 6.88% | -13.52% | |
| k) Return on investment | Income received on investments | Average of investments | 4.49% | 9.55% | -52.98% | Lower return on investment |

37 Registration of Charges or satisfaction with Registrar of Companies (ROC)

The company does not have any charges or satisfactions yet to be registered with the registrar of the companies beyond the statutory period.

38 Compliance with approved Scheme(s) of Arrangements

The Board of Directors of Angul Energy Limited at its meeting held on February 06, 2023 approved a Scheme of Amalgamation of Angul Energy Limited ('Transferor Company') into and with Tata Steel Limited ('Transferee Company') (hereinafter referred to as 'the Scheme') w.e.f. appointed date i.e. April 1, 2022.
The Scheme is subject to the receipt of approval from the (a) requisite majority of the shareholders of the Transferor Company and Transferee Company; (b) Competent Authority (as defined in the Schemes), (c) SEBI and Stock Exchanges (where the shares of transferee Company are listed) and (d) such other approvals, permissions and sanctions of regulatory and other statutory or governmental authorities / quasi-judicial authorities, as may be necessary as per applicable laws.

39 Details of Benami Property held

There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Properties Transactions Act, 1988 and rules made thereunder.

40 Wilful Defaulter

The Company has not been declared as wilful defaulter by any bank or financial institution or other Lender.

41 Relationship with Struck off Companies

During the year, the Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013.

42 Compliance with number of layers of companies

The Company has no subsidiary, therefore clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable on the Company.

43 Utilisation of Borrowed funds and share premium

During the financial year ended March 31, 2023, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44 Undisclosed Income

The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

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45 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

46 Core Investment Company (CIC)

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Based on the information and explanations provided by the management of the Company, the Group has six CICs as part of the Group.

47 Corporate Social Responsibility

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| (i) Amount required to be spent by the company during the year | 30.25 | - |
| (ii) Amount of expenditure incurred | 30.25 | 5.09 |
| (iii) Shortfall at the end of the period | - | - |
| (iv) Total of previous years shortfall | - | - |
| (v) Reason of shortfall | - | - |
| (vi) Nature of CSR activities | Livelihood, Education,Drinking water,Sports Activities | Rural sports promotion. |
| (vii) Details of related party transactions | | - |
| - paid to Tata Steel Foundation | 30.25 | |
| (viii) Movement Provision made for contractual obligation | - | - |

48 In terms of requirements of IAS – 36 "Impairment of Assets", the Company has carried out an impairment assessment of the Company using value in use model which is based on the net present value of the future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions etc. Based on the assessment, the Company believes that carrying amount of aforesaid CGU does not exceed its recoverable amount and accordingly no further impairment loss / impairment reversal is required to be recognized.

49 Previous year/period's figures have been regrouped or rearranged to confirm current year classification wherever necessary.

As per our report of even date attached
For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

**Bimal Kumar Sipani**
Partner
Membership No. 088926

Date: April 24, 2023
Place: Noida (Delhi - NCR)

For and on behalf of the Board of Directors

**Subodh Pandey**
Director
(DIN : 08279634 )
Place : Angul

**Shailesh Verma**
Managing Director
(DIN : 08830968)
Place : Angul

Rupesh Purwar

**Rupesh Purwar**
Company Secretary
Place : New Delhi

**Sanjeev Kumar Poddar**
Chief Financial Officer
Place : Angul

Singhi & Co.
Chartered Accountants

Unit No. 1704, 17th Floor
World Trade Tower (WTT), DND Flyway
Sector - 16, Noida 201 301 (India)
T +91 (0120) 297 0005, 92055 75996
E newdelhi@singhico.com
www.singhico.com

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Angul Energy Limited

### Report on the audit of Interim Financial Statements

### Opinion

We have audited the accompanying special purpose interim financial statements of Angul Energy Limited ("the Company") which comprise the Balance sheet as at September 30, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the period from April 01, 2023 to September 30, 2023 and notes to the interim financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the interim financial statements").

In our opinion and to the best of our information and according to the explanations given to us, these Interim financial statements read with notes therein give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the period from April 01, 2023 to September 30, 2023.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the interim financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

**Management's Responsibilities for the Interim Financial Statements**

The Company's Board of Directors are responsible for the preparation of these interim financial statements that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the interim financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the audit of the Interim Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Interim financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing our opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Interim financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matter**

The Company has decided to prepare audited interim financial statements for the quarter ended September 30, 2023 in the form and manner defined under Ind AS 34 'Interim financial statements' for the purpose of consolidation with financial statements of its holding company Tata Steel Limited.

**For SINGHI & CO.**
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN : 23088926BGXBLZ8246

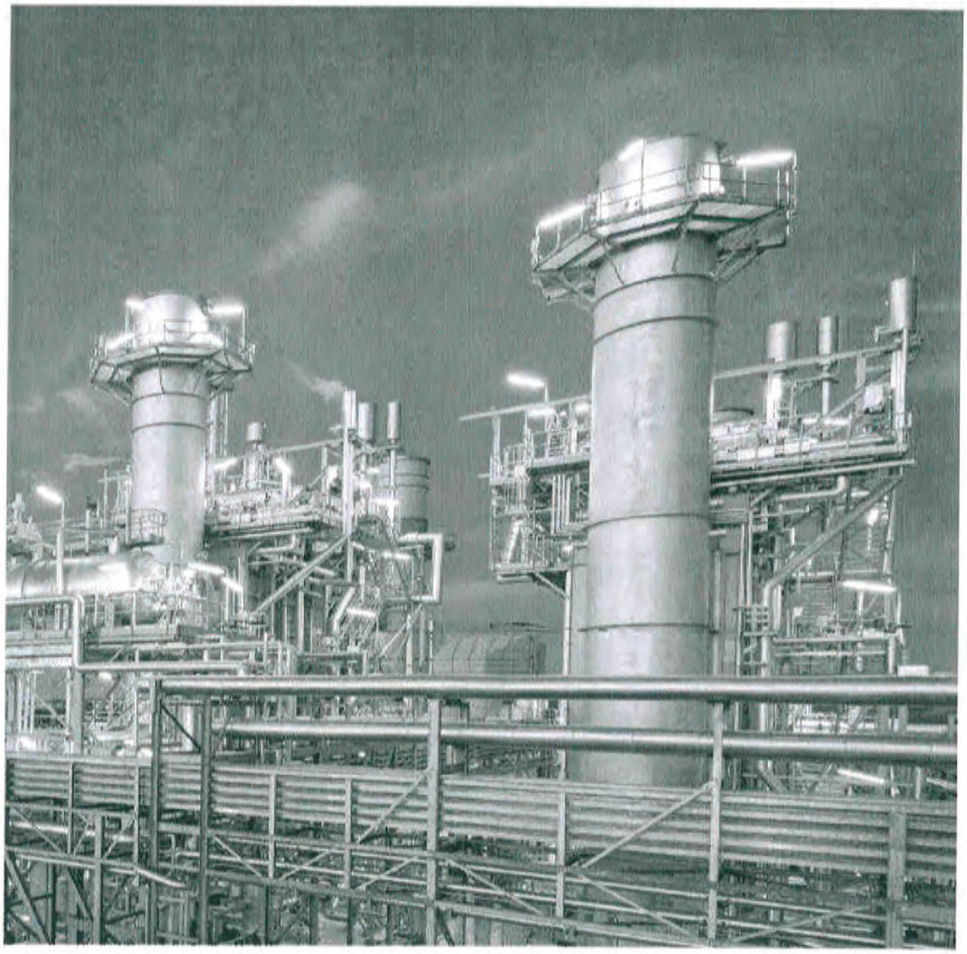
Place: Noida (Delhi – NCR)
Date: October 17, 2023

# ANGUL ENERGY LIMITED

AEL

FINANCIAL STATEMENTS

for the period ended September 30, 2023



## ANGUL ENERGY LIMITED

BALANCE SHEET as at September 30, 2023

(₹ Lakhs)

| | Note | As at September 30, 2023 | As at March 31, 2023 |
|---|---|---|---|
| ASSETS | | | |
| I Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 88,865.02 | 92,146.74 |
| (b) Capital Work in Progress | 3A | 1,624.54 | 325.79 |
| (c) Right of use asset | 3B | 116.26 | 117.07 |
| (d) Intangible assets | 4 | - | - |
| (e) Financial assets | | | |
| (i) Investments | 5A | 147.86 | 106.98 |
| (ii) Other financial assets | 5B | 212.28 | 205.51 |
| (f) Income tax assets | 6 | 796.76 | 923.45 |
| (g) Deferred tax assets (Net) | 7B | 75,184.11 | - |
| (h) Other non-current assets | 7 | 272.22 | 469.76 |
| Total non-current assets | | 1,67,219.05 | 94,295.30 |
| II Current assets | | | |
| (a) Inventories | 8 | 883.62 | 533.15 |
| (b) Financial assets | | | |
| (i) Investments | 5A | 3,724.49 | 1,854.38 |
| (ii) Trade receivables | 9 | 3,203.79 | 3,863.02 |
| (iii) Cash and cash equivalents | 10 | 712.21 | 64.26 |
| (iv) Other balance with bank | 11 | 6.39 | 6.39 |
| (v) Other financial assets | 5B | 1.30 | 1.03 |
| (c) Contract Assets | 6A | 584.12 | 94.03 |
| (d) Other assets | 7 | 1,417.83 | 31.93 |
| Total current assets | | 10,533.75 | 6,448.19 |
| III Assets held for sale | | - | - |
| Total assets | | 1,77,752.80 | 1,00,743.49 |
| EQUITY AND LIABILITIES | | | |
| I Equity | | | |
| (a) Equity share capital | 12 | 1,000.01 | 1,000.01 |
| (b) Other equity | 13 | 1,72,488.35 | 92,429.31 |
| Total Equity | | 1,73,488.36 | 93,429.32 |
| II Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14A | - | - |
| (ii) Lease Liabilities | 14B | 18.68 | 17.74 |
| (iii) Other financial liabilities | 14D | 175.12 | 168.26 |
| (b) Provisions | 15 | 444.80 | 403.79 |
| Total non-current liabilities | | 638.60 | 589.79 |
| III Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14A | - | 3,000.00 |
| (ii) Lease Liabilities | 14B | 1.52 | 1.52 |
| (iii) Trade payables | | | |
| - total outstanding dues of micro enterprises and small enterprises | 14C | 499.60 | 483.79 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 14C | 1,016.80 | 1,452.66 |
| (iv) Other financial liabilities | 14D | 965.43 | 792.82 |
| (b) Other liabilities | 16 | 1,131.40 | 983.54 |
| (c) Provisions | 15 | 11.09 | 10.05 |
| Total current liabilities | | 3,625.84 | 6,724.38 |
| Total equity and liabilities | | 1,77,752.80 | 1,00,743.49 |
| The accompanying notes are forming part of financial statements | 1-35 | | |

As per our report of even date attached
For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

Bimal Kumar Sipani
Partner
Membership No. 088926

Date: October 17, 2023
Place: Noida (Delhi - NCR)

For and on behalf of the Board of Directors

Subodh Pandey
Director
(DIN : 08279634)
Place : Angul

Shailesh Verma
Managing Director
(DIN : 08830968)
Place : Angul

Rupesh Purwar
Company Secretary
Place : New Delhi

## ANGUL ENERGY LIMITED

STATEMENT OF PROFIT AND LOSS for the period ended September 30, 2023

(₹ Lakhs)

| | | Note | For the period ended September 30, 2023 | For the period ended September 30, 2022 |
|---|---|---|---|---|
| I | **Revenue** | | | |
| | (a) Revenue from operations | 17 | 11,354.01 | 9,360.50 |
| | (b) Other income | 18 | 270.50 | 306.29 |
| | **Total income** | | **11,624.51** | **9,666.79** |
| II | **Expenses:** | | | |
| | (a) Cost of materials consumed | | - | - |
| | (b) Employee benefit expense | 19 | 539.70 | 530.91 |
| | (c) Finance costs | 20 | 32.37 | 426.23 |
| | (d) Depreciation and amortisation expense | 21 | 3,324.49 | 3,387.68 |
| | (e) Other expenses | 22 | 2,887.63 | 2,620.89 |
| | **Total expenses** | | **6,784.19** | **6,965.71** |
| III | **Profit before exceptional items and tax (I-II)** | | **4,840.32** | **2,701.08** |
| IV | Exceptional items | 23 | - | - |
| V | **Profit before tax (III+IV)** | | **4,840.32** | **2,701.08** |
| VI | **Tax expense:** | | | |
| | (a) Current tax | 25 | - | - |
| | (b) Deferred tax | 25 | (75,184.11) | - |
| | **Total tax expense** | | **(75,184.11)** | **-** |
| VII | **Profit for the year (V-VI)** | | **80,024.43** | **2,701.08** |
| VIII | **Other comprehensive income** | | | |
| | (a) **(i) Items that will not be reclassified to profit or loss** | | | |
| | - Re-measurement of the net defined benefit plan | | (6.27) | 12.94 |
| | - Changes in fair value of equity instruments through other comprehensive income | | 40.88 | 14.61 |
| | **(ii) Income tax relating to items that will not be reclassified to profit or loss** | | - | - |
| | (b) **(i) Items that will be reclassified to profit and loss** | | - | - |
| | **(ii) Income tax relating to items that will be reclassified to profit or loss** | | - | - |
| | **Total other comprehensive income** | | **34.61** | **27.55** |
| IX | **Total comprehensive income for the year (VII+VIII)** | | **80,059.04** | **2,728.63** |
| X | **Earnings per equity share [face value of ₹ 10 each]** | | | |
| | Basic (₹) | 24 | 800.23 | 27.01 |
| | Diluted (₹) | 24 | 800.23 | 27.01 |

**The accompanying notes are forming part of the financial statements** 1-35

As per our report of even date attached
**For Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

**Bimal Kumar Sipani**
Partner
Membership No. 088926

Date: October 17, 2023
Place: Noida (Delhi - NCR)

For and on behalf of the Board of Directors

**Subodh Pandey**
Director
(DIN : 08279634)
Place : Angul

**Shailesh Verma**
Managing Director
(DIN : 08830968)
Place : Angul

**Rupesh Purwar**
Company Secretary
Place : New Delhi

# ANGUL ENERGY LIMITED

## STATEMENT OF CHANGES IN EQUITY for period ended September 30, 2023

### A. EQUITY SHARE CAPITAL

(₹ Lakhs)

| | As at September 30, 2023 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No of shares | Amount | No of shares | Amount |
| Equity Shares of ₹ 10 each issued, subscribed and fully paid | | | | |
| Balance at the beginning of the period | 10000142 | 1000.01 | 10000142 | 1000.01 |
| Changes due to prior period errors | - | - | - | - |
| **Restated balance at the beginning of the year** | **10000142** | **1000.01** | **10000142** | **1000.01** |
| Changes during the period | - | - | - | - |
| **Balance at the end of the period** | **10000142** | **1000.01** | **10000142** | **1000.01** |

### B. OTHER EQUITY

(₹ Lakhs)

| | Reserves and Surplus | | Equity instruments at fair value through other comprehensive income (Refer note 13(c)) | Capital contribution (Refer note 13(d)) | Total Equity |
|---|---|---|---|---|---|
| | Securities premium (Refer note 13(a)) | Retained earnings (Refer note 13(b)) | | | |
| **Balance as at March 31, 2022** | **44,318.00** | **(2,14,914.45)** | **(2,537.02)** | **2,60,142.15** | **87,008.68** |
| Profit for the year (A) | - | 2,701.08 | - | - | 2,701.08 |
| Other comprehensive income for the year (B) | - | 12.94 | 14.61 | - | 27.55 |
| **Total comprehensive income for the year (A+B)** | - | **2,714.02** | **14.61** | - | **2,728.63** |
| **Balance as at March 31, 2023** | **44,318.00** | **(2,09,509.16)** | **(2,521.68)** | **2,60,142.15** | **92,429.31** |
| Profit for the period (A) | - | 80,024.43 | - | - | 80,024.43 |
| Other comprehensive income for the period (B) | - | (6.27) | 40.88 | - | 34.61 |
| **Total comprehensive income for the period (A+B)** | - | **80,018.16** | **40.88** | - | **80,059.04** |
| **Balance as at September 30, 2023** | 44,318.00 | (1,29,491.00) | (2,480.80) | 2,60,142.15 | 1,72,488.35 |

**The accompanying notes are forming part of the financial statements**

As per our report of even date attached
**For Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

**Bimal Kumar Sipani**
Partner
Membership No. 088926

Date: October 17, 2023
Place: Noida (Delhi - NCR)

For and on behalf of the Board of Directors

**Subodh Pandey**
Director
(DIN : 08279634)
Place : Angul

**Shailesh Verma**
Managing Director
(DIN : 08830968)
Place : Angul

Rupesh Purwar
Company Secretary
Place : New Delhi

# ANGUL ENERGY LIMITED

## STATEMENT OF CASH FLOWS for the year ended September 30, 2023

(₹ Lakhs)

| | For the period ended September 30, 2023 | | For the period ended September 30, 2022 | |
|---|---|---|---|---|
| **(A) CASH FLOW FROM OPERATING ACTIVITIES:** | | | | |
| **Profit before tax** | | **4,840.32** | | **2,701.08** |
| Adjustments for: | | | | |
| Depreciation and amortisation expenses | 3,324.49 | | 3387.68 | |
| Finance costs | 32.37 | | 426.23 | |
| Net gain/(loss) on sale/fair value changes of current investments carried at fair value through profit and loss. | (45.97) | | (1.50) | |
| Dividend income on non-current investments carried at fair value through other comprehensive income | (2.00) | | - | |
| Interest income | (42.09) | | (151.69) | |
| | | **3,266.80** | | **3,660.72** |
| **Operating cash flows before working capital changes** | | **8,107.12** | | **6,361.80** |
| Adjustments for: | | | | |
| Trade receivables | 659.23 | | 567.89 | |
| Inventories | (350.47) | | (139.22) | |
| Non-current/current financial and other assets | (1,878.47) | | (145.88) | |
| Non-current/current financial and other liabilities/provisions | 38.71 | | (17.18) | |
| | | **(1,531.00)** | | **265.61** |
| **Cash generated from operations** | | **6,576.12** | | **6,627.41** |
| Refund of Income tax / ( Net of payment) | | 126.69 | | 273.46 |
| **Net cash generated/(used) from operating activities** | | **6,702.81** | | **6,900.87** |
| **(B) CASH FLOW FROM INVESTING ACTIVITIES:** | | | | |
| Payments made for purchase of Property plant and equipment including capital work in progress and capital advances | (809.21) | | (311.77) | |
| Interest received | 42.09 | | 151.69 | |
| (Purchase)/sale of current investments (net) | (1,824.13) | | - | |
| Dividend received | 2.00 | | 1.50 | |
| **Net cash generated/(used) from Investing Activities** | | **(2,589.24)** | | **(158.58)** |
| **(C) CASH FLOW FROM FINANCING ACTIVITIES:** | | | | |
| Repayment of borrowings | (3,000.00) | | (5,100.00) | |
| Finance costs paid | (465.62) | | (1,286.23) | |
| **Net cash generated/(used) from Financing Activities** | | **(3,465.62)** | | **(6,386.23)** |
| **Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)** | | **647.95** | | **356.06** |
| **Cash and Cash Equivalents at the beginning of the year** | | **64.26** | | **231.99** |
| **Cash and Cash Equivalents at the end of the year (Refer note 10 )** | | **712.21** | | **588.05** |

**Notes:**

A. The Statement of Cash Flow has been prepared in accordance with 'Indirect Method' as set out in Ind AS 7 'Statement of Cash Flows'.

B. Additional disclosure required under IND AS 7, Refer Note no. 34

**The accompanying notes are forming part of the financial statements.**

As per our report of even date attached
**For Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

**Bimal Kumar Sipani**
Partner
Membership No. 088926

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

Date: October 17, 2023
Place: Noida (Delhi - NCR)

For and on behalf of the Board of Directors

**Subodh Pandey**
Director
(DIN : 08279634)
Place : Angul

**Shailesh Verma**
Managing Director
(DIN : 08830968)
Place : Angul

**Rupesh Purwar**
Company Secretary
Place : New Delhi

## 1. Corporate information

Angul Energy Limited ("the Company") is a public limited company incorporated in India with its registered office located at Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110065. The main objective of the Company is to carry on business of generation of thermal power.

The Company has set up 300 MW (2X150MW) and 165 MW (1X165MW) thermal power project at Meramandali Village, District Dhenkanal, Odisha under Phase-I. The plants were commissioned in the year 2010 and 2016 respectively.

### Statement of compliance

The special purpose interim financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, 2015, as amended time to time.

### Basis of preparation

The special purpose interim financial statements have been prepared on a historical cost basis, except:

(a) Certain assets and liabilities that are required to be carried at fair values by Indian Accounting Standards (Ind AS); and

(b) Defined benefit liabilities / (assets): Present value of defined benefit obligation less fair value of plan assets.

The financial statements are presented in INR and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated.

These interim financial statements for the period ended Sept 30, 2023 were approved by the Board of Directors and approved for issue on Oct 15, 2023.

## 2. Summary of significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

### a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset / liability is treated as current when it is expected to be realised/ settled, sold, consumed within the normal operating cycle. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has determined its operating cycle, as explained in Schedule III of the Companies Act, 2013, as twelve months, having regard to the nature of business being carried out by the Company. The same has been considered for classifying assets and liabilities as 'current' and 'non-current' while preparing the financial statements.

### b. Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

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Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

**c. Depreciation and amortisation of property, plant and equipment and intangible assets**

Depreciation or amortisation is provided on straight line method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

| Class of Property, Plant & Equipment | Useful Life |
|---|---|
| Plant and Machinery | 01 - 26 Years |
| Buildings | 20 - 26 Years |

Depreciation on all assets commences from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right of use assets, over the lease period or estimated useful life whichever is less. The estimated useful lives of assets and residual values are regularly reviewed and, when necessary, are revised.

**d. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

**e. Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

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For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**f. Inventories**

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Net realizable value is the estimated selling price in the ordinary course of business based on market price at the reporting date and discounted for the time value of money if material, less estimated costs of completion and estimated costs necessary to make the sale. Raw material is recorded at cost on a first-in-first-out (FIFO) basis. Spare parts including other items are recorded on weighted average basis.

**g. Revenue Recognition**

Revenue from contracts with customers is recognized when control of the goods (power) or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services having regard to the terms of the Power Purchase Agreements, tolling agreements, relevant tariff regulations and the tariff orders by the regulator, as applicable, and contracts for services.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated having regard to various relevant factors including historical trend and constraint until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Delayed payment charges and compensation towards shortfall in offtake are recognized when there is reasonable certainty to expect ultimate collections.

Interest income is recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

**h. Foreign currencies**

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e.,

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translation differences on items whose fair value gain or loss is recognised in statement of profit or loss are also recognised in OCI or statement of profit or loss, respectively).

### i. Income Taxes

**Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date.

Current tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets is offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognised for all the temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

MAT credit is recognised as an asset, whenever there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the principles defined under Ind AS 12 "Income Taxes", the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

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**j. Employee benefits**

Short-term benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees are recognised during the period when the employee renders the services.

Defined contribution plans
Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Defined benefits plans
The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined at the end of each year using the projected unit credit method. In respect of post-retirement benefit re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

Other long term benefits
Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures at the end of each year, the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/ losses on the compensated absences are immediately taken to the statement of profit and loss and are not deferred.

**k. Leases**

**Company as a lessee**
The Company assesses if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the country, term and currency of the contract. Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Company is reasonably certain to exercise these options. The lease liability is subsequently measured at amortized cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the

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lease transfers the ownership of the underlying asset to the Company at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of operations in the period in which the events or conditions which trigger those payments occur. In the statement of financial position right-of-use assets and lease liabilities are classified respectively as part of property, plant and equipment and short-term/long-term debt.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rentals are recognised as revenue in the period in which they are earned.

**l. Provisions, contingent liabilities and contingent assets**

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.
Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

**Contingent liability is disclosed for:**

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

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**m. Earnings per share**

Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

**n. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**o. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

**p. Fair value measurement**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

**q. Government grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.
Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. The benefit of a government loan at below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

**r. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Company operates in a single operating segment and geographical segment.

**s. Financial instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

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Non-derivative financial assets

**Subsequent measurement**

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:
   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
   - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

   After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Investments in equity instruments** - Investments in equity instruments, where the Company has opted to classify such instruments at fair value through other comprehensive income (FVOCI) are measured at fair value through other comprehensive income. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iii. **Financial assets at fair value through Profit & Loss (FVTPL)**
   Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified as at FVTPL.
   Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

**t. Compound Financial Instrument**

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. The conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

**Impairment of financial assets**
In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

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- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade receivables:** In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

**Other financial assets:** In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

**De-recognition of financial assets:** A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Derivative financial instruments:** In the ordinary course of business, the Company uses derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange. The instruments are confined principally to forward foreign exchange contracts and these contracts do not generally extend beyond six months.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

**Non-derivative financial liabilities**

**Subsequent measurement:** Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

**De-recognition of financial liabilities:** A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments :** Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

**Standards issued but not yet effective**

There are no amendments to Standards /New Standards has been issued up to the date of issuance of the Company's financial statements which has impact on the Company's interim financial statements.

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ANGUL ENERGY LIMITED

NOTES TO FINANCIAL STATEMENTS

## 3. PROPERTY, PLANT AND EQUIPMENT

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| Gross Carrying Value | Building | Plant and Equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | T |
|---|---|---|---|---|---|---|---|
| **Cost as at March 31, 2022** | 33,520.63 | 3,28,333.30 | 23.35 | 10.07 | 19.06 | 20.89 | 3,61,927. |
| Addition during the year | - | 74.97 | 0.85 | | 0.68 | 2.83 | 79. |
| Sold/discarded during the year | - | - | - | - | - | - | - |
| **Cost as at March 31, 2023** | **33,520.63** | **3,28,408.27** | **24.20** | **10.07** | **19.74** | **23.72** | **3,62,006.** |
| Addition during the period | - | 39.76 | 0.29 | | 0.27 | 1.66 | 41. |
| Sold/discarded during the period | - | - | - | - | - | 0.24 | 0. |
| Cost as at September 30, 2023 | **33,520.63** | **3,28,448.03** | **24.49** | **10.07** | **20.01** | **25.13** | **3,62,048.** |

| Accumulated depreciation and impairment | Building | Plant and Equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | T |
|---|---|---|---|---|---|---|---|
| **Accumulated impairment as at March 31, 2022** | 6,778.92 | 1,09,370.61 | - | - | - | - | 1,16,149. |
| **Accumulated depreciation as at March 31, 2022** | 15,662.51 | 1,31,275.72 | 10.45 | 9.31 | 10.75 | 2.41 | 1,46,971. |
| Depreciation for the year | 520.28 | 6,205.82 | 1.49 | 0.07 | 4.39 | 7.16 | 6,739. |
| Impairment | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - |
| **Accumulated impairment as at March 31, 2023** | **6,778.92** | **1,09,370.61** | - | - | - | - | **1,16,149.** |
| **Accumulated depreciation as at March 31, 2023** | **16,182.79** | **1,37,481.54** | **11.94** | **9.37** | **15.14** | **9.57** | **1,53,710.** |
| Depreciation for the period | 260.14 | 3,056.14 | 1.07 | 0.03 | 4.34 | 1.96 | 3,323. |
| Impairment for the period | - | - | - | - | - | - | - |
| Disposals for the period | - | - | - | - | - | 0.23 | 0. |
| Accumulated impairment as at September 30, 2023 | **6,778.92** | **1,09,370.61** | - | - | - | - | **1,16,149.** |
| Accumulated depreciation as at September 30, 2023 | **16,442.94** | **1,40,537.68** | **13.01** | **9.40** | **19.48** | **11.30** | **1,57,033.** |
| **Net carrying value as at March 31, 2023** | **10,558.92** | **81,556.12** | **12.26** | **0.70** | **4.60** | **14.15** | **92,146.** |
| Net carrying value as at September 30, 2023 | **10,298.77** | **78,539.74** | **11.48** | **0.67** | **0.53** | **13.83** | **88,865.** |

**Note :**

(i) There were no revaluation carried out by the company during the period reported above.

(ii) All title deeds of immovable properties are held in the name of the Company.

### 3A : CAPITAL WORK IN PROGRESS

(₹ Lakhs)

| | As at September 30 , 2023 | As at March 31, 2023 |
|---|---|---|
| Opening carrying amount | 325.79 | 21.40 |
| Additions | 1,340.73 | 383.71 |
| Assets capitalized | (41.98) | (79.32) |
| **Closing carrying amount** | **1,624.54** | **325.79** |

**(i) Ageing schedule of Capital work in progress :**

**As at September 30 , 2023**

(₹ Lakhs)

| | Amount in capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Total |
| **Projects in progress** | 1,603.14 | 21.40 | - | - | 1,624.54 |
| **Projects temporary suspended** | - | - | - | - | - |
| **Total** | **1,603.14** | **21.40** | - | - | **1,624.54** |

**As at March 31, 2023**

(₹ Lakhs)

| | Amount in capital work-in-progress for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Total |
| **Projects in progress** | 304.39 | 21.40 | - | - | 325.79 |
| **Projects temporary suspended** | - | - | - | - | - |
| **Total** | **304.39** | **21.40** | - | - | **325.79** |

(ii) The Company does not have any material project which is overdue or has exceeded its cost compared to its original plan.

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## ANGUL ENERGY LIMITED

### NOTES TO FINANCIAL STATEMENTS

3B. RIGHT OF USE ASSETS

(₹ Lakhs)

| | Lease hold Land | Total |
|---|---|---|
| Cost as at March 31, 2022 | 124.74 | 124.74 |
| Sold/discarded during the year | - | - |
| Adjustment during the year | - | - |
| **Cost as at March 31, 2023** | **124.74** | **124.74** |
| Addition during the period | - | - |
| Sold/discarded during the period | - | - |
| Adjustment during the period | - | - |
| Cost as at September 30, 2023 | **124.74** | **124.74** |

(₹ Lakhs)

| **Accumulated Amortisation** | **Lease hold Land** | **Total** |
|---|---|---|
| Accumulated Amortisation as at March 31, 2022 | 6.06 | 6.06 |
| Amortisation for the year | 1.62 | 1.62 |
| Adjustment / Reclassification during the year | - | - |
| **Accumulated Amortisation as at March 31, 2023** | **7.67** | **7.67** |
| Amortisation for the period | 0.81 | 0.81 |
| Adjustment / Reclassification during the period | - | - |
| Accumulated Amortisation as at September 30, 2023 | **8.48** | **8.48** |
| | | |
| Net carrying value as at March 31, 2023 | 117.07 | 117.07 |
| Net carrying value as at September 30, 2023 | **116.26** | **116.26** |

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## ANGUL ENERGY LIMITED
### NOTES TO FINANCIAL STATEMENTS

**4. INTANGIBLE ASSETS**

(₹ Lakhs)

| | Commputer Software | Total |
|---|---|---|
| **Cost as at March 31, 2022** | 115.62 | 115.62 |
| Addition during the year | - | - |
| Sold/discarded during the year | - | - |
| **Cost as at March 31, 2023** | 115.62 | 115.62 |
| Addition during the period | - | - |
| Sold/discarded during the period | - | - |
| Cost as at September 30, 2023 | 115.62 | 115.62 |

| | Commputer Software | Total |
|---|---|---|
| **Accumulated amortisation as at March 31, 2022** | 115.62 | 115.62 |
| Amortisation during the year | - | - |
| Disposals during the year | - | - |
| **Accumulated amortisation as at March 31, 2023** | 115.62 | 115.62 |
| Amortisation during the period | - | - |
| Disposals during the period | - | - |
| Accumulated amortisation as at September 30, 2023 | 115.62 | 115.62 |

| | | |
|---|---|---|
| **Net carrying value as at March 31, 2023** | - | - |
| Net carrying value as at September 30, 2023 | - | - |

**Note:** There were no revaluation carried out by the Company during the period.

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## ANGUL ENERGY LIMITED
NOTES TO FINANCIAL STATEMENTS

5. FINANCIAL ASSETS

A. INVESTMENTS

NON-CURRENT

(₹ Lakhs)

| | | As at September 30, 2023 | As at March 31, 2023 |
|---|---|---|---|
| A. | **Investment carried at fair value through other comprehensive income** | | |
| a. | **Investments in Equity shares (quoted)** | | |
| | 267 shares (Previous year 267 shares) of ₹ 2 each of Punjab National Bank Limited | 0.21 | 0.12 |
| | 50,018 shares (Previous year 50,018 shares) of ₹ 10 each of Coal India Limited | 147.65 | 106.86 |
| b. | **Investments in ordinary shares (unquoted)** | | |
| | 47,00,000 (Previous year 47,00,000) shares of AUD 1 each fully paid up of Bhushan Steel (Australia ) Pty Limited | - | - |
| | | 147.86 | 106.98 |
| | **Other disclosures** | | |
| | Aggregate carrying value of quoted investments | 147.86 | 106.98 |
| | Aggregate fair value of quoted investments | 147.86 | 106.98 |
| | Aggregate value of unquoted investments | - | - |
| | Aggregate value of impairment in value of unquoted investments | - | - |

CURRENT

(₹ Lakhs)

| | | As at September 30, 2023 | As at March 31, 2023 |
|---|---|---|---|
| A. | **Investment carried at fair value through profit and loss** | | |
| a. | **Investments in mutual funds-unquoted** | | |
| | 1,89,729.281 units (Previous year: 105191.81 Units) of ICICI Prudential liquid fund -Direct growth | 653.97 | 350.48 |
| | Nil units (Previous year: 18,415.49 Units) of Bandhan Liquid fund - Growth (Direct plan) | - | 500.64 |
| | Nil units (Previous year: 11,362.58 units) of HDFC liquid fund-Direct growth | - | 502.59 |
| | 18,892.780 units (Previous year: Nil units) of DSP iquidity fund-Direct growth | 628.84 | - |
| | 19,944.446 Units (Previous year: Nil units) of Invesco India liquid fund-Direct growth | 637.85 | - |
| | 8,827.798 Units (Previous year: Nil units) of Nippon India liquid fund-Direct growth | 503.19 | - |
| | 23,329.508 Units (Previous year: Nil units) of SBI liquid fund-Direct growth | 850.35 | - |
| | 9,668.241 units (Previous year: Nil) of Axis liquid fund-Direct growth | 250.24 | - |
| | 4251.279 units (Previous year: 11,007.60 Units) of Kotak liquid fund-Direct growth | 200.05 | 500.67 |
| | | 3,724.49 | 1,854.38 |
| | **Other disclosures** | | |
| | Aggregate carrying value of quoted investments | - | - |
| | Aggregate fair value of quoted investments | - | - |
| | Aggregate value of unquoted investments | 3,724.49 | 1,854.38 |
| | Aggregate value of impairment in value of unquoted investments | - | - |

B. OTHER FINANCIAL ASSETS

NON-CURRENT

(₹ Lakhs)

| | | As at September 30, 2023 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Security deposits | 2.62 | 2.62 |
| (b) | Deposit with maturity of more than than twelve months (under CIRP Process) | 209.66 | 202.89 |
| | | 212.28 | 205.51 |

CURRENT

(₹ Lakhs)

| | | As at September 30, 2023 | As at March 31, 2023 |
|---|---|---|---|
| **Unsecured, considered good** | | | |
| (a) | Other advances | 1.30 | 1.03 |
| | | 1.30 | 1.03 |
| **Unsecured, Credit impaired** | | | |
| (a) | Security deposits | 2,058.27 | 2,058.27 |
| | Less: Allowance for expected credit loss | (2,058.27) | (2,058.27) |
| | | - | - |
| | | 1.30 | 1.03 |

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6. INCOME TAX ASSETS

NON-CURRENT

| | As at September 30 , 2023 | (₹ Lakhs) As at March 31, 2023 |
|---|---|---|
| Advance tax and TDS deducted at source (net of tax provisions) | 796.76 | 923.45 |
| | **796.76** | **923.45** |

6A CONTRACT ASSETS

CURRENT

| | As at September 30 , 2023 | (₹ Lakhs) As at March 31, 2023 |
|---|---|---|
| Reimbursement of operation and maintenance expenses (unbilled) | 584.12 | 94.03 |
| | **584.12** | **94.03** |

7. OTHER ASSETS

NON-CURRENT

| | As at September 30 , 2023 | (₹ Lakhs) As at March 31, 2023 |
|---|---|---|
| **Unsecured, Considered good** | | |
| (a) Capital advances | 236.02 | 429.00 |
| | **236.02** | **429.00** |
| **Unsecured, Considered good** | | |
| (b) Payment under protest to statutory authorities (refer sub-note (i)) | 12.81 | 12.81 |
| (c) Prepaid expenses | 23.39 | 27.95 |
| | **272.22** | **40.76** |
| **Unsecured, considered doubtful** | | |
| (a) Capital advances | 1,140.37 | 1,140.37 |
| (b) Payment under protest to statutory authorities (refer sub-note (i)) | 4,367.77 | 4,367.77 |
| Less: Provision for doubtful | (5,508.14) | (5,508.14) |
| | - | - |
| | **272.22** | **469.76** |

CURRENT

| | As at September 30 , 2023 | (₹ Lakhs) As at March 31, 2023 |
|---|---|---|
| **Unsecured, Considered Good** | | |
| (a) Prepaid expenses | 156.37 | 10.40 |
| (b) Advance to suppliers | 1,261.46 | 21.53 |
| | **1,417.83** | **31.93** |
| **Unsecured, Credit Impaired** | | |
| (a) Advance to suppliers | 310.86 | 310.86 |
| Less: Provision for doubtful | (310.86) | (310.86) |
| | - | - |
| | **1,417.83** | **31.93** |

(i) Payment under protest relates to custom duty.

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7B. DEFERRED TAX ASSETS

**NON-CURRENT**

(₹ Lakhs

| | | As at September 30 , 2023 | As at March 31, 202 |
|---|---|---|---|
| **Deferred Tax Asset :** | | | |
| Other Financial Asset | 719.24 | | |
| Other Assets | 1,782.56 | | |
| Lease Liability | 7.06 | | |
| Other financial liabilities | 64.81 | | |
| Provisions | 159.31 | | |
| Unabsorbed depreciation | 63,866.27 | | |
| Buisness Losses | 11,003.07 | 77,602.32 | - |
| **Deferred Tax Liabilities :** | | | |
| Property, plant and equipment, Right of Use Asset and Intangible Asset | 2,410.81 | | |
| Investment in equity shares | 2.78 | | |
| Investment in mutual fund | 4.62 | 2,418.21 | - |
| | | **75,184.11** | - |

# deferred Tax asset created ₹ 75,184.11 Lakhs (previous year ₹ Nil) (Refer Note 25)

8. INVENTORIES

**CURRENT**

(Valued at lower of cost or net realisable value)

(₹ Lakhs

| | As at September 30 , 2023 | As at March 31, 2023 |
|---|---|---|
| Stores and spares | 883.62 | 533.15 |
| | **883.62** | **533.15** |

As at September 30, 2023, there is no provision for slow-moving and obsolete items (March 31, 2023: NIL).

9. TRADE RECEIVABLES

**CURRENT**

(₹ Lakhs

| | As at September 30 , 2023 | As at March 31, 2023 |
|---|---|---|
| Unsecured, Considered good | 3,203.79 | 3,863.02 |
| Less: Allowance for expected credit losses | - | - |
| | **3,203.79** | **3,863.02** |

(i) For details of receivables from related parties, refer note no. 28

(ii) Trade receivables relates to Company's contract with holding company, are non-interest bearing and are on credit terms not exceeding 30 days.

(iii) There are no outstanding receivable debts due from directors or other officers of the Company.

**Reconciliation of receivables outstanding as the beginning and closing of the period are as follows:**

| | For the period ended September 30, 2023 | For the year ended March 31,2023 |
|---|---|---|
| **Opening Balance** | 3,863.02 | 4,243.48 |
| Add: Revenue including reimbursements recognised during the period | 11,354.01 | 19,499.66 |
| Less: Unbilled revenue | 584.12 | 94.03 |
| Less: Receipts during the period | 11,429.12 | 19,786.09 |
| **Closing Balance** | **3,203.79** | **3,863.02** |

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(iv) Ageing schedule of trade receivable:

**As at September 30, 2023** **(₹ Lakhs)**

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed – considered good | 3,157.05 | 46.74 | - | - | - | - | 3,203.79 |
| Undisputed – credit impaired | - | - | - | - | - | - | - |
| Disputed - considered good | - | - | - | - | - | - | - |
| Disputed - credit impaired | - | - | - | - | - | - | - |
| **Sub total** | **3,157.05** | **46.74** | - | - | - | - | **3,203.79** |
| Less: Allowance for credit losses | - | - | - | - | - | - | - |
| **Total trade receivables** | **3,157.05** | **46.74** | - | - | - | - | **3,203.79** |

**As at March 31, 2023**

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed – considered good | 3,863.02 | - | - | - | - | - | 3,863.02 |
| Undisputed – credit impaired | - | - | - | - | - | - | - |
| Disputed - considered good | - | - | - | - | - | - | - |
| Disputed - credit impaired | - | - | - | - | - | - | - |
| **Sub total** | **3,863.02** | - | - | - | - | - | **3,863.02** |
| Less: Allowance for credit losses | - | - | - | - | - | - | - |
| **Total receivable** | **3,863.02** | - | - | - | - | - | **3,863.02** |

## 10. CASH AND CASH EQUIVALENTS

**CURRENT**

**(₹ Lakhs**

| | As at September 30 , 2023 | **As a March 31, 202** |
|---|---|---|
| (a) Balance with banks | | |
| - In current accounts | 171.47 | 64.26 |
| - Deposit with maturity of less than three months | 540.74 | - |
| | **712.21** | **64.26** |

## 11. OTHER BALANCES WITH BANK

**CURRENT**

**(₹ Lakhs**

| | As at September 30 , 2023 | **As a March 31, 202** |
|---|---|---|
| **Earmarked balances with banks** | | |
| - Retained balances with bank (under CIRP Process) | 6.39 | 6.39 |
| - Deposit with maturity of more than than twelve months (under CIRP Process) | 209.66 | 202.89 |
| | **216.05** | **209.28** |
| **Less: Transferred to other non current financial assets** | (209.66) | (202.89 |
| | **6.39** | **6.39** |

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12. EQUITY SHARE CAPITAL

(₹ Lakhs)

| | As at September 30, 2023 | As at March 31, 2023 |
|---|---|---|
| **a) Authorized:** | | |
| **21,00,00,000** (Previous year 21,00,00,000) Equity shares of ₹ 10/- each (Previous year ₹ 10/- each) | 21,000.00 | 21,000.00 |
| | 21,000.00 | 21,000.00 |
| **b) Issued, Subscribed and Paid-up:** | | |
| **1,00,00,142** (Previous year 10,000,142) Equity shares of ₹ 10/- each (Previous year ₹ 10/- each) | 1,000.01 | 1,000.01 |
| | 1,000.01 | 1,000.01 |

**c) Reconciliation of number of shares outstanding at the beginning and at the end of the period**

| Particulars | As at September 30, 2023 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Number of shares | Amount (₹ Lakhs) | Number of shares | Amount (₹ Lakhs) |
| Shares outstanding at the beginning of the period | 1,00,00,142 | 1,000.01 | 1,00,00,142 | 1,000.01 |
| Shares issued during the period | - | - | - | - |
| Reduction during the period | - | - | - | - |
| Shares outstanding at the end of the period | 1,00,00,142 | 1,000.01 | 1,00,00,142 | 1,000.01 |

**d) Rights, preferences and restrictions attached to the equity shares**

The Company has only one class of equity share having a par value of ₹ 10 each (Previous year ₹ 10 each). Each shareholder is eligible for one vote for every share held and is entitled to dividend declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

**e) Details of Equity Shareholders holding more than 5% share in the Company**

Equity shares of ₹ 10/- each fully paid up

| Particulars | As at September 30, 2023 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Number of shares held | % of holding | Number of shares held | % of holding |
| Tata Steel Limited ("Holding company") | 99,99,904 | 99.99% | 99,99,904 | 99.99% |
| Total | 99,99,904 | 99.99% | 99,99,904 | 99.99% |

**f) Details of the Promoters Equity Shareholding :**

Equity shares of ₹ 10/- each fully paid up

| Particulars | As at September 30, 2023 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Number of shares held | % of holding | % change during the year | Number of shares held | % of holding | % change during the year |
| Tata Steel Limited ("Holding company") | 99,99,904 | 99.99% | - | 99,99,904 | 99.99% | - |
| Total | 99,99,904 | 99.99% | - | 99,99,904 | 99.99% | - |

**There is no change in Promoters Equity Shareholding during the year.**

**g) In preceding five (5) years, there was no issue of bonus, buy back and issue of shares for consideration other than cash.**

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## 13. OTHER EQUITY

(₹ Lakhs)

| | As at September 30 , 2023 | As at March 31, 2023 |
|---|---|---|
| **a) Security premium** | | |
| Balance as at the beginning of the period | 44,318.00 | 44,318.00 |
| Changes during the period | - | - |
| **Balance as at the end of the period** | **44,318.00** | 44,318.00 |
| **b) Retained earnings** | | |
| Balance as at the beginning of the period | (2,09,509.16) | (2,14,914.45) |
| Profit for the period | 80,024.43 | 5,400.27 |
| Transfer from other comprehensive income | - | - |
| Other comprehensive income for the period* | (6.27) | 5.02 |
| **Balance as at the end of the period** | **(1,29,491.00)** | (2,09,509.16) |
| **c) Other comprehensive income** | | |
| Balance as at the beginning of the period | (2,521.68) | (2,537.02) |
| Transfer to retained earnings | - | - |
| Other comprehensive income for the period** | 40.88 | 15.34 |
| **Balance as at the end of the period** | **(2,480.80)** | (2,521.68) |
| **d) Capital contribution** | | |
| Balance as at the beginning of the period | 2,60,142.15 | 2,60,142.15 |
| Addition during the period | - | - |
| **Balance as at the end of the period** | **2,60,142.15** | 2,60,142.15 |
| **Total other equity** | **1,72,488.35** | **92,429.31** |

* Includes re-measurement gain/(loss) of ₹ (6.27) Lakhs (Previous period ₹ 5.02 Lakhs) on defined benefit plans.

** net gain/(loss) of ₹ 40.88 Lakhs (Previous period ₹ 15.34 Lakhs) on fair value of equity securities through other comprehensive income.

**(a) Securities premium** - This represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

**(b) Retained earnings** - Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders, if any.

**(c) Other comprehensive income** - The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within FVTOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**(d) Capital contribution** - Post implementation of resolution plan dated May 30, 2019, Tata Steel BSL Ltd (now amalgamated with Tata Steel Limited) ("Holding Company") had waived off novated debts (reduced by cost of novation) of ₹ 2,60,142.15 Lakhs in its capacity as the promoter of the Company and recognised such waiver as a capital contribution by the promoter and shown under "Other Equity".

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**14. FINANCIAL LIABILITIES**

A. BORROWINGS

**NON-CURRENT**

| | | (₹ Lakhs |
|---|---|---|
| | As at September 30 , 2023 | As a March 31, 202 |
| **Unsecured** | | |
| Loan from Holding Company* | - | 3,000.00 |
| | - | **3,000.00** |
| Less: Current maturities of loan from holding company classified under 'Current Borrowings' | - | 3,000.00 |
| | - | - |

**CURRENT**

| | | (₹ Lakhs |
|---|---|---|
| | As at September 30 , 2023 | As a March 31, 202 |
| Current maturities of loan from holding company # | - | 3,000.00 |
| | - | **3,000.00** |

*Loan from Holding Company carries interest rate of 8% per annum and is repayable on the expiry of 6 years from the date of receipt however the Company has repaid the loan .

B. LEASE LIABILITIES

**NON-CURRENT**

| | | (₹ Lakhs |
|---|---|---|
| | As at September 30 , 2023 | As a March 31, 202 |
| **Secured** | | |
| Long-term maturities of finance lease obligations | 20.20 | 19.26 |
| | **20.20** | **19.26** |
| Less: Current maturities of lease liabilities | 1.52 | 1.52 |
| | **18.68** | **17.74** |

**Liabilities are secured by way of underlying asset.**

**CURRENT**

| | | (₹ Lakhs) |
|---|---|---|
| | As at September 30 , 2023 | As at March 31, 2023 |
| **Secured** | | |
| Current maturities of lease liabilities (refer note 33) | 1.52 | 1.52 |
| | **1.52** | **1.52** |

**Liabilities are secured by way of underlying asset.**

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14C. TRADE PAYABLES

**CURRENT**

(₹ Lakhs)

| | As at September 30, 2023 | As at March 31, 2023 |
|---|---|---|
| (a) Total outstanding dues of micro enterprises and small enterprises; | 499.60 | 483.79 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,016.80 | 1,452.66 |
| | **1,516.40** | **1,936.45** |

(i) For details of payables from related parties, refer note no. 28

(ii) Based on the information available and as identified by the management, certain vendors have confirmed their status under the Micro, Small and Medium Enterprises Development Act, 2006, as amended. Accordingly, disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

| | | |
|---|---|---|
| (a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period | | |
| - Principal amount remaining unpaid | 498.56 | 482.75 |
| - Interest due on above | 1.04 | 1.04 |
| (b) The amount of interest paid by the buyer under MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period; | - | - |
| (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006. | - | - |
| (d) The amount of interest accrued and remaining unpaid at the end of accounting period; and | 1.04 | 1.04 |
| (e) The amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. | - | - |

(iii) The Company considers its maximum exposure to liquidity risk with respect to vendors as at September 30, 2023 to be ₹ 1516.39 Lakhs (March 31, 2023 : ₹ 1936.45 Lakhs).

(iv) **Trade Payable ageing**

**As at September 30, 2023**

(₹ Lakhs)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Trade payable** | | | | | | | |
| (i) MSME | 499.60 | - | - | - | - | - | 499.60 |
| (ii) Others | 1,004.93 | 2.80 | - | 2.07 | 1.50 | 5.50 | 1,016.80 |
| (iii) Disputed dues – MSME | | | | | | - | - |
| (iv) Disputed dues - Others | | | | | | - | - |
| **Total Payable** | **1,504.53** | **2.80** | **-** | **2.07** | **1.50** | **5.50** | **1,516.40** |

**As at March 31, 2023**

(₹ Lakhs)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Trade payable** | | | | | | | |
| (i) MSME | 483.79 | - | - | - | - | - | 483.79 |
| (ii) Others | 1,438.93 | 1.34 | 3.77 | 0.01 | 2.11 | 6.50 | 1,452.66 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| **Total Payable** | **1,922.72** | **1.34** | **3.77** | **0.01** | **2.11** | **6.50** | **1,936.45** |

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### 14D. OTHER FINANCIAL LIABILITIES

**NON-CURRENT**

(₹ Lakhs)

| | As at September 30 , 2023 | As at March 31, 2023 |
|---|---|---|
| (a) Liability towards Employee Benefit Pension Scheme | 175.12 | 168.26 |
| | **175.12** | **168.26** |

**CURRENT**

(₹ Lakhs)

| | As at September 30 , 2023 | As at March 31, 2023 |
|---|---|---|
| (a) Interest accrued on borrowings (Holding company) | - | 434.19 |
| (b) Employees Emoluments | 82.51 | 70.09 |
| (c) Other payables # | 534.03 | 266.19 |
| (d) Liability towards Employee Benefit Pension Scheme | 10.36 | 22.35 |
| (e) Creditor for Capital Goods | 338.53 | - |
| | **965.43** | **792.82** |

# Related to expenses payable and contractual manpower obligation.

### 15. PROVISIONS

**NON-CURRENT**

(₹ Lakhs)

| | As at September 30 , 2023 | As at March 31, 2023 |
|---|---|---|
| Provision for employee benefits | | |
| (a) Gratuity | 293.85 | 267.32 |
| (b) Leave encashment (Refer note below) | 150.95 | 136.47 |
| | **444.80** | **403.79** |

**CURRENT**

(₹ Lakhs)

| | As at September 30 , 2023 | As at March 31, 2023 |
|---|---|---|
| Provision for employee benefits | | |
| (a) Gratuity | 7.49 | 6.45 |
| (b) Leave encashment (Refer note below) | 3.60 | 3.60 |
| | **11.09** | **10.05** |

As per the leave policy of the Company, an employee is entitled to be paid the accumulated leave balance on separation. The Company presents provision for compensated absences as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employee etc.

### 16. OTHER LIABILITIES

**CURRENT**

(₹ Lakhs)

| | As at September 30 , 2023 | As at March 31, 2023 |
|---|---|---|
| Statutory Dues | 1,105.10 | 983.54 |
| Advance from customers | 26.30 | - |
| | **1,131.40** | **983.54** |

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17. REVENUE FROM OPERATIONS

(₹ Lakhs)

| | For the period ended September 30, 2023 | For the period ended September 30, 2022 |
|---|---|---|
| (a) Tolling charges | 10,136.07 | 8,113.43 |
| (b) Recovery of Operation and Maintenance Cost * | 1,217.94 | 1,247.07 |
| | 11,354.01 | 9,360.50 |

*Recovery of operation and Maintenance cost includes ₹ 1,217.94 Lakhs (Previous period ₹ 1,247.07 Lakhs) on account of reimbursement of one time operation related cost and are net off of electricity duty amounting ₹ 5,285.20 Lakhs (Previous period : ₹ 4,235.08 Lakhs)

For transactions made with related parties, refer note no. 28

A. **Disaggregated revenue information**

The disaggregation of the Company's revenue from contract with a customer is as under:

(i) **Reconciliation of revenue as per contract price and as recognised in Statement of Profit or Loss:**

| | For the period ended September 30, 2023 | For the period ended September 30, 2022 |
|---|---|---|
| Revenue as per contract price | 11,354.01 | 9,360.50 |
| Less: Rebates, incentives, discounts etc. | - | - |
| **Revenue as per Statement of Profit and Loss** | **11,354.01** | 9,360.50 |

(ii) The Company presented disaggregated revenue based on the type of goods sold or services rendered directly to customers. Revenue is recognised for goods transferred or services rendered at a point in time or completion of performance obligation.

B. For movement of trade receivables refer note no 9

C. **Performance Obligation**

Information about the Company's performance obligations for electricity supply contract are summarised below:

The performance obligation of the Company in case of supply of electricity is based on supply of electricity through installed meters. Revenue from supply of electricity is accounted for on the basis of billing cycles on calendar month basis to the customer.

The customer makes the payment for electricity supplied during the billing cycle at contracted price as per terms stipulated under agreement.

There is no unsatisfied performance obligation for the period ending September 30, 2023.

18. OTHER INCOME

(₹ Lakhs)

| | For the period ended September 30, 2023 | For the period ended September 30, 2022 |
|---|---|---|
| (a) Interest income on: | | |
| -Fixed deposits | 13.61 | 2.93 |
| -Income tax refund | 28.48 | 148.76 |
| (b) Net gain/(loss) on sale/fair value changes of current investments carried at fair value through profit and loss. | 45.97 | - |
| (c) Liability/Provision written back | - | 48.08 |
| (d) Dividend income on non-current investments carried at fair value through other comprehensive income | 2.00 | 1.50 |
| (c) Miscellaneous income (including scrap sales)^ | 180.44 | 105.02 |
| | 270.50 | 306.29 |

^ includes refund from GST department in current year Rs. 34.28 Lakhs (Previous Year Nil)

For transactions made with related parties, refer note no. 28

19. EMPLOYEE BENEFIT EXPENSES

(₹ Lakhs)

| | For the period ended September 30, 2023 | For the period ended September 30, 2022 |
|---|---|---|
| (a) Salaries, wages and gratuity * | 523.09 | 479.71 |
| (b) Contribution to provident and other funds | 8.33 | 7.66 |
| (c) Staff welfare expenses | 8.28 | 43.54 |
| | 539.70 | 530.91 |

* Salary & wages are net off of employee cost of ₹ 215.16 lakhs ( Previous period : ₹ 168.79 Lakhs) recovered from holding Company, Tata Steel Limited under Service agreement.

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## 20. FINANCE COSTS

(₹ Lakhs)

| | | For the period ended September 30, 2023 | For the period ended September 30, 2022 |
|---|---|---|---|
| (a) | Interest expenses | | |
| | - borrowings | 31.43 | 425.31 |
| (b) | Interest on lease obligations | 0.94 | 0.92 |
| | | **32.37** | **426.23** |

## 21. DEPRECIATION AND AMORTISATION EXPENSE

(₹ Lakhs)

| | | For the period ended September 30, 2023 | For the period ended September 30, 2022 |
|---|---|---|---|
| (a) | Depreciation of property, plant and equipment | 3,323.68 | 3,386.87 |
| (b) | Depreciation of right of use assets | 0.81 | 0.81 |
| | | **3,324.49** | **3,387.68** |

## 22. OTHER EXPENSES

(₹ Lakhs)

| | | For the period ended September 30, 2023 | For the period ended September 30, 2022 |
|---|---|---|---|
| (a) | Consumption of stores, spares and consumables | 1,592.44 | 906.57 |
| (b) | Contractual handling expenses | 304.14 | 300.48 |
| (c) | Insurance charges | 166.27 | 133.17 |
| (d) | Rates and taxes | 25.54 | 14.50 |
| (e) | **Repairs and maintenance: #** | | |
| | Machinery | 505.56 | 1,031.67 |
| | Building | - | 59.30 |
| (f) | **Payment to auditor:** | | |
| | Statutory audit fee | 12.50 | 12.50 |
| | Tax audit fee | 2.50 | 2.50 |
| | Certification and other fees | 0.75 | 1.50 |
| | Other matters | 1.00 | 0.25 |
| (g) | Net loss on foreign currency translations and transactions | - | 0.58 |
| (h) | Legal and professional | 61.25 | 24.42 |
| (i) | Directors' sitting fee | 3.10 | 2.60 |
| (j) | Directors' commission | - | 20.00 |
| (k) | Deputation charges | 154.38 | 88.04 |
| (l) | CSR Expenses (refer note 35) | 42.90 | 15.26 |
| (m) | Miscellaneous | 15.30 | 7.55 |
| | | **2,887.63** | **2,620.89** |

For transactions made with related parties, refer note no. 28

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# ANGUL ENERGY LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 23. EXCEPTIONAL ITEMS

(₹ Lakhs)

| | For the period ended September 30, 2023 | For the period ended September 30, 2022 |
|---|---|---|
| (a) Reversal of Impairment on investments in preference shares | - | - |
| | - | - |

### 24. EARNING PER SHARE

The following table reflects the income and shares data used in computation of the basic and diluted earnings per share:

| | | For the period ended September 30, 2023 | For the period ended September 30, 2022 |
|---|---|---|---|
| (a) | Profit for the year (₹ Lakhs) | 80,024.43 | 2,701.08 |
| (b) | Face value per share (₹) | 10.00 | 10.00 |
| (c) | Number of equity shares at the beginning of the year | 1,00,00,142 | 1,00,00,142 |
| | Add: Issued during the year | - | - |
| | Less: Cancelled during the year | - | - |
| | Number of equity shares at the end of the year | 1,00,00,142 | 1,00,00,142 |
| (d) | Weighted average number of equity shares* | **1,00,00,142** | **1,00,00,142** |
| (e) | Effect of dilution | - | - |
| (f) | Weighted average number of equity shares for diluted EPS* | **1,00,00,142** | **1,00,00,142** |
| (g) | **Earning Per Share : (not annualised)** | | |
| | Basic (₹ / share) [ (a)/(d) ] | 800.23 | 27.01 |
| | Diluted (₹/ share) [ (a)/(f) ] | 800.23 | 27.01 |

*There have been no transactions involving Equity shares or Potential Equity shares between the reporting date and the date of approval of these financial statements that would have an impact on the outstanding weighted average number of equity shares for the period ended September 30,2023

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25. TAX EXPENSES

**(a) Income tax expense:**

The major components of income tax expenses are as follows:

**(i) Profit or loss section**

| | | **(₹ Lakhs)** |
|---|---|---|
| | For the period ended September 30, 2023 | **For the period ended September 30, 2022** |
| Current tax expense | - | - |
| Deferred tax expense/(Income) | (75,184.11) | - |
| **Total income tax expense recognised in statement of profit & loss** | **(75,184.11)** | **-** |

**(ii) OCI section**

| | | **(₹ Lakhs)** |
|---|---|---|
| | For the period ended September 30, 2023 | **For the period ended September 30, 2022** |
| Net (gain) on remeasurement of defined benefit plans | - | - |
| Unrealised (gain)/loss on FVTOCI equity securities | - | - |
| **Income tax charged to OCI** | **-** | **-** |

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :**

| | | **(₹ Lakhs)** |
|---|---|---|
| | For the period ended September 30, 2023 | **For the period ended September 30, 2022** |
| Accounting profit before tax from continuing operations | 4,840.32 | 2,701.08 |
| Accounting profit before tax from discontinuing operations | - | - |
| **Accounting profit before income tax** | **4,840.32** | **2,701.08** |
| At India's statutory income tax rate of 34.944% (Previous year: 34.944%) | 1,691.40 | 943.87 |
| ***Non-deductible expenses for tax purposes:*** | | |
| (a) Tax effect of income exempt from tax | - | - |
| (b) Tax effect of items not deductible | 28.22 | 5.33 |
| (c) Tax effect of items brought forward losses and other items | (78,690.54) | - |
| (d) Tax effect due to non accounting of deferred tax assets on brought forward tax losses | 1,786.81 | (949.20) |
| Income tax expense reported in the statement of profit and loss | **(75,184.11)** | - |

**(c)** During the period, the company has created deferred tax asset (net) of ₹ 75,184.11 Lakhs on unused tax losses, unabsorbed depreciation etc. based on future profit projections. The company is reasonable certain that these deferred tax assets shall be utilised against the future income tax liability within prescribed period.

**(d)** The amounts and expiry dates, of unused tax losses and unabsorbed depreciation on which no deferred tax asset has been recognised due to uncertainity of realisation in future are given below :

**As at September 30, 2023**

| **Particulars** | **Year of expiry** | **Amount** (₹ Lakhs) |
|---|---|---|
| Unabsorbed depreciation | No expiry | - |
| Unused tax losses | next 2 to 8 years | 14,816.78 |
| | | **14,816.78** |

**As at March 31, 2023**

| **Particulars** | **Year of expiry** | **Amount** (₹ Lakhs) |
|---|---|---|
| Unabsorbed depreciation | No expiry | 1,82,709.06 |
| Unused tax losses | next 3 to 8 years | 48,191.34 |
| | | **2,30,900.40** |

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26 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposits given, employee advances, trade and other receivables, cash and term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk, liquidity risk, interest risk and foreign currency risk. The Company's management oversees the management of these risks The management reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Company is not significantly exposed to currency risk and other price risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's long-term debt obligations with prevailing market interest rate .

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities including deposits with banks and other third parties and other financial instruments.

**Trade and other receivables:**

Trade receivables do not have any significant potential credit risk for the Company as the business of the Company is with single customer. The Company Management has established a credit policy under which the customer is analyzed for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit limit has been set up and reviewed periodically. The credit risk from loans and advances are being managed in accordance with the procedures defined by the Company which includes parameters of safety, liquidity and returns. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank reference checks are also done.

**Liquidity risk**

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of liquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable the Company to meet its payment obligations. Currently the Company is facing liquidity crises due to cash losses and major capitalisation in past.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ Lakhs)

| | < 1 year | 2-3 years | 3-5 years | > 5 years | Total |
|---|---|---|---|---|---|
| **Period ended September 30, 2023** | | | | | |
| Borrowings and lease liabilities # | 1.52 | 1.52 | 3.04 | 14.12 | 20.20 |
| Trade payables | 1,516.40 | - | - | - | 1,516.40 |
| Other financial liabilities | 977.53 | 22.65 | 38.71 | 101.66 | 1,140.55 |
| | 2,495.45 | 24.17 | 41.75 | 115.78 | 2,677.15 |
| **Year ended March 31, 2023** | | | | | |
| Borrowings and lease liabilities # | 3,001.52 | 1.52 | 3.04 | 13.18 | 3,019.26 |
| Trade payables | 1,936.45 | - | - | - | 1,936.45 |
| Other financial liabilities | 792.64 | 23.35 | 40.93 | 104.16 | 961.08 |
| | 5,730.61 | 24.87 | 43.97 | 117.34 | 5,916.79 |

# Refer Note No. 14

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The exposure of entity to foreign currency risk is very limited on account of limited transactions in foreign currency.

**Foreign currency sensitivity**

The Company has exposure in foreign currencies. The impact on the Company's profit before tax is due to changes in foreign exchange rates and its impact on value of monetary assets and liabilities. The Company's exposure to foreign currency changes is not material.

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## 27 Financial Instruments

**A) Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other tha those with carrying amounts that are reasonable approximations of fair values:**

(₹ Lakhs)

| | As at September 30 , 2023 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial assets** | | | | |
| **Measured at amortized cost** | | | | |
| Other financial Assets | | | | |
| - Non Current | 212.28 | 212.28 | 205.51 | 205.51 |
| - Current | 1.30 | 1.30 | 1.03 | 1.03 |
| Trade receivables | 3,203.79 | 3,203.79 | 3,863.02 | 3,863.02 |
| Cash and cash equivalents | 712.21 | 712.21 | 64.26 | 64.26 |
| Other balances with bank | 6.39 | 6.39 | 6.39 | 6.39 |
| **Total Financial assets at amortised cost (A)** | **4,135.97** | **4,135.97** | **4,140.21** | **4,140.21** |
| **Financial Assets** | | | | |
| **Measured at fair value through profit and loss** | | | | |
| Current Investments | 3,724.49 | 3,724.49 | 1,854.38 | 1,854.38 |
| **Total financial assets at fair value through profit and loss (B)** | **3,724.49** | **3,724.49** | **1,854.38** | **1,854.38** |
| **Measured at fair value through other Comprehensive Income** | | | | |
| Non Current Investments | 147.86 | 147.86 | 106.98 | 106.98 |
| **Total financial assets at fair value through other comprehensive Income (C)** | **147.86** | **147.86** | **106.98** | **106.98** |
| **Total financial assets ( A+B+C )** | **8,008.32** | **8,008.32** | **6,101.57** | **6,101.57** |
| **Financial liabilities** | | | | |
| **Measured at amortized cost** | | | | |
| Borrowings and lease liabilities | 20.20 | 20.20 | 3,019.26 | 3,019.26 |
| Trade payables | 1,516.40 | 1,516.40 | 1,936.45 | 1,936.45 |
| Other financial liabilities | 1,140.55 | 1,140.55 | 961.08 | 961.08 |
| **Total** | **2,677.15** | **2,677.15** | **5,916.79** | **5,916.79** |

The management assessed that cash and cash equivalents, other bank balances, trade and other receivables, trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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**B) Fair value hierarchy**

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inpu used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets c liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:-

**Level 1:** Quoted prices for identical instruments in an active market;

**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in pa using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current marke transactions in the same instrument nor are they based on available market data.

**B.1) Financial assets and liabilities measured at fair value - recurring fair value measurements**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value and
(b) measured at amortised cost.
To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financia instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ Lakhs

| As at 30 September, 2023 | Level 1 | Level 2 | Level 3 | Tota |
|---|---|---|---|---|
| **Assets at fair value** | | | | |
| Investments measured at - | | | | |
| Fair value through other comprehensive income | 147.86 | - | - | 147.86 |
| Fair value through profit & loss | - | 3,724.49 | - | 3,724.49 |

| As at 31st March 2023 | Level 1 | Level 2 | Level 3 | Tota |
|---|---|---|---|---|
| **Assets at fair value** | | | | |
| Investments measured at - | | | | |
| Fair value through other comprehensive income | 106.98 | - | - | 106.98 |
| Fair value through profit & loss | - | 1,854.38 | - | 1,854.38 |

**a) Valuation process and technique used to determine fair value**

i) The fair value of investments in quoted equity shares is based on the current bid price of respective investment as at the balance shee date and fair value of investments in mutual funds is based on unquoted net assets value as at the balance sheet date.

ii) There is no transfer between level 1 to level 2.

iii) The Company has investments in equity of a foreign company which has negative networth therefore fair value has been considered NIL (Previous year NIL).

**B.2) Fair value of instruments measured at amortised cost**

For the purpose of disclosing fair values of financial instruments measured at amortised cost, the management assessed that fair value: of short term financial assets and liabilities approximate their respective carrying amounts largely due to the short-term maturities o these instruments. Further, the fair value of long term financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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28 Related party disclosures
(to the extent identified by the Company)

**Names of related parties and description of relationship**

**A Relationship**

**i) Entity having significant influence over the ultimate holding company**
Tata Sons Private Limited

**ii) Holding company**
Tata Steel Limited

**iii) Key Management Personnel :**

| | |
|---|---|
| Mr. Shailesh Verma | Managing Director |
| Mr. Sanjib Nanda ^ | Director |
| Mr. Ansuman Das ^ | Director |
| Mrs. Meena Lall ^ | Director |
| Mr. Subodh Pandey ^ | Director |
| Mr. Sougata Ray ^ | Director |
| Mr. Rajesh Kumar Aggarwal ^ | Director |
| Mr. Sanjeev Kumar Poddar $ | Chief Financial Officer (Upto June 30, 2023) |
| Mr. Rupesh Purwar $ | Company Secretary |

^ under Ind AS
$ under the Companies Act, 2013

**iv) Tata Steel Ltd (holding company) holds 50% in joint venture:**
Mjunction Services Limited

**v) Fellow Subsidiaries (being subsidiaries of holding company)***
Tata Steel Technical Services Limited
Bhushan Steel (South) Limited
Tata Pigments Limited
Tata Steel Foundation.
*where transactions has taken place during the period

(₹ Lakhs)

| | Year Ended | Holding Company ^ | Key Management Personnel (KMP) | Fellow Subsidiaries | Grand Total |
|---|---|---|---|---|---|
| **Transactions during the period** | | | | | |
| Tolling charges (including recovery of one time costs) | 30-Sep-23 | 11,354.01 | - | - | 11,354.01 |
| | **30-Sep-22** | 9,360.50 | - | - | **9,360.50** |
| Reimbursement of electricity duty | 30-Sep-23 | 5,285.20 | - | - | 5,285.20 |
| | **30-Sep-22** | 4,235.08 | - | - | **4,235.08** |
| Interest expenses on borrowings | 30-Sep-23 | 31.43 | - | - | 31.43 |
| | **30-Sep-22** | 424.99 | - | - | **424.99** |
| Deputation cost incurred (Refer note 3 below) # | 30-Sep-23 | 154.38 | - | - | 154.38 |
| | **30-Sep-22** | 88.04 | - | - | **88.04** |
| Short-term employee benefits (Including Director Sitting Fee) | 30-Sep-23 | - | 3.10 | - | 3.10 |
| | **30-Sep-22** | - | 22.60 | - | **22.60** |
| Reimbursement of employee cost [recovered] | 30-Sep-23 | 215.16 | - | - | 215.16 |
| | **30-Sep-22** | 168.79 | - | - | **168.79** |
| Reimbursement of repair and maintenance expenses recovered | 30-Sep-23 | 179.91 | - | - | 179.91 |
| | **30-Sep-22** | 86.25 | - | - | **86.25** |
| Short-term employee benefits (Managerial remuneration to KMP)** | 30-Sep-23 | - | 15.26 | | 15.26 |
| | **30-Sep-22** | - | 14.32 | | **14.32** |
| Purchase of goods | 30-Sep-23 | 58.31 | - | - | 58.31 |
| | **30-Sep-22** | 138.78 | - | - | **138.78** |
| Services received # | 30-Sep-23 | 2.00 | - | 242.78 | 244.78 |
| | **30-Sep-22** | 12.36 | - | 239.15 | **251.51** |
| Scrap sales | 30-Sep-23 | 118.20 | - | - | 118.20 |
| | **30-Sep-22** | 60.40 | - | - | **60.40** |
| **Closing balances** | | | | | |
| Receivables (including GST) | 30-Sep-23 | 3,787.91 | - | - | 3,787.91 |
| | **31-Mar-23** | 3,957.05 | - | - | **3,957.05** |
| Borrowing payable | 30-Sep-23 | - | - | - | - |
| | **31-Mar-23** | 3,000.00 | - | - | **3,000.00** |
| Interest on borrowing payable | 30-Sep-23 | - | - | - | - |
| | **31-Mar-23** | 434.19 | - | - | **434.19** |
| Payables (including GST) | 30-Sep-23 | 49.36 | - | 138.06 | 187.42 |
| | **31-Mar-23** | 56.99 | - | 106.52 | **163.51** |

# including provisions

** The amount related to gratuity cannot be ascertained separately since they are included in the contribution in respect made to the insurance company on a group basis for all employees together. As the liability for leave encashment are provided on actuarial basis for the company as a whole, hence not included as above.

Above amounts are excluding GST unless otherwise stated.

**Terms and conditions related to Outstanding balances :**

1) Trade and others receivables are receivable in cash within 30 days of the due date and are unsecured.
2) All outstanding payables are unsecured and payable in cash.
3) Key management personnel services are provided by holding company.

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29 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reporte amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty abou these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected i future periods.

**JUDGEMENTS**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effec on the amounts recognised in the financial statements.

**Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractual, land acces and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment o the existence and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding th outcome of future events

**ESTIMATES AND ASSUMPTIONS**

The key assumptions concerning the future and other key sources of estimating the uncertainty at the reporting date, that have a significant risk o causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstance and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of th Company. Such changes are reflected in the assumptions when they occur.

**Impairment of non-financial asset**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value les costs of disposal and its value in use. In such cases, the fair value less costs of disposal calculation is based on available data, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use for calculation in such cases is based on discounted cash flow (DCF) model.

**Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses ca be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likel timing and the level of future taxable profits together with future tax planning strategies.

**Defined benefit plans and other long term benefit plan (gratuity benefits and leave encashment)**

The cost and present value of the defined benefit gratuity plan and leave encashment (other long term benefit plan) are determined using actuaria valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include th determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation and other long term benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed a each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the managemen considers the market yield on government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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30 Exposure to Financial and Commodity Derivatives

**The Company has not entered into derivative instruments to hedge their foreign currency contracts. Foreign currency exposure that are not hedged by a derivative instrument as at Balance Sheet are as follows**

(₹ Lakhs

| | Currency | As at September 30 , 2023 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|---|
| | | Amount in Foreign Currency | Amount | Conversion Rate | Amount in Foreign Currency | Amount | Conversion Rat |
| **Unhedged Payables** | | | | | | | |
| Trade Payables | USD | - | - | - | - | - | - |
| **Total** | | - | - | | - | - | |

**Sensitivity**
The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ Lakhs)

| | Currency | As at September 30 , 2023 | As at March 31, 2023 |
|---|---|---|---|
| **USD sensitivity** | | | |
| INR/USD- increase by 10%* | USD | - | - |
| INR/USD- decrease by 10%* | USD | - | - |

*Holding all other variables constant

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### 31 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the period ended September 30, 2023 and March 31, 2023.

(₹ Lakhs)

| | As at September 30 , 2023 | As at March 31, 2023 |
|---|---|---|
| Equity Share Capital | 1,000.01 | 1,000.01 |
| Other Equity | 1,72,488.35 | 92,429.31 |
| **Shareholders' Fund** | **1,73,488.36** | **93,429.32** |
| Borrowings | - | 3,000.00 |
| Lease Liabilities | 20.20 | 19.26 |
| **Total debts** | **20.20** | **3,019.26** |
| **Net debt to total equity** | **0.00** | **0.03** |

32 Commitments and Contingencies

**Contingent liabilities, contingent assets and commitments as identified by the Company**

(₹ Lakhs)

| | As at September 30 , 2023 | As at March 31, 2023 |
|---|---|---|
| **Contingent liabilities (not provided for) in respect of:** | | |
| **Demands, among others against which the Company has preferred appeals** | Nil | Nil |
| **Total** | - | - |

As per the approved Resolution Plan, contingent liabilities (which have / are capable of being crystallized) prior to May 30, 2019 ("Effective Date") stand extinguished.

Furthermore, the Resolution Plan, among other matters, provide that except to the extent of the amount payable to the relevant Operational Creditors in accordance with the Resolution Plan, all liabilities of the Company relating in any manner to the period prior to the Effective Date, immediately, irrevocably and unconditionally stand fully and finally discharged and settled and there being no further claims whatsoever, and all the rights of the Operational Creditors and Other Creditors to invoke or enforce the same stands waived off. It is provided that any and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors to enforce any rights or claims against the Company also stands extinguished. Further, in terms of the Resolution Plan, no Governmental Authority has any further rights or claims against the Company, in respect of the period prior to the Effective Date and / or in respect of the amounts written off and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors, to enforce any rights or claims against the Company will immediately, irrevocably and unconditionally stand withdrawn, abated, settled and/or extinguished. Further, the Operational Creditors of the Company (including Governmental Authorities) and Other Creditors will have no further rights or claims against the Company (including but not limited to, in relation to any past breaches by the Company), in respect of any liability for period prior to the Effective Date, and all such claims shall immediately, irrevocably and unconditionally stand extinguished.

The Company has been advised that while the Resolution Plan provides for extinguishment of all liabilities of the Company owed to Operational Creditors and Other Creditors as of the Insolvency Commencement Date i.e. January 08, 2018, the implementation of the Resolution Plan does not have any such similar effect over claims or receivables owed to the Company. Accordingly, the Company has concluded that any receivables due to the Company, evaluated based on merits of underlying litigations, from various governmental agencies continue to subsist.

33 Leases

**As a Lessee**

(i) The Company recognizes the expenses of short-term and low value leases on a straight-line basis over the lease term. There was no expenses related to short-term leases in current period and previous year..

(ii) There are no income from subleasing right-of-use assets nor any gains or losses from sales and leaseback for the period ended September 30, 2023. (Previous year Nil)

(iii) There are no variable lease payments for the period ended September 30, 2023 and March 31, 2023.

(iv) Total cash outflow on leases for the period ended September 30, 2023 is Nil (Previous year ₹ 1.52 Lakhs)

(v) The maturity profile of the lease liabilities as of September 30, 2023 is as follows:

| Financial Year | 0-1 year | 1-3 years | 3-5 Years | Total |
|---|---|---|---|---|
| FY 23-24 | 1.52 | 3.04 | 3.04 | **7.60** |
| FY 22-23 | 1.52 | 3.04 | 3.04 | **7.60** |

**As a Lessor**

The Company had given certain assets on operating lease to Tata Steel Limited w.e.f. October 24, 2019 for a period of 15 years. Based on agreed terms, Tata Steel Limited shall pay job charges based on electricity unit transferred or ₹ 975 lakhs per month which ever is higher.

34 Other Notes

As per Ind AS 7, the Company is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities is given below :

| Item | Balance as on April 1, 2023 | Cash Flow | Non Cash Changes | Balance as on September 30, 2023 |
|---|---|---|---|---|
| Lease Liability | 19.26 | - | 0.94 | 20.20 |

| Item | Balance as on April 1, 2022 | Cash Flow | Non Cash Changes | Balance as on March 31, 2023 |
|---|---|---|---|---|
| Lease Liability | 18.89 | (1.52) | 1.89 | 19.26 |

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35 Corporate Social Responsibility

| | For the period ended September 30, 2023 | **For the period ended September 30, 2022** |
|---|---|---|
| (i) Amount required to be spent by the company during the year | 42.90 | **15.26** |
| (ii) Amount of expenditure incurred | 42.90 | **15.26** |
| (iii) Shortfall at the end of the period | - | - |
| (iv) Total of previous years shortfall | - | - |
| (v) Reason of shortfall | - | - |
| (vi) Nature of CSR activities | Livelihood, Education,Drinking water,Sports Activities | **Rural sports promotion.** |
| (vii) Details of related party transactions | | - |
| - paid to Tata Steel Foundation | 42.90 | **15.23** |
| (viii) Movement Provision made for contractual obligation | - | - |

As per our report of even date attached
**For Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

**Bimal Kumar Sipani**
Partner
Membership No. 088926

Date: October 17, 2023
Place: Noida (Delhi - NCR)

For and on behalf of the Board of Directors

**Subodh Pandey**
Director
(DIN : 08279634)
Place : Angul

**Shailesh Verma**
Managing Director
(DIN : 08830968)
Place : Angul

Rupesh Purwar
**Rupesh Purwar**
Company Secretary
Place : New Delhi

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TATA STEEL LIMITED AT ITS MEETING HELD ON MONDAY, FEBRUARY 6, 2023, EXPLAINING THE EFFECT OF THE SCHEME OF AMALGAMATION OF ANGUL ENERGY LIMITED INTO AND WITH TATA STEEL LIMITED, ON EACH CLASS OF SHAREHOLDERS (PROMOTER AND NON-PROMOTERS), KEY MANAGERIAL PERSONNEL, CREDITORS, EMPLOYEES AND HOLDERS OF NON CONVERTIBLE DEBENTURES (NCDs) OF TATA STEEL LIMITED AND SPECIFYING ANY SPECIAL VALUATION DIFFICULTIES**

## 1. Background

1. Based on the recommendations of the Committee of Independent Directors and the Audit Committee, the Board of Directors ("**Board**") of Tata Steel Limited ("**Transferee Company" or "Company"**) at its meeting held on February 6, 2023, approved the Scheme of Amalgamation involving the Company and its subsidiary, Angul Energy Limited ("**Transferor Company**") and their respective shareholders (hereinafter referred to as "**Scheme**"), wherein the Transferor Company shall amalgamate into and with the Transferee Company in terms of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 ("**Companies Act"**) read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) or other amendment(s) thereof for the time being in force), and other applicable laws including SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, and the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time ("**SEBI Circulars**") and SEBI Circular No. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 as updated upto December 1, 2022 ("**SEBI Operational Circular**").

2. In terms of Section 232(2)(c) of the Companies Act, a report from the Board of the Company, explaining the effect of the Scheme on each class of shareholders (promoters and non-promoter shareholders), creditors, key managerial personnel ("**KMP**"), and employees of the Company, setting out, among other things, the share exchange report specifying any special valuation difficulties, is required to be adopted by the Board. Such report is then required to be appended with the notice of the meeting of shareholders and creditors, if such meeting is ordered by the National Company Law Tribunal. Pursuant to Para A (2)(d) of Part I of Annex XII-A to the SEBI Operational Circular, the report of the Board is also required to comment on (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.

3. Accordingly, this report of the Board is prepared to comply with the requirements of Section 232(2)(c) of the Companies Act and the SEBI Operational Circular.

4. While deliberating on the Scheme, the Board, inter-alia, considered and took on record the following documents:

   a) Draft of the proposed Scheme;

   b) Valuation Report dated February 6, 2023, issued by Mr. Vikrant Jain, Registered Valuer (IBBI Reg no. IBBI/RV/05/2018/10204) ("**Valuation Report**"), who in his report has recommended a cash consideration of ₹1,045/- (Rupees One thousand Forty Five only) for every 1 (One) fully paid-up equity share of nominal value of ₹10/- (Rupees Ten) each held by the shareholders (except the Transferee Company) in the Transferor Company, pursuant to the Scheme;

   c) Fairness opinion dated February 6, 2023, issued by Ernst & Young Merchant Banking Services LLP, an independent SEBI registered Category-I Merchant Banker providing fairness opinion on the recommended cash consideration in the Valuation Report prepared by Mr. Vikrant Jain ("**Fairness Opinion**");

   d) Draft Auditor's Certificate by the Statutory Auditors of the Company i.e., Price Waterhouse & Co. Chartered Accountants LLP ("**Auditors Certificate**") in terms of Para (A)(5) of Part I of the SEBI Circulars, Para (A)(6) of Part I of Annex XII-A of SEBI Operational Circular and *proviso* to sub-clause (j) of Section 232(3) of the Companies Act, to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Companies Act;

   e) Report of the Committee of Independent Directors of the Company dated February 6, 2023, recommending the Scheme, taking into consideration *inter alia,* that the Scheme is not detrimental to the shareholders of the Company; and

   f) Report of the Audit Committee of the Company dated February 6, 2023, recommending the Scheme, taking into consideration *inter alia,* the valuation report, and commenting on the need for the Scheme, rationale of the Scheme, cost benefit analysis of the Scheme, impact of the Scheme on the shareholders of the Company and synergies of business of entities involved.

5. The Scheme, amongst others, contemplates the following arrangements:

   a) Amalgamation of the Transferor Company into and with the Transferee Company in accordance with Sections 230 to 232 of the Companies Act and other applicable laws.

b) Pursuant to the sanction of the Scheme by the Competent Authority (*as defined in the Scheme*) and upon the fulfilment of conditions for the Scheme, the Scheme shall become effective from the opening of business on April 1, 2022, or such other date as may be determined by the Board of Directors of the concerned Transferor Company and the Transferee Company (collectively, "**Companies**") or directed / allowed by the Competent Authority ("**Appointed Date**").

c) With effect from the Appointed Date and upon the Scheme becoming effective, the entire Undertaking (*as defined in the Scheme*) of the Transferor Company shall stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Company to become the Undertaking of the Company, in the manner provided for in the Scheme, in accordance with Sections 230 to 232 of the Companies Act, and other applicable laws.

d) The entire paid-up share capital of the Transferor Company including the shares held by the Transferee Company in the Transferor Company shall stand cancelled in its entirety without being required to comply with the provisions of Section 66 of the Companies Act.

e) No shares shall be issued or allotted by the Company in respect of the shares held by the Company itself in the Transferor Company and all such shares shall stand cancelled and extinguished without any further act, application or deed.

f) Payment of cash consideration as per the approved Valuation Report to all the shareholders of the Transferor Company (except the Transferee Company), without any further act, instrument or deed, in accordance with Part II of the Scheme.

g) Transfer of the authorized share capital of the Transferor Company to the Company and consequential increase in the authorized share capital of the Company as provided in Part III of the Scheme.

h) The Transferor Company shall stand dissolved without being wound up.

6. The effectiveness of the Scheme is conditional upon fulfilment of the actions specified in the Scheme, which *inter alia* include:

a) receipt of consents, no-objection letters, approvals by the Transferee Company, from the Stock Exchanges (*as defined in the Scheme*) in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI Circulars and SEBI Operational Circular in respect of the Scheme (prior to filing the Scheme with the Competent Authority), which shall be in form and substance acceptable to the Companies, each acting reasonably and in good faith;

b) the Scheme being agreed to (in the manner prescribed herein) by the respective requisite majorities of the various classes of shareholders of the Companies as required under the Companies Act;

c) the Scheme being approved by the public shareholders of the Transferee Company through e-voting in terms of Part – I (A)(10)(a) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and the Scheme shall be acted upon only if votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it;

d) there having been no interim or final ruling, decree or direction by any Appropriate Authority (*as defined in the Scheme*), which has not been stayed by an appellate authority, which has the effect of prohibiting or making unlawful, the consummation of the proposed Scheme by any of the Companies; and

e) the Scheme being sanctioned by the Competent Authority under Sections 230 to 232 of the Companies Act, on terms as originally approved by or with such modifications as are acceptable to the Companies.

Upon the fulfilment of the aforementioned conditions, the Scheme shall become effective on the date or last of the dates on which the certified copies of the order of the Competent Authority sanctioning the Scheme are filed by the Transferor Company and the Transferee Company with their respective Registrar of Companies (whichever is later) ("**Effective Date**").

**2. <u>Effect of the Scheme on each class of shareholders (promoter shareholders and non-promoter shareholders), Key Managerial Personnel, creditors and holders of NCDs of Tata Steel Limited</u>**

a. The Valuation Report recommends a cash consideration of ₹1,045/- (Rupees One thousand and Forty Five only) for every 1 (One) fully paid-up equity share of nominal value of ₹10/- (Rupees Ten) each held by the shareholders (except the Transferee Company) in the Transferor Company as on the Record Date (*as defined in the Scheme*).

No special valuation difficulties were reported by the valuer.

b. <u>Effect on the equity shareholders (promoter shareholders and non-promoter shareholders)</u>

As far as the equity shareholders of the Transferee Company i.e., both promoter shareholders as well as non-promoter shareholders, are concerned, the amalgamation of the Transferor Company with the Company will not result in dilution of holding of promoter group in the Transferee Company's shares, nor would there be any change in the shareholding pattern. There will be no change in the trading stock of the shares of the Transferee Company. Pursuant to the Scheme, no new shares shall be issued by the Transferee Company, and there will be no change in economic interest of any of the current shareholders as on February 6, 2023, of the Transferee Company pre and post Scheme coming into effect.

The proposed Scheme does not entitle the promoter/promoter group and the related parties, associates and subsidiaries of the promoter/promoter group of the Company to any shares.

c. Effect on the KMPs

There shall be no effect of the Scheme on the KMPs of the Transferee Company.

The effect of the Scheme on the interests of the KMPs and their relatives holding shares in the Company, is not different from the effect of the Scheme on other shareholders of the Company.

d. Effect on the creditors

Under the Scheme, no arrangement or compromise is being proposed with the creditors (secured or unsecured, including debenture holders) of the Company. The liability of the creditors of the Company, under the Scheme, is neither being reduced nor being extinguished.

e. Effect on staff or employees

Under the Scheme, no rights of the staff and employees (who are on payroll) of the Company are being affected. The services of the staff and employees of the Company shall continue on the same terms and conditions applicable prior to the proposed Scheme.

Further, upon the Scheme becoming effective, the employees of the Transferor Company ("**Employees**") will be deemed to have become employees of the Company pursuant to the Scheme with effect from the Effective Date.

All such Employees shall be deemed to have become employees of the Company, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Company, shall not be less favorable than those applicable to them with reference to their employment in the Transferor Company as on the Effective Date.

f. Effect of the Scheme on holders of NCDs

i. Impact of the scheme on the holders of NCDs

The holders of the NCDs in the Transferee Company shall continue to hold all the NCDs in the Transferee Company even post the Scheme becoming effective on the same terms and conditions at which they were issued. Thus, the rights of the holders of the NCDs are in no manner affected by the Scheme becoming effective.

ii. Safeguards for the protection of holders of NCDs

The Scheme envisages the amalgamation of the Transferor Company which is an unlisted subsidiary into the Transferee Company. Under the Scheme, no arrangement or compromise is being proposed with the holders of the NCDs of the Company. The liability of the NCD holders of the Company, under the Scheme, is neither being reduced nor being extinguished. Further, the holders of the NCDs shall continue to hold all the NCDs in the Transferee Company even post the Scheme becoming effective, on the same terms and conditions at which they were issued. The Scheme, therefore, has adequate safeguards for the protection of holders of NCDs.

iii. Exit offer to the dissenting holders of NCDs, if any

Since the holders of the NCDs in the Transferee Company shall continue to hold all the NCDs in the Transferee Company even post the Scheme becoming effective on the same terms and conditions at which they were issued, the holders of the NCDs are not affected by the Scheme. Further, the liability of the NCD holders of the Company, under the Scheme, is neither being reduced nor being extinguished. Therefore, the Scheme, does not envisage any exit offer to the dissenting holders of NCDs.

Basis the details provided in paragraphs 2(f) (i) to (iii) above, the Board confirmed that the Scheme will not be detrimental to the interests of the holders of NCDs in the Company.

## 3. Conclusion

While deliberating on the Scheme, the Board has considered its impact on each of the shareholders (promoters and non-promoter shareholders), KMPs, creditors, employees and holders of the NCDs. In the opinion of the Board, the Scheme is in the best interest of the shareholders (promoters and non-promoter shareholders), KMPs, creditors, employees and holders of the NCDs of the Company and there will be no prejudice caused to them in any manner by the Scheme.

The Board has adopted this Report after noting and considering the documents and information set forth in this Report. In order for the Transferee Company to comply with the requirements of extant regulations applicable to companies undertaking any scheme of amalgamation, this report of the Board may please be taken on record while considering the Scheme.

**By order of the Board of Directors of Tata Steel Limited**

**N. Chandrasekaran**
**Chairman**

Date: February 6, 2023
Place: Mumbai

Annexure 4b

TRUE COPY
TATA STEEL LIMITED

(PARVATHEESAM KANCHINADHAM)
COMPANY SECRETARY &
CHIEF LEGAL OFFICER (CORPORATE & COMPLIANCE)

TATA

**REPORT ADOPTED BY THE AUDIT COMMITTEE OF TATA STEEL LIMITED AT ITS MEETING HELD ON MONDAY, FEBRUARY 6, 2023, IN RELATION TO THE PROPOSED SCHEME OF AMALGAMATION OF ANGUL ENERGY LIMITED INTO AND WITH TATA STEEL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS**

**Members Present:**

Mr. Deepak Kapoor - Independent Director and Chairman of the Committee
Mr. O. P. Bhatt - Independent Director and Member of the Committee
Ms. Farida Khambata - Independent Director and Member of the Committee
Ms. Bharti Gupta Ramola - Independent Director and Member of the Committee
Mr. Saurabh Agrawal - Independent Director and Member of the Committee

**In attendance:**

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

**Management:**

Mr. T. V. Narendran, Chief Executive Officer and Managing Director
Mr. Koushik Chatterjee, Executive Director and Chief Financial Officer

**Auditors:**

Mr. Subramanian Vivek, Price Waterhouse & Co Chartered Accountants LLP
Mr. Pinaki Chowdhury, Price Waterhouse & Co Chartered Accountants LLP

**Registered Valuers:**

Mr. Vikrant Jain, Registered Valuer
Mrs. Sadaf Saiyed, Representative from Registered Valuer's office

**Merchant Bankers:**

Mr. Navin Vohra, Ernst & Young Merchant Banking Services LLP
Mr. Nilesh Jain, Ernst & Young Merchant Banking Services LLP
Mr. Darsh Solanki, Ernst & Young Merchant Banking Services LLP

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

TATA STEEL LIMITED MUMBAI

## 1. BACKGROUND

1.1 The Audit Committee, at its meeting held on February 6, 2023, was requested to consider, and if thought fit, recommend to the Board of Directors ("**Board**") of Tata Steel Limited ("**Transferee Company**" or "**Company**"), a draft of the proposed scheme of amalgamation involving the Company, and its unlisted subsidiary, Angul Energy Limited ('**Transferor Company**') and their respective shareholders, (hereinafter referred to as '**Scheme**'), wherein the Transferor Company shall amalgamate into and with the parent listed Transferee Company in terms of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 ('**Companies Act**') read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) or other amendments thereof for the time being in force), and other applicable laws including SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time ('**SEBI Circulars**') and SEBI Circular No. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 updated as on December 1, 2022 ("**SEBI Operational Circular**").

1.2 The Scheme is subject to the receipt of approval from the Board of Directors and (a) requisite majority of the shareholders of the respective Transferor Company and Transferee Company (collectively '**Companies**'); (b) Competent Authority (as defined in the Scheme), (c) SEBI (d) The National Stock Exchange of India Limited and the BSE Limited (hereinafter collectively referred to as "**Stock Exchanges**") and (e) such other approvals, permissions and sanctions of regulatory and other statutory or governmental authorities / quasi-judicial authorities, as may be necessary as per applicable laws.

1.3 As per the SEBI Circulars, the Audit Committee is required to issue a report recommending the Scheme, taking into consideration *inter alia*, the valuation report, and commenting on the need for the Scheme, rationale of the Scheme, cost benefit analysis of the Scheme, impact of the Scheme on the shareholders of the Company and synergies of business of entities involved.

1.4 This report of the Audit Committee is made to comply with the requirements of the SEBI Circulars.

1.5 The following documents were placed before the Audit Committee and while deliberating on the Scheme, the Audit Committee had, *inter alia*, considered and took on record these documents:

a) A draft of the proposed Scheme;

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b) Valuation Report dated February 6, 2023, issued by Mr. Vikrant Jain, Registered Valuer (IBBI Reg no. IBBI/RV/05/2018/10204) ('**Valuation Report**'), who in his report has recommended the cash consideration of ₹1,045/- (Rupees One Thousand and Forty Five only) for every 1 (one) fully paid-up equity share of nominal value of ₹10/- (Rupees ten) each held by the shareholders (except the Transferee Company) of the Transferor Company, pursuant to the Scheme;

c) Fairness opinion dated February 6, 2023, issued by Ernst & Young Merchant Banking Services LLP, an independent SEBI Registered Category-I Merchant Banker providing fairness opinion on the recommended cash consideration in the Valuation Report prepared by Mr. Vikrant Jain ('**Fairness Opinion**'); and

d) Draft Auditor's Certificate by the Statutory Auditors of the Company i.e., Price Waterhouse & Co. Chartered Accountants LLP ('**Auditors Certificate**'), in terms of Para (A)(5) of Part I of the SEBI Circular, Para (A)(6) of Part I of Annex XII-A of SEBI Operational Circular and *proviso* to sub-clause (j) of Section 232(3) of the Companies Act, to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Companies Act.

## 2. PROPOSED SCHEME OF AMALGAMATION

2.1 The Audit Committee noted the salient features of the Scheme which *inter alia* are as under:

a) Amalgamation of the Transferor Company into and with Transferee Company in accordance with Sections 230 to 232 of the Companies Act and other applicable laws.

b) Pursuant to the sanction of the Scheme by the Competent Authority and upon the conditions for the Scheme to become effective being fulfilled, the Scheme shall become effective from the opening of business hours on April 1, 2022, or such other date as may be determined by the Board of Directors of the Transferee Company and Transferor Company or directed / allowed by the Competent Authority ("**Appointed Date**").

c) With effect from the Appointed Date and upon the Scheme becoming effective, the entire Undertaking (*as defined in the Scheme*) of the Transferor Company shall stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Company to become Undertaking of the Company, in the manner provided for in the Scheme, in accordance with Sections 230 to 232 of the Companies Act and other applicable laws.

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d) The entire paid-up share capital of the Transferor Company including the shares held by the Transferee Company in the Transferor Company shall stand cancelled in its entirety, without being required to comply with the provisions of Section 66 of the Companies Act.

e) No shares shall be issued or allotted by the Company in respect of the shares held by the Company itself in the Transferor Company and all such shares shall stand cancelled and extinguished without any further application or deed.

f) Payment of cash consideration as per the approved Valuation Report to all the shareholders of the Transferor Company (except the Transferee Company), without any further act, instrument or deed, in accordance with Part II of the Scheme.

g) Transfer of the authorized share capital of the Transferor Company to the Company and consequential increase in the authorized share capital of the Company as provided in Part III of the Scheme.

h) The Transferor Company shall stand dissolved without being wound up.

2.2 The effectiveness of the Scheme is conditional upon fulfilment of the actions specified in the Scheme, which *inter alia* include:

(a) receipt of consents, no-objection letters, approvals by the Transferee Company from the Stock Exchanges (*as defined in the Scheme*) in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI Circulars and the SEBI Operational Circular, in respect of the Scheme (prior to filing the Scheme with the Competent Authority), which shall be in form and substance acceptable to the Companies, each acting reasonably and in good faith;

(b) the Scheme being agreed to (in the manner prescribed herein) by the respective requisite majorities of the various classes of shareholders of the Companies as required under the Companies Act;

(c) the Scheme being approved by the public shareholders of the Transferee Company through e-voting in terms of Part –I(A)(10)(a) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and the Scheme shall be acted upon only if votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it;

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(d) there having been no interim or final ruling, decree or direction by any Appropriate Authority (*as defined in the Scheme*), which has not been stayed by an appellate authority, which has the effect of prohibiting or making unlawful, the consummation of the proposed Scheme by any of the Companies; and

(e) the Scheme being sanctioned by the Competent Authority under Sections 230 to 232 of the Companies Act, on terms as originally approved by or with such modifications as are acceptable to the Companies.

Upon the fulfilment of the aforementioned conditions, the Scheme shall become effective on the date or last of the dates on which the certified copies of the order of the Competent Authority sanctioning the Scheme are filed by the Transferor Company and the Transferee Company with their respective Registrar of Companies (whichever is later) ("**Effective Date**").

## 3. NEED FOR THE SCHEME

3.1 The Transferee Company is one of the leading global steel companies, with over 100 (hundred) years of experience in the steel sector and is a pioneer of steel manufacturing in India. The Transferee Company also operates coal and waste heat recovery-based captive power plants to cater its power requirement.

3.2 The Transferor Company is engaged in the business of generation of thermal power and has entered into a tolling arrangement with the Transferee Company and is operating as an external processing agent of the Transferee Company by converting coal into power.

3.3 The amalgamation will consolidate the business of the Transferor Company and the Transferee Company which will result in focused growth, operational efficiencies, and enhance business synergies. In addition, the resulting corporate holding structure will bring enhanced agility to business ecosystem of the merged entity.

## 4. RATIONALE AND OBJECTIVE OF THE SCHEME

4.1 The amalgamation will ensure consolidation of all power assets under a single entity, which will increase system agility for power generation and allocation. It will help the Company to improve its plant reliability, ensuring steady source of power supply while optimising cost. Further, such restructuring will lead to simplification of group structure by eliminating multiple companies in similar operation.

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4.2 The Companies believe that the financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of the Companies pooled in the merged entity, will lead to optimum use of infrastructure, rationalisation of cost in the areas of operations and administrative overheads, thereby maximising shareholder value of the merged entity.

## 5. SYNERGIES OF BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME

The proposed Scheme would result in the following synergies:

a) **Operational efficiencies:** The amalgamation is expected to result in better alignment, optimized power cost, sharing of best practices, cross-functional learnings and better utilisation of common facilities. It would result in synergy benefits arising out of single value chain thereby optimising costs and increasing operational efficiencies;

b) **Improving asset utilization:** The Transferee Company's technical expertise and financial resources can be used to eliminate congestion in the Transferor Company's operations to improve plant load factor. This will also allow surplus capacity to be monetized by wheeling surplus power to the grid for utilization at different locations of the Transferee Company;

c) **Simplified structure and management efficiency:** In line with group level 5S strategy – simplification, synergy, scale, sustainability, and speed, the amalgamation will simplify group holding structure, improve agility to enable quicker decision making, eliminate administrative duplications, consequently reducing administrative costs of maintaining separate entities; and

d) **Sharing of best practices in sustainability, safety, health and environment:** Adoption of improved safety, environment and sustainability practices owing to a centralized committee at combined level to provide focused approach towards safety, environment and sustainability practices resulting in overall improvement. Further, overall technology maturity can be enhanced by the Companies through unfettered access to each other's information technology applications and systems.

## 6. IMPACT OF THE SCHEME ON SHAREHOLDERS

6.1 Based on the (a) presentations made by the Registered Valuer and the independent SEBI Registered Category – I Merchant Banker and the discussion(s) that ensued thereafter; (b) review of the documents placed at the meeting, (c) Audit Committee's deliberations and consideration of various factors including but not limited to the synergies mentioned in paragraph 5, need for the Scheme, rationale and objective, salient features and expected benefits of the Scheme, the Audit Committee is of the

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view that the proposed Scheme is fair and in the best interest of the shareholders, as the proposed amalgamation is expected to result in economies of scale and consolidation of opportunities, thereby enhancing the value of the merged entity and overall shareholder value.

6.2 Further, the Audit Committee of the Company noted that, upon the Scheme coming into effect, the Transferee Company shall without any further application, act, instrument, or deed, pay Rs. 1,045/- (Rupees One Thousand and Forty Five only ) to the shareholders of the Transferor Company (except the Transferee Company) for every 1 (one) fully paid-up equity share of nominal value of Rs. 10/- (Rupees ten) each held by the shareholders (except the Transferee Company) of Transferor Company, whose name appear in the Register of Members, as on the Record Date (*as defined in the Scheme*).

## 7. COST BENEFIT ANALYSIS OF THE SCHEME

The Scheme involves payment of cash consideration to the shareholders of the Transferor Company. The implementation of the Scheme will involve incurring costs including, administrative/ statutory levy(ies), fees payable to financial/legal advisors, etc. However, the benefits as stated in paragraph 5 – Synergies of Business of the Entities involved in the Scheme, are expected to outweigh costs towards implementation of the Scheme.

## 8. Valuation Report and Fairness Opinion

8.1 The Audit Committee reviewed the Valuation Report alongwith the summary thereof, discussed the methods of valuation and the recommended cash consideration payable to the Eligible Members (*as defined in the Scheme*) of the Transferor Company (other than the Transferee Company) with the independent Registered Valuer and the SEBI Registered Category-I Merchant Banker who were also present at the meeting.

8.2 Based on the discussions, with the Registered Valuer and the SEBI Registered Category – I Merchant Bankers, review of documents including the Fairness Opinion placed at the meeting, the Audit Committee is of the view that the cash consideration specified in the Valuation Report is fair to the shareholders of the Company.

## 9. Recommendation of the Audit Committee

The Audit Committee, after taking into consideration the Valuation Report and the Fairness Opinion and based on its discussions with the Registered Valuer and the independent SEBI Registered Category - I Merchant Banker, and after reviewing the documents placed at the meeting, recommended the draft Scheme in its present form for favourable consideration by the Board of Directors of Company, the Stock Exchanges and SEBI.

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In order for the Transferee Company to comply with the requirements of extant regulations applicable to the listed companies undertaking any scheme of amalgamation under the Companies Act, this report of the Audit Committee may please be taken on record by the Board while considering the Scheme for approval and further authorisations.

**For and on behalf of the Audit Committee of Tata Steel Limited**

**Deepak Kapoor**
**(DIN: 00162957)**
**Chairman of the Audit Committee**

Date: February 6, 2023
Place: Mumbai

Annexure 4c

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

**REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF TATA STEEL LIMITED HELD ON MONDAY, FEBRUARY 6, 2023, RECOMMENDING THE SCHEME OF AMALGAMATION OF ANGUL ENERGY LIMITED INTO AND WITH TATA STEEL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS**

**Members Pre sent:**

Mr. O. P. Bhatt - Independent Director and Chairman of the Commi ttee
Mr. Deepak Kapoor - Independent Director and Member of the Committee
Ms. Farida Khambata - Independent Director and Member of the Committee
Ms. Bharti Gupta Ramola - Independent Director and Member of the Committee

**In attendance:**

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

**Management:**

Mr. T. V. Narendran, Chief Executive Officer and Managing Director
Mr. Koushik Chatterjee, Executive Director and Chief Financial Officer

**Registered Valuers:**

Mr. Vikrant Jain, Registered Valuer
Mrs. Sadaf Saiyed, Representative from Registered Valuer's office

**Merchant Bankers:**

Mr. Navin Vohra, Ernst & Young Merchant Banking Services LLP
Mr. Nilesh Jain, Ernst & Young Merchant Banking Services LLP
Mr. Darsh Solanki, Ernst & Young Merchant Banking Services LLP

1. **BACKGROUND**:

1.1 A meeting of the Committee of Independent Directors ("**ID Committee**" or "**Committee**") of Tata Steel Limited ("**Transferee Company**" or "**Company**") was held on February 6, 2023, to consider and, if thought fit, recommend the proposed scheme of amalgamation involving the Company and its unlisted subsidiary, Angul Energy Limited ("**Transferor Company**") and their respective shareholders, (hereinafter referred to as '**Scheme**'), wherein the Transferor Company shall amalgamate into and with the Transferee Company in terms of Sections 230 to 232 and other applicable provisions, if any, of the

Companies Act, 2013 ("**Companies Act**") read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) or other amendments thereof for the time being in force), and other applicable laws including SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time ('**SEBI Circulars**') and SEBI Circular No. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 updated as on December 1, 2022 ("**SEBI Operational Circular**") .

1.2 The Scheme is subject to the receipt of approval from the Board of Directors and (a) requisite majority of the shareholders of the respective Transferor Company and Transferee Company (collectively "**Companies**"); (b) Competent Authority (as defined in the Scheme), (c) SEBI; (d) The National Stock Exchange of India Limited and the BSE Limited (hereinafter collectively referred to as "**Stock Exchanges**"); and (e) such other approvals, permissions and sanctions of regulatory and other statutory or governmental authorities / quasi-judicial authorities, as may be necessary as per applicable laws.

1.3 As per the SEBI Circulars, the ID Committee is required to issue a report recommending the Scheme, taking into consideration, *inter alia*, that the Scheme is not detrimental to the shareholders of the Company.

1.4 This report of the ID Committee, is made in order to comply with the requirements of the SEBI Circular.

1.5 The following documents were placed before the ID Committee and while deliberating on the Scheme, the ID Committee had, *inter alia*, considered and took on record these documents:

i. Adraft of the proposed Scheme;

ii. Valuation Report dated February 6, 2023, issued by Mr. Vikrant Jain, Registered Valuer (IBBI Reg no. IBBI/RV/05/2018/10204) ('**Valuation Report**'), who in his report has recommended the cash consideration of ₹1,045/- (Rupees One Thousand and Forty Five only) for every 1 (one fully paid-up equity share of ₹10/- (Rupees ten) each held by the shareholders (except the Transferee Company) in the Transferor Company, pursuant to the Scheme;

iii. Fairness opinion dated February 6, 2023, issued by Ernst & Young Merchant Banking Services LLP, an independent SEBI registered Category-I Merchant Banker providing fairness opinion on the recommended cash consideration in the Valuation Report prepared by Mr. Vikrant Jain ('**Fairness Opinion**');

iv. Draft Auditor's Certificateby the Statutory Auditors of the Company i.e., Price Waterhouse & Co. Chartered Accountants LLP ('**Auditors Certificate**'), in terms of Para (A)(5) of Part I of the SEBI Circular, Para (A)(6) of Part I of Annex XII-A of SEBI Operational Circular and *proviso* to sub-clause (i) of Section 232(3) of the Companies Act, to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act;

v. Audited financials for three preceding financial years along with the audited financials of the latest quarter of the Transferor Company;

vi. Audited financials for three preceding financial years along with the audited financials of the latest quarter of the Transferee Company; and

vii. Pre and post amalgamation shareholding pattern of the Transferor Company and the Transferee Company.

## 2. PROPOSED SCHEME OF AMALGAMATION

2.1 TheID Committee noted the salient features of the Scheme which *inter alia* are as under:

a) Amalgamation of the Transferor Company into and with Transferee Company in accordance with Sections 230 to 232 of the Companies Act and other applicable laws.

b) Pursuant to the sanction of the Scheme by the Competent Authority and upon the conditions for the Scheme being fulfilled, the Scheme shall become effective from the opening of business hours on April 1, 2022, or such other date as may be determined by the Board of Directors of the Transferor Company and Transferee Company or directed / allowed by the Competent Authority ("**Appointed Date**").

c) With effect from the Appointed Date and upon the Scheme becoming effective, the entire Undertaking (*as defined in the Scheme*) of the Transferor Company shall stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Company to become Undertaking of the Company, in the manner provided for in the Scheme, in accordance with Sections 230 to 232 of the Companies Act and other applicable laws.

d) The entire paid-up share capital of the Transferor Company including the shares held by the Transferee Company in the Transferor Company shall stand cancelled in its entirety, without being required to comply with the provisions of Section 66 of the Companies Act.

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e) No shares shall be issued or allotted by the Transferee Company in respect of the shares held by the Transferee Company itself in the Transferor Company and all such shares shall stand cancelled and extinguished without any further application or deed.

f) Payment of cash consideration as per the approved Valuation Report to all the shareholders of the Transferor Company (except the Transferee Company), without any further act, instrument or deed, in accordance with Part II of the Scheme.

g) Transfer of the authorized share capital of the Transferor Company to the Company and consequential increase in the authorized share capital of the Company as provided in Part III of the Scheme.

h) The Transferor Company shall stand dissolved without being wound up.

2.2 The effectiveness of the Scheme is conditional upon fulfilment of the actions specified in the Scheme, which *inter alia* include:

(a) receipt of consents, no-objection letters, approvals by the Transferee Company from the Stock Exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,the SEBI Circulars and the SEBI Operational Circular, in respect of the Scheme (prior to filing the Scheme with the Competent Authority), which shall be in form and substance acceptable to the companies, each acting reasonably and in good faith;

(b) the Scheme being agreed to (in the manner prescribed herein) by the respective requisite majorities of the various classes of shareholders of the Companies as required under the Companies Act;

(c) the Scheme being approved by the public shareholders of the Transferee Company through e-voting in terms of Part – I (A)(10)(a) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and the Scheme shall be acted upon only if votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it;

(d) there having been no interim or final ruling, decree or direction by Appropriate Authority (*as defined in the Scheme*), which has not been stayed by an appellate authority, which has the effect of prohibiting or making unlawful, the consummation of the proposed Scheme by any of the Companies; and

(e) the Scheme being sanctioned by the Competent Authority under Sections 230 to 232 of the Companies Act, on terms as originally approved by or with such modifications as are acceptable to the Companies.



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Upon the fulfilment of the aforementioned conditions, the Scheme shall become effective on the date or last of the dates on which the certified copies of the order of the Competent Authority sanctioning the Scheme are filed by the Transferor Company and the Transferee Company with their respective Registrar of Companies (whichever is later) ("**Effective Date**").

## 3. NEED FOR THE SCHEME

3.1 The Transferee Company is one of the leading global steel companies, with over 100 (hundred) years of experience in the steel sector and is a pioneer of steel manufacturing in India. The Transferee Company also operates coal and waste heat recovery-based captive power plants to cater its power requirement.

3.2 The Transferor Company is engaged in the business of generation of thermal power and has currently entered into a tolling arrangement with the Transferee Company and is operating as an external processing agent of the Transferee Company by converting coal into power.

3.3 The amalgamation will consolidate the business of the Transferor Company and the Transferee Company which will result in focused growth, operational efficiencies, and enhance business synergies. In addition, the resulting corporate holding structure will bring enhanced agility to business ecosystem of the merged entity.

## 4. RATIONALE AND OBJECTIVE OF THE SCHEME

4.1 The amalgamation will ensure consolidation of all power assets under a single entity, which will increase system agility for power generation and allocation. It will help the Company to improve its plant reliability, ensuring steady source of power supply while optimising cost. Further, such restructuring will lead to simplification of group structure by eliminating multiple companies in similar operation.

4.2 The Companies believe that the financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of the Companies pooled in the merged entity, will lead to optimum use of infrastructure, rationalisation of cost in the areas of operations and administrative overheads, thereby maximising shareholder value of the merged entity.

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## 5. SYNERGIES OF BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME

The proposed Scheme would result in the following synergies:

a. **Operational efficiencies:** The amalgamation is expected to result in better alignment, optimized power cost, sharing of best practices, cross-functional learnings and better utilisation of common facilities. It would result in synergy benefits arising out of single value chain thereby optimising costs and increasing operational efficiencies;

b. **Improving asset utilization:** The Transferee Company's technical expertise and financial resources can be used to eliminate congestion in the Transferor Company's operations to improve plant load factor. This will also allow surplus capacity to be monetized by wheeling surplus power to the grid for utilization at different locations of the Transferee Company;

c. **Simplified structure and management efficiency:** In line with group level 5S strategy – simplification, synergy, scale, sustainability, and speed, the amalgamation will simplify group holding structure, improve agility to enable quicker decision making, eliminate administrative duplications, consequently reducing administrative costs of maintaining separate entities; and

d. **Sharing of best practices in sustainability, safety, health and environment:** Adoption of improved safety, environment and sustainability practices owing to a centralized committee at combined level to provide focused approach towards safety, environment and sustainability practices resulting in overall improvement. Further, overall technology maturity can be enhanced by the Companies through unfettered access to each other's information technology applications and systems.

## 6. SCHEME NOT DETRIMENTAL TO THE SHAREHOLDERS

6.1 Based on the (a) presentations made by the Registered Valuer and the independent SEBI Registered Category – I Merchant Banker and the discussion(s) that ensued thereafter; (b) review of the documents placed at the meeting; (c) Committee's deliberations and consideration of various factors including but not limited to the synergies mentioned in paragraph 5, need for the Scheme, rationale and objective, salient features and expected benefits of the Scheme, the ID Committee is of the view that the proposed Scheme is fair and in the best interest of the shareholders, as the proposed amalgamation is expected to result in economies of scale and consolidation of opportunities, thereby enhancing the value of the merged entity and overall shareholder value.

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6.2 Further, the Independent Directors of the Company noted that, upon the Scheme coming into effect, the Company shall without any further application, act, instrument, or deed, pay Rs. 1,045/- (Rupees One Thousand and Forty Five only) to the shareholders of the Transferor Company (except the Transferee Company) for every 1 (one) fully paid-up equity share of nominal value of Rs. 10/- (Rupees ten) each held by the shareholders (except the Transferee Company) of Transferor Company, whose name appear in the Register of Members as on the Record Date (as defined in the Scheme).

## 7. Recommendation of the ID Committee

In light of the aforesaid, the ID Committee is of the view that the proposal of amalgamation and the Scheme are not detrimental to the shareholders of the Company and decided to recommend the proposal of amalgamation and the draft Scheme to the Board of Directors.

In order for the Transferee Company to comply with the requirements of extant regulations applicable to the listed companies undertaking any scheme of amalgamation, this report of the ID Committee may please be taken on record by the Board while considering the Scheme for approval and further authorisations.

**For and on behalf of the ID Committee of Tata Steel Limited**

TATA STEEL LIMITED MUMBAI

**OP . Bhatt**
**(DIN.: 00548091)**
**Chairman of the ID Committee**

Date: February 6, 2023
Place: Mumbai

Annexure 5a

**ANGUL ENERGY LIMITED**

(Formerly Bhushan Energy Limited)

True Copy
Angul Energy Limited
Rupesh Purwar
(Rupesh Purwar)
Company Secretary

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF THE ANGUL ENERGY LIMITED AT ITS MEETING HELD ON MONDAY, FEBRUARY 6, 2023, EXPLAINING THE EFFECT OF THE SCHEME OF AMALGAMATION OF ANGUL ENERGY LIMITED INTO AND WITH TATA STEEL LIMITED, ON EACH CLASS OF SHAREHOLDERS (PROMOTER AND NON-PROMOTERS), KEY MANAGERIAL PERSONNEL, CREDITORS AND EMPLOYEES OF ANGUL ENERGY LIMITED SPECIFYING ANY SPECIAL VALUATION DIFFICULTIES**

## 1. Background

1. Based on the recommendations of the Audit Committee, the Board of Directors ("**Board**") of Angul Energy Limited ("**Transferor Company**" or "**Company**") at its meeting held on February 6, 2023 approved the Scheme of Amalgamation, involving the Company and its holding company, Tata Steel Limited ("**Transferee Company**") and their respective shareholders (hereinafter referred to as "**Scheme**"), wherein the Transferor Company shall amalgamate into and with the Transferee Company in terms of Sections 230 to 232 and other applicable provisions, if any of the Companies Act, 2013 ("**Companies Act**") read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) or other amendment(s) thereof for the time being in force) and other applicable laws including SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, each as amended from time to time ("**SEBI Circulars**")..

2. In terms of Section 232(2)(c) of the Companies Act, a report from the Board of the Company, explaining the effect of the Scheme on each class of shareholders (promoters and non-promoter shareholders), creditors, key managerial personnel ("**KMP**"), and employees of the Company, setting out, among other things, the share exchange report, specifying any special valuation difficulties, is required to be adopted by the Board. Such report is then required to be appended with the notice of the meeting of shareholders and creditors, if such meeting is ordered by the National Company Law Tribunal.

3. Accordingly, this report of the Board is prepared to comply with the requirements of Section 232(2)(c) of the Companies Act.

4. While deliberating on the Scheme, the Board, *inter-alia*, considered and took on record the following documents:

   a. Draft of the proposed Scheme;

   b. Valuation Report dated February 6, 2023, issued by Omnifin Valuation Services (OPC) P Limited, Registered Valuer (IBBI Reg no. IBBI/RV-E/01/2022/160) ("**Valuation Report**"), who in its report has recommended a cash consideration of approx. ₹1,041.68 for every 1 (one) fully paid-up equity share of nominal value of ₹10/- (Rupees ten) each held by the shareholders (except the Transferee Company) in the Transferor Company, pursuant to the Scheme;

ANGUL ENERGY LIMITED

Registered Office: Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065
Tel: +91 11 3919 4000, Fax: 91 11 4101 0050, E-mail: ael@anugulenergy.co.in, Website: www.angulenergy.co.in, CIN No: U40105DL2005PLC140748

c. Fairness opinion dated February 6, 2023, issued by Finshore Management Services Limited, an independent SEBI registered Merchant Banker providing fairness opinion on the recommended cash consideration in the Valuation Report prepared by Omnifin Valuation Services (OPC) P Limited ("**Fairness Opinion**");

d. Draft Auditor's Certificate by the Statutory Auditors of the Company i.e. Singhi & Co, Chartered Accountants ("**Auditors Certificate**") in terms of *proviso* to sub-clause (j) of Section 232(3) of the Companies Act, to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Companies Act;

e. Report of the Audit Committee of the Company dated February 6, 2023, recommending the Scheme taking into consideration *inter alia,* the valuation report, and commenting on the need for the Scheme, rationale of the Scheme, cost benefit analysis of the Scheme, impact of the Scheme on the shareholders of the Company and synergies of business of entities involved.

5. The Scheme, amongst others, contemplates the following arrangements:

a) Amalgamation of the Transferor Company into and with the Transferee Company in accordance with Sections 230 to 232 of the Companies Act and other applicable laws.

b) Pursuant to the sanction of the Scheme by the Competent Authority (*as defined in the Scheme*) and upon the fulfilment of conditions for the Scheme, the Scheme shall become effective from the opening of business on April 1, 2022, or such other date as may be determined by the Board of Directors of the concerned Transferor Company and the Transferee Company (collectively, "**Companies**") or directed / allowed by the Competent Authority ("**Appointed Date**").

c) With effect from the Appointed Date and upon the Scheme becoming effective, the entire Undertaking (*as defined in the Scheme*) of the Transferor Company shall stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company to become the Undertaking of the Transferee Company, in the manner provided for in the Scheme, in accordance with Sections 230 to 232 of the Companies Act and other applicable laws.

d) The entire paid-up share capital of the Transferor Company including the shares held by the Transferee Company in the Transferor Company shall stand cancelled in its entirety, without being required to comply with the provisions of Section 66 of the Companies Act.

e) No shares shall be issued or allotted by the Transferee Company in respect of the shares held by the Transferee Company itself in the Transferor Company and all such shares shall stand cancelled and extinguished without any further act, application or deed.

ANGUL ENERGY LIMITED

f) Payment of cash consideration based on the approved Valuation Report to all the shareholders of the Transferor Company (except the Transferee Company), without any further act, instrument or deed, in accordance with Part II of the Scheme.

g) Transfer of the authorized share capital of the Transferor Company to the Transferee Company and consequential increase in the authorized share capital of the Transferee Company as provided in Part III of the Scheme.

h) The Transferor Company shall stand dissolved without being wound up.

6. The effectiveness of the Scheme is conditional upon fulfilment of the actions specified in the Scheme, which *inter alia* include:

(a) receipt of consents, no-objection letters, approvals by the Transferee Company from the Stock Exchanges (*as defined in the Scheme*) in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI Circulars, in respect of the Scheme (prior to filing the Scheme with the Competent Authority), which shall be in form and substance acceptable to the Companies, each acting reasonably and in good faith;

(b) the Scheme being agreed to (in the manner prescribed herein) by the respective requisite majorities of the various classes of shareholders of the Companies as required under the Companies Act;

(c) the Scheme being approved by the public shareholders of the Transferee Company through e-voting in terms of Part – I (A)(10)(a) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, and the Scheme shall be acted upon only if votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it;

(d) there having been no interim or final ruling, decree or direction by any Appropriate Authority (*as defined in the Scheme*), which has not been stayed by an appellate authority, which has the effect of prohibiting or making unlawful, the consummation of the proposed Scheme by any of the Companies; and

(e) the Scheme being sanctioned by the Competent Authority under Sections 230 to 232 of the Companies Act, on terms as originally approved by or with such modifications as are acceptable to the Companies.

Upon the fulfilment of the aforementioned conditions, the Scheme shall become effective on the date or last of the dates on which the certified copies of the order of the Competent Authority sanctioning the Scheme are filed by the Transferor Company and the Transferee Company with their respective Registrar of Companies (whichever is later) ("**Effective Date**").

ANGUL ENERGY LIMITED

2. **<u>Effect of the Scheme on each class of shareholders (promoter shareholders and non-promoter shareholders), Key Managerial Personnel, creditors of the Transferor Company:</u>**

1. The Valuation Report recommends cash consideration of ₹1,041.68 for every 1 (one) fully paid-up equity share of nominal value of ₹10/- (Rupees ten) each held by the shareholders (except the Transferee Company) in the Transferor Company as on the Record Date (*as defined in the Scheme*).

2. The Board however noted that the Transferee Company has also obtained a valuation report from Mr. Vikrant Jain, Registered Valuer (IBBI Reg no. IBBI/RV/05/2018/10204) which recommends a cash consideration of ₹1,045/- for every 1 (one) fully paid-up equity share of a nominal value of ₹10/- (Rupees ten) each held by the shareholders (except the Transferee Company) in the Transferor Company. Upon deliberations and based on the recommendation of the Audit Committee, the Board approved that the consideration payable be fixed at ₹1,045/- for every 1 (one) fully paid-up equity share of a nominal value of ₹10/- (Rupees ten) each held by the shareholders (except the Transferee Company) in the Transferor Company and such consideration shall be in the interest of the shareholders of the Transferor Company.

3. No special valuation difficulties were reported by the Valuer.

4. Effect on the equity shareholders (promoter shareholders and non-promoter shareholders):

   a) The equity shares issued by the Company to the Transferee Company shall stand cancelled in its entirety, which shall be effected as part of the Scheme and not in accordance with Section 66 of the Companies Act.

   b) For the shareholders of the Transferor Company (except the Transferee Company), the Scheme provides an opportunity to unlock the economic value by providing them with an exit opportunity.

   c) Further, upon the Scheme becoming effective, the Transferee Company shall without any further application, act, instrument, or deed, pay ₹1,045/- (Rupees One Thousand and Forty Five only) to the shareholders of the Transferor Company (except the Transferee Company) for every 1 (one) fully paid-up equity shares of nominal value of ₹10/- (Rupees ten) each held by the shareholders (except the Transferee Company) in the Transferor Company, whose name(s) appear in the register of members, as on the Record Date (as defined in the Scheme).

5. Effect on the KMPs: Pursuant to the Scheme, the Transferor Company shall be dissolved without winding up and therefore current KMPs of the Transferor Company shall cease to hold their positions and cease to be the KMPs of the Transferor Company.

   The KMPs shall also be affected to the extent of the equity shares (if any), held by the KMPs or their relatives in the Transferor Company. The effect of the Scheme on the interests of the KMPs and their relatives holding shares (if any) in the Company, is not different from the effect of the Scheme on other shareholders of the Company.

ANGUL ENERGY LIMITED

6. Effect on the creditors: Under the Scheme no arrangement or compromise is being proposed with the creditors (secured or unsecured) of the Company. The liability of the creditors of the Company, under the Scheme, is neither being reduced nor being extinguished.

7. Effect on staff or employees: Under the Scheme, no rights of the staff and employees (who are on payroll of the Company) of the Company are being affected. The services of the staff and employees of the Company shall continue on the same terms and conditions applicable prior to the proposed Scheme.

   Further, upon the Scheme becoming effective, the employees of the Transferor Company ("Employees") will be deemed to have become employees of the Transferee Company pursuant to the Scheme with effect from the Effective Date.

   All such Employees shall be deemed to have become employees of the Transferee Company, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company, shall not be less favorable than those applicable to them with reference to their employment in the Transferor Company as on the Effective Date.

**3. Conclusion**

While deliberating on the Scheme, the Board has considered its impact on each of the shareholders (promoters and non-promoter shareholders), KMPs, creditors and employees. In the opinion of the Board, the Scheme is in the best interest of the shareholders (promoters and non-promoter shareholders), KMPs, creditors and employees of the Company and there will be no prejudice caused to them in any manner by the Scheme.

The Board has adopted this Report after noting and considering the documents and information set forth in this Report. In order for the Transferor Company to comply with the requirements of extant regulations applicable to companies undertaking any scheme of amalgamation, this report of the Board may please be taken on record while considering the Scheme.

**By order of the Board of Directors of Angul Energy Limited**

Subodh Pandey

**Subodh Pandey**
**Chairman**
**DIN: 08279634**

ANGUL ENERGY LIMITED

**Date: February 6, 2023**
**Place: Bhubaneswar**

Annexure 5b

ANGUL ENERGY LIMITED

(Formerly Bhushan Energy Limited)

True Copy
Angul Energy Limited
Rupesh Purwar
(Rupesh Purwar)
Company Secretary

**REPORT ADOPTED BY THE AUDIT COMMITTEE OF ANGUL ENERGY LIMITED AT ITS MEETING HELD ON MONDAY, FEBRUARY 6, 2023, IN RELATION TO THE PROPOSED SCHEME OF AMALGAMATION OF ANGUL ENERGY LIMITED INTO AND WITH TATA STEEL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS**

**Members Present:**

| | |
|---|---|
| Mr. Sanjib Nanda | Chairman |
| Dr. Ansuman Das | Member |
| Prof. Sougata Ray | Member |

**In Attendance**

| | |
|---|---|
| Mr. Rupesh Purwar | Company Secretary |

***Invitees:***

| | |
|---|---|
| Mr. Shailesh Verma | Managing Director |
| Mr. Sanjeev Kumar Poddar | Chief Financial Officer |
| Mr. Dibyendu Dutta | Chief Portfolio Management & FFI, Tata Steel Limited |
| Ms. Neha Harlalka | Chief Portfolio Management, Tata Steel Limited |

**Special Invitees:**

| | |
|---|---|
| Mr. Vikash Goel | Omnifin Valuation Services (OPC) P Ltd., Registered Valuer |
| Mr. Ramakrishna Iyengar | Finshore Management Services Limited, Merchant Banker |

## 1. BACKGROUND

1.1 The Audit Committee, at its meeting held on February 6, 2023, was requested to consider, and if thought fit, recommend to the Board of Directors ("**Board**") of Angul Energy Limited ('**Transferor Company**' or '**Company**'), a draft of the proposed scheme of amalgamation involving the Company and its holding company, Tata Steel Limited ("**Transferee Company**") and their respective shareholders, (hereinafter referred to as '**Scheme**'), wherein the unlisted subsidiary, Transferor Company shall amalgamate into and with the parent listed Transferee Company in terms of Sections 230 to 232 and other applicable provisions, if any of the Companies Act, 2013 ('**Companies Act**') read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) or other amendments thereof for the time being in force), and other applicable laws including SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time ('**SEBI Circulars**') and SEBI Circular No. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 as updated upto December 1, 2022.

ANGUL ENERGY LIMITED

Registered Office: Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065
Tel: +91 11 3919 4000, Fax: 91 11 4101 0050, E-mail: ael@anugulenergy.co.in, Website: www.angulenergy.co.in, CIN No: U40105DL2005PLC140748

1.2 The Scheme is subject to the receipt of approval from the Board of Directors and (a) requisite majority of the shareholders of the respective Transferor Companies and Transferee Company (collectively '**Companies**'); (b) Competent Authority (as defined in each of the Schemes), (c) SEBI (d) The National Stock Exchange of India Limited and the BSE Limited (hereinafter collectively referred to as "**Stock Exchanges**"); and (e) such other approvals, permissions and sanctions of regulatory and other statutory or governmental authorities / quasi-judicial authorities, as may be necessary as per applicable laws.

1.3 The following documents were placed before the Audit Committee and while deliberating on the Scheme, the Audit Committee had, *inter alia*, considered and took on record these documents:

a) A draft of the proposed Scheme;

b) Valuation Report dated February 6, 2023 issued by Omnifin Valuation Services (OPC) P Limited, Registered Valuer (IBBI Reg no. IBBI/RV-E/01/2022/160) ('**Valuation Report**'), who in its report has recommended the cash consideration of approx. ₹1,041.68 for every 1 (one) fully paid up equity share of ₹10/- (Rupees ten) each held by the shareholders (except the Transferee Company) of the Transferor Company, pursuant to the Scheme;

c) Fairness opinion dated February 6, 2023 issued by Finshore Management Services Limited, SEBI Registered Merchant Banker (Registration no: INM 000012185) providing fairness opinion on the cash consideration recommended in the Valuation Report prepared by Omnifin Valuation Services (OPC) P Limited ('**Fairness Opinion**'); and

d) Draft Auditor's Certificate dated February 6, 2023 from the Statutory Auditors of the Company i.e., Singhi & Co, Chartered Accountants ('**Auditors Certificate**'), in terms of *Proviso* to sub-clause (j) of Section 232(3) of the Companies Act, to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act.

## 2. PROPOSED SCHEME OF AMALGAMATION

2.1 The Audit Committee noted the salient features of the Scheme which *inter alia* are as under:

a) Amalgamation of the Transferor Company into and with Transferee Company in accordance with Sections 230 to 232 of the Companies Act and other applicable laws.

ANGUL ENERGY LIMITED

b) Pursuant to the sanction of the Scheme by the Competent Authority and upon the conditions for the Scheme to become effective being fulfilled, the Scheme shall become effective from the opening of business hours on April 1, 2022, or such other date as may be determined by the Board of Directors of the Transferee Company and Transferor Company or directed / allowed by the Competent Authority ("**Appointed Date**").

c) With effect from the Appointed Date and upon the Scheme becoming effective, the entire Undertaking (*as defined in the Scheme*) of the Transferor Company shall stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company to become undertaking of the Transferee Company, in the manner provided for in the Scheme, in accordance with Sections 230 to 232 of the Companies Act and other applicable laws.

d) The entire paid-up share capital of the Transferor Company shall stand cancelled in its entirety without being required to comply with the provisions of Section 66 of the Companies Act.

e) No shares shall be issued or allotted by the Transferee Company in respect of the shares held by the Transferee Company itself in the Transferor Company and all such shares shall stand cancelled and extinguished without any further application or deed.

f) Payment of cash consideration based on the approved Valuation Report to all the shareholders of the Transferor Company (except the Transferee Company), without any further act, instrument or deed, in accordance with Part II of the Scheme.

g) Transfer of the authorized share capital of the Transferor Company to the Transferee Company and consequential increase in the authorized share capital of the Company as provided in Part III of the Scheme.

h) The Transferor Company shall stand dissolved without being wound up.

2.2 The effectiveness of the Scheme is conditional upon fulfilment of the actions specified in the Scheme, which *inter alia* include:

(a) receipt of consents, no-objection letters, approvals by the Transferee Company from the Stock Exchanges (*as defined in the Scheme*) in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Circulars in respect of the Scheme (prior to filing the Scheme with the Competent Authority), which shall be in form and substance acceptable to the Companies, each acting reasonably and in good faith;

ANGUL ENERGY LTD.

(b) the Scheme being agreed to (in the manner prescribed herein) by the respective requisite majorities of the various classes of shareholders of the Companies as required under the Companies Act;

(c) the Scheme being approved by the public shareholders of the Transferee Company through e-voting in terms of Part – I (A)(10)(a) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and the Scheme shall be acted upon only if votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it;

(d) there having been no interim or final ruling, decree or direction by any Appropriate Authority, which has not been stayed by an appellate authority, which has the effect of prohibiting or making unlawful, the consummation of the proposed Scheme by any of the Companies; and

(e) the Scheme being sanctioned by the Competent Authority under Sections 230 to 232 of the Companies Act, on terms as originally approved by or with such modifications as are acceptable to the Companies.

Upon the fulfilment of the aforementioned conditions, the Scheme shall become effective on the date or last of the dates on which the certified copies of the order of the Competent Authority sanctioning the Scheme are filed by the Transferor Company and the Transferee Company with their respective Registrar of Companies (whichever is later) ("**Effective Date**").

## 3. NEED FOR THE SCHEME

3.1 The Transferee Company is one of the leading global steel companies, with over 100 (hundred) years of experience in the steel sector and is a pioneer of steel manufacturing in India. The Transferee Company also operates coal and waste heat recovery-based captive power plants to cater its power requirement.

3.2 The Transferor Company is engaged in the business of generation of thermal power and has entered into a tolling arrangement with the Transferee Company and is operating as an external processing agent of the Transferee Company by converting coal into power.

3.3 The amalgamation will consolidate the business of the Transferor Company and the Transferee Company which will result in focused growth, operational efficiencies, and enhance business synergies. In addition, the resulting corporate holding structure will bring enhanced agility to business ecosystem of the merged entity.

ANGUL ENERGY LIMITED

## 4. RATIONALE AND OBJECTIVE OF THE SCHEME

4.1 The amalgamation will ensure consolidation of all power assets under a single entity, which will increase system agility for power generation and allocation. It will help TSL to improve its plant reliability, ensuring steady source of power supply while optimising cost. Further, such restructuring will lead to simplification of group structure by eliminating multiple companies in similar operation.

4.2 The Companies believe that the financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of the Companies pooled in the merged entity, will lead to optimum use of infrastructure, rationalisation of cost in the areas of operations and administrative overheads, thereby maximising shareholder value of the merged entity.

## 5. SYNERGIES OF BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME

5.1 The proposed Scheme would result in the following synergies:

(a) **Operational efficiencies**: The amalgamation is expected to result in better alignment, optimized power cost, sharing of best practices, cross-functional learnings and better utilisation of common facilities. It would result in synergy benefits arising out of single value chain thereby optimising costs and increasing operational efficiencies;

(b) **Improving asset utilization**: The Transferee Company's technical expertise and financial resources can be used to eliminate congestion in Transferor Company's operations to improve plant load factor. This will also allow surplus capacity to be monetized by wheeling surplus power to the grid for utilization at different locations of the Transferee Company.

(c) **Simplified structure and management efficiency**: In line with group level 5S strategy – simplification, synergy, scale, sustainability, and speed, the amalgamation will simplify group holding structure, improve agility to enable quicker decision making, eliminate administrative duplications, consequently reducing administrative costs of maintaining separate entities; and

(d) **Sharing of best practices in sustainability, safety, health and environment:** Adoption of improved safety, environment and sustainability practices owing to a centralized committee at combined level to provide focused approach towards safety, environment and sustainability practices resulting in overall improvement. Further, overall technology maturity can be enhanced by the Companies through unfettered access to each other's information technology applications and systems.

ANGUL ENERGY LIMITED

## 6. IMPACT OF SCHEME ON SHAREHOLDERS

6.1 The Audit Committee noted that the Transferee Company has also obtained a valuation report from Mr. Vikrant Jain, Registered Valuer (IBBI Reg no. IBBI/RV/05/2018/10204) which recommends a cash consideration of ₹1,045/- for every 1 (one) fully paid-up equity share of a nominal value of ₹10/- (Rupees ten) each held by the shareholders (except the Transferee Company) in the Transferor Company. Upon deliberations, the Audit Committee recommended that the consideration payable be fixed at ₹1,045/- for every 1 (one) fully paid-up equity share of a nominal value of ₹10/- (Rupees ten) each held by the shareholders (except the Transferee Company) in the Transferor Company and such consideration shall be in the interest of the shareholders of the Transferor Company.

6.2 The Audit Committee of the Company thus noted that upon the Scheme coming into effect, the Transferee Company shall without any further application, act, instrument, or deed, pay ₹1,045/- (Rupees One Thousand and Forty Five only) to the shareholders of the Transferor Company (except the Transferee Company) for every 1 (one) fully paid-up equity share of nominal value of Rs. 10/- (Rupees ten) each held by the shareholders (except the Transferee Company) of Transferor Company, whose name appear in the Register of Members, as on the Record Date (as defined in the Scheme).

6.3 The Audit Committee noted that for the public shareholders of the Transferor Company, the Scheme will provide an opportunity to unlock the economic value for the shareholders by providing them with an exit opportunity. Further, being the majority shareholder of the Transferor Company, the Scheme offers an opportunity to the Transferee Company to consolidate its group structure and achieve synergies.

## 7. COST BENEFIT ANALYSIS OF THE SCHEME

The Scheme involves payment of cash consideration to the shareholders of the Transferor Company . Further, the implementation of the Scheme would involve incurring costs including, administrative cost, statutory dues, cost of transferring the assets and cost of advisors, etc. However, the long-term benefits as stated in paragraph 5 – Synergies of Business of the Entities involved in the Scheme are expected to outweigh costs towards implementation of the Scheme.

## 8. Valuation Report and Fairness Opinion

8.1 The Audit Committee reviewed the Valuation Report along with the summary thereof, and noted the method of valuation for determination of cash consideration payable to the Eligible Members (*as defined in the Scheme*) of the Transferor Company (other than the Transferee Company). Further, the Audit Committee, discussed details in relation to the Valuation Report with the independent Registered Valuer who was also present at the meeting.

ANGUL EN... LIMITED

8.2 The Audit Committee also noted that the Fairness Opinion has confirmed that the cash consideration specified in the Valuation Report is fair to the shareholders (including the minority shareholders) of the Transferor Company. Further, the Audit Committee, discussed details in relation to the Fairness Opinion with the SEBI registered Category-I Merchant Banker who was also present at the meeting.

**9. Recommendation of the Audit Committee**

The Audit Committee, after taking into consideration the Valuation Report and the Fairness Opinion and other documents and based on its discussions with the Registered Valuer and the Merchant Banker recommends the draft Scheme in its present form for favourable consideration by the Board of Directors of Company.

This report of the Audit Committee may please be taken on record by the Board while considering the Scheme for approval and further authorisations.

**For and on behalf of the Audit Committee of Angul Energy Limited**

Sanjib Nanda

**Sanjib Nanda**
**(DIN-01045306)**
**Chairman of the Audit Committee**

ANGUL ENERGY LIMITED

**Date: February 6, 2023**
**Place: Mumbai**

Annexure 6

2303, Tower No. 4, Cedar, Runwal Greens
Mulund Goregaon Link Road, Bhandup (West)
Mumbai – 400 078

+91 98198 98889 vikrant.jain@jsvaluers.com

# CA VIKRANT JAIN

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

February 06, 2023

**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
(PARVATHEESAM KANCHINADHAM)
COMPANY SECRETARY &
CHIEF LEGAL OFFICER (CORPORATE & COMPLIANCE)

Dear Sir/ Madam,

**Sub: Determination of Fair Value of Equity Shares of Angul Energy Limited**

I refer to the engagement letter dated January 18, 2023 whereby, Tata Steel Limited ("TSL" or "Client"), has engaged me for recommendation of the Fair Value of equity shares of Angul Energy Limited ("AEL" or "Company") for the proposed amalgamation of AEL into TSL. TSL and AEL are collectively referred to as "Companies"). Vikrant Jain has been hereafter referred to as 'Registered Valuer' or 'I' or 'me'.

## SCOPE AND PURPOSE OF THIS REPORT

I understand from the Client that the amalgamation of the Companies is being contemplated, whereby AEL shall be amalgamated 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 Transaction, equity shareholders of AEL other than the Client is proposed to be paid cash consideration.

AEL is a subsidiary of TSL. For the aforesaid purpose, the Client has engaged the Registered Valuer to submit a report recommending the Fair Value of equity shares of AEL. The scope of my services is to conduct a Fair valuation of the equity shares of the Company and recommend the same 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 Company and information available in public domain.

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

a) Draft Scheme of Amalgamation u/s 230 to 232 and other applicable provisions of the Companies Act, 2013;
b) Audited financial statements of the Company for the past 3 financial years;
c) Interim audited financial statement for the period ended 31st December 2022 for AEL;
d) Power Tolling Agreement dt. 24th October 2019;
e) Discussions with the Management on various issues relevant to the valuation exercise, such as outlook of the industry, future prospects, expected growth rate and other relevant information regarding future envisaged profitability of the business, etc;
f) Other relevant details of the Company such as their history, their promoters, past and present activities, and other relevant information and data including information in the public domain;
g) Such other information and explanations as we required and which have been provided by the management of the Companies.

**DATE OF VALUATION**

The valuation is done as of 31st December 2022, using the financial statements as on 31st December 2022.

**BACKGROUND**

Tata Steel Limited:

Tata Steel Limited ("TSL") is one of the largest steel manufacturing companies headquartered at Mumbai and TSL is engaged in the business of manufacturing steel offering a broad range of steel products including a portfolio of high value-added downstream products such as hot rolled, cold rolled and coated steel, rebars, wire rods, tubes and wires. TSL also has a well-established distribution network. It is a listed company incorporated on August 26, 1907, having its registered office at Bombay House, 24, Homi Mody Street, Fort, Mumbai – 400 001 and CIN is L27100MH1907PLC000260. The issued and subscribed equity share capital as on August 1, 2022 is INR 1,222.12 Cr, consisting of 12,22,12,20,420 equity shares of face value of INR 1/- each fully paid up and INR 0.06 Cr consisting of 22,32,880 equity shares of INR 0.2504/- each partly paid up. The Shareholding Pattern is as follows:

| Sr. No. | Class of Shareholders | No. of shared held | % of total Shareholding |
|---|---|---|---|
| 1 | Promoter & Promoter Group | 4,14,35,94,780 | 33.899% |
| 2 | Public | 8,07,98,58,520 | 66.101% |
| | **TOTAL** | **1222,34,53,300** | **100.000%** |

Angul Energy Limited:

Angul Energy Limited ("AEL"), (formerly known as Bhushan Energy Limtied), is an unlisted public limited company incorporated on 14th September 2005, having its registered office at Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi, and CIN: U40105DL2005PLC140748. The Company is a subsidiary of TSL. It has been acquired under Corporate Insolvency Resolution Process ("CIRP"). The main objective of AEL is to carry on business of generation of thermal power. It has set up 300 MW (2X150MW) and 165(1X165MW) thermal power project at Meramandali Village, District Dhenkanal, Odisha under Phase – 1. The Company has entered into Power Tolling Agreement with TSL on 24th October 2019 for a contracted term of 15 years. The issued and subscribed equity share capital as on 31st December 2022 is INR 10.00 Cr, consisting of 1,00,00,142 equity shares of face value of INR 10/- each. The Shareholding Pattern is as follows:

| Sr. No. | Class of Shareholders | No. of shared held | % of total Shareholding |
|---|---|---|---|
| 1 | Tata Steel Limited | 99,99,904 | 99.998% |
| 2 | Others | 238 | 0.002% |
| | **TOTAL** | **1,00,00,142** | **100.000%** |

**EXCLUSIONS AND LIMITATIONS**

My report is subject to the scope limitations detailed in engagement letter dated January 18, 2023. 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 Company referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or

TATA STEEL LIMITED MUMBAI

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# CA VIKRANT JAIN

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

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 fair value of shares of the Company 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 Company, 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 Company and for submission to any regulatory / statutory authority as may be required under the law.

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 valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

The information contained herein and my report is confidential. Any person / party intending to provide finance / invest in the shares / business of the Company, 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 to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed amalgamation as aforesaid, can be done only with my prior permission in writing.

## APPROACH TO VALUATION ENGAGEMENT

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

- Discussion with the Management to understand the business and fundamental factors that affect its earning-generating capability including strength, weaknesses, opportunity and threats analysis and historical financial performance
- Analysis of information shared by the Management
- Analysis of information related to the Company and its peers as available in public domain
- Discussion with the Registered Valuer and the Fairness Opinion giver appointed by AEL regarding the valuation approach being adopted for the proposed Transaction
- Selection of appropriate internationally accepted valuation methodology/(ies) after deliberation
- Arriving at Equity Valuation of AEL for the Proposed Transaction

TATA STEEL LIMITED MUMBAI

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**CA VIKRANT JAIN**

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

**VALUATION MEHTODOLOGY**

The Scheme contemplates the amalgamation of AEL into TSL for cash consideration and hence would require determining fair value of the equity shares of AEL.

There are several commonly used and accepted methods for determining the valuation of AEL, which have been considered in the present case, to the extent and applicable, including:

1. Market Approach: Comparable Companies Multiples
2. Income Approach: Discounted Cash Flow Method
3. Cost Approach: Net Asset Value Method

As discussed below for the Proposed Transaction I have considered these methods, to the extent relevant and applicable.

This valuation could fluctuate with passage of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions financials and otherwise, of the Company, and other factors which generally influence the valuation of the company and their assets.

I have relied on the judgement of the Management as regards contingent and other liabilities, and have made appropriate adjustments (if any), based on my past experience.

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 fair value of AEL, are discussed hereunder:

**Comparable Companies Market Multiple ("CCM") Method:**

Under this method, fair value of the equity shares of a company is arrived at by using multiples derived from valuation 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. Though I have primarily run CCM Method using the listed Companies belonging to power sector, however, considering the fact that the Company is just a captive power plant for TSL under a contract, I have not considered this method to be appropriate for the present valuation in the want of exact listed comparable in terms of size, operations and nature of business.

**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 fair value. I have considered this method for valuing of equity shares of the Company based on the financial projections provided by the management.

**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

TATA STEEL LIMITED MUMBAI

owned by the 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 Company, I have considered it appropriate not to consider this method of valuation for the present valuation exercise.

**RECOMMENDATION ON FAIR EQUITY VALUE**

The fair basis of amalgamation of the Companies would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at, under each of the above approaches, for the purpose of recommending the fair value of equity shares it is necessary to arrive at a single value. It is however important to note that in doing so, I am not attempting to arrive at the absolute value of the shares of the Company. My approach is to determine the fair value of AEL by applying appropriate weightage to the values.

**Computation of Fair Equity Value of AEL**

| Valuation Approach | AEL | |
|---|---|---|
| | Value Per Share | Weight |
| Asset Approach – NAV Method* | 919.5 | 0% |
| Income Approach – DCF Method | 1045.1 | 100% |
| Market Approach – CCM Method** | 1232.3 | 0% |
| **Fair Equity Value per Share (Rounded)** | **1045** | |

**The Company is assumed to continue business on "going concern basis", and there being no intention to dispose off the assets, therefore I have not considered Asset Approach Method for the said transaction and have not assigned any weight to this method.*

***There are no listed peer comparable companies to AEL, hence I have not considered CCM Method for the said transaction and have not assigned any weight to this Method.*

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The fair value of equity shares of the Company is based on the various methodologies explained herein earlier and various qualitative factors relevant the company and the business dynamics and growth potential of the business of the Company, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgement taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in various judicial decisions.

## FAIR EQUITY VALUE OF AEL

In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this report, in my opinion, **the fair equity value of AEL is Rs. 1045.1 Cr. (i.e. Rs. 1045/- per equity share).**

Report Submitted

**Thanking you,**
**Yours faithfully,**

VIKRANT HEMRAJ JAIN
Digitally signed by VIKRANT HEMRAJ JAIN
Date: 2023.02.06 08:26:32 +05'30'

**CA Vikrant Jain**
**Registered Valuer**
**Reg No: IBBI/RV/05/2018/10204**

TATA STEEL LIMITED MUMBAI

Ernst & Young Merchant Banking Services LLP
14th Floor, The Ruby,
29 Senapati Bapat Marg,
Dadar West,
Mumbai - 400 028, India

Tel: +91 22 61920000
ey.com

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6 February 2023

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

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

**Sub: Fairness opinion on the fair equity value of Angul Energy Limited Limited ("AEL") recommended by the independent registered valuer for proposed amalgamation of AEL into Tata Steel Limited**

Dear Sirs/ Madam,

We refer to the engagement letter dated 31 January 2023 with Ernst & Young Merchant Banking Services LLP (hereinafter referred to as "we" or "EY" or "us"), wherein Tata Steel Limited (hereinafter referred to as "you" or "Client" or "TSL") has requested us to provide a fairness opinion on fair equity value of Angul Energy Limited Limited ("AEL") recommended by Vikrant Jain, Registered Valuer (hereby referred as "Independent Valuer" or "Registered Valuer") as at 31 December 2022 ("Valuation Date") for the proposed amalgamation of AEL into TSL (together AEL and TSL are referred to as "Companies").

## SCOPE AND PURPOSE OF THIS REPORT

We understand that amalgamation of AEL into TSL ("Proposed Transaction" or "Proposed Amalgamation"), under a Scheme of Amalgamation ("Scheme") is being evaluated by the Board of Directors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and other provisions of the Companies Act, 2013, as may be applicable. As a consideration for this Proposed Transaction, minority equity shareholders of AEL would be paid cash consideration by TSL in lieu of their shareholding in AEL.

In this connection, the Client has engaged EY to provide fairness opinion on the fair equity value of AEL as at Valuation Date determined by Vikrant Jain, Registered Valuer with IBBI with Registration No. IBBI/RV/05/2018/10204 for the Proposed Transaction.

This fairness opinion report ("Report") is our deliverable in respect of the above engagement.

Mumbai

This Report is subject to the scope, assumptions, 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.

This Report has been issued only for the purpose of facilitating the Proposed Transaction and should not be used for any other purpose.

**SOURCES OF INFORMATION**

In connection with this exercise, we have received the following information from the Management / obtained from public domain:

- Fair valuation report of equity shares of AEL as at 31 December 2022 issued by Vikrant Jain, Registered Valuer dated 6 February 2023
- Draft Scheme of Amalgamation for the Proposed Merger
- Audited financial statements of AEL for the year ended 31 March 2020 to 31 March 2022
- Audited interim financial statements of AEL for the 9 months ending 31 December 2022
- Financial projections of AEL from 1 January 2023 to 31 March 2034
- Copy of Power Tolling Agreement between TSL and AEL
- Details of contingent liabilities as at 31 March 2022 and confirmation that there is no material change in contingent liabilities from 31 March 2022 till Report date for AEL
- Background information provided through emails or during discussions.

We have also obtained further explanations and information considered reasonably necessary for our exercise.

During the discussions with the management of Companies, we have also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise. The Client have been provided with the opportunity to review the draft report (excluding the fair equity value proposed by the Registered Valuer and the fairness opinion on the recommended equity value) as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Report.

**PROCEDURES ADOPTED**

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

- Requested and received financial and qualitative information
- Obtained data available in public domain
- Discussions (physical/over call) with the management of the Companies 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:
  - Researched publicly available market data including economic factors and industry trends that may impact the valuation
  - Analyzed of key trends and valuation multiples of comparable companies/comparable transactions using proprietary databases subscribed by us or our network firms
- Reviewed the fair equity valuation arrived by Vikrant Jain, Registered Valuer along with supporting valuation workings and had discussions to seek clarifications.
- Undertook alternative calculations and analysis based on internationally accepted valuation methodology/(ies) as considered appropriate by us

**SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS**

Provision of fairness opinions and consideration of the issues described herein are areas of our regular valuation 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.

The user to which this fairness report opinion is addressed should read the basis upon which the Report has been prepared and be aware of the potential for later variations in value due to factors that are unforeseen at the Valuation Date. Due to possible changes in market forces (including prevailing quoted prices) and circumstances, this opinion can only be regarded as relevant as at the Valuation Date.

This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our Report is restricted for the purpose indicated in the engagement letter. We do not take any responsibility for the unauthorized use of this Report.

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of AEL's existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

The fairness opinion work has been performed on the Registered Valuer's report on recommendation of fair equity value of AEL for the Proposed Amalgamation and audited balance sheet of AEL provided by the management as at 31 December 2022.

We have been informed that the business activities of AEL have been carried out in the normal and ordinary course between latest available financial statement date (i.e. 31 December 2022) and the Report date and that no material changes have occurred in their respective operations and financial position between 31 December 2022 and the Report date.

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 Client or Companies, their directors, employees or agents.

The Client and its Management warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the Client, their Management and other third parties, if any, concerning the



TATA STEEL LIMITED MUMBAI

financial data, operational data and other information, except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the Companies, their directors, employee or agents.

Providing fairness opinion 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 judgement. In the ultimate analysis, our opinion will have to be tempered by the exercise of judicious discretion and judgment taking into accounts all the relevant factors.

The final responsibility for the determination of the equity value of AEL at which the Proposed Transaction shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors (if any).

We have assumed that the amalgamation will be consummated on the terms set forth in the Scheme and that the final version of the Scheme will not change in any material respect from the draft version we have reviewed for the purpose of this opinion.

EY is not aware of any contingency, commitment or material issue which could materially affect the AEL' economic environment and future performance and therefore, the fair value of the AEL.

The Report assumes that the AEL comply fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the AEL will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded / reflected in the balance sheet of AEL provided to us.

The Report does not address the relative merits of the Proposed Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

We do not provide assurance on the achievability of the results forecasted by the Management / AEL as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecasted as the achievement of the forecast results is dependent on actions, plans and assumptions of AEL.

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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 Scheme, without our prior written consent. In addition, this Report does not in any manner address the prices at which equity shares of the Client will trade following announcement of the Proposed Transaction and we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Transaction.

The fairness opinion is governed by concept of materiality.

It has been assumed that the required and relevant policies and practices have been adopted by AEL and would be continued in the future.

The fee for the Report is not contingent upon the results reported.

We owe responsibility to only to the Board of Directors of the Client that has appointed us under the terms of the engagement letter. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person.

We have also relied on data from external sources to conclude the fairness opinion. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

Mumbai



TATA STEEL LIMITED MUMBAI

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# BACKGROUND

## Tata Steel Limited

TSL manufactures and distributes steel products in India and internationally. The equity shares of TSL are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). For the financial year ended 31 March 2022, TSL reported consolidated revenues from operations of INR 2,439.6 billion and consolidated profit after tax of INR 417.5 billion.

The issued and subscribed share capital of TSL as on date of the report is INR 12,221.2 million consisting of 12,221,220,420 equity shares of face value of INR 1 each (fully paid up) and INR 0.6 million consisting of 2,232,880 equity shares of face value of INR 1 each (INR 0.2504 each partly paid up)

## Angul Energy Limited (AEL)

Angul Energy Limited is a subsidiary of Tata Steel Limited. TSL holds 99.998% equity stake in AEL. The company incorporated in India in the year 2005. The main objective is to carry on business of generation of Thermal Power.

The Company has set up 300 MW (two units of 150 MW) and 165 MW thermal power project in Odisha. The plants were commissioned in the year 2010 and 2016 respectively.

For the financial year ended 31 March 2022 AEL reported revenue of INR 1,851.1 million and profit after tax of INR 519.1 million.

The issued and paid-up share capital of AEL as on date of the report is INR 100.0 million divided into 1,00,00,142 equity shares of face value of INR 10 each (fully paid up)

## VALUER'S RECOMMENDATION

The Registered Valuer determined an equity value of ₹ 1,045.1 crore for 100% equity stake of AEL as at 31 December 2022 i.e. per share equity value of ₹ 1,045 (of face value of ₹ 10 each fully paid up).

## OUR OPINION

Based on Registered Valuer's report, our alternative calculations and on consideration of all the relevant factors and circumstances, we believe that the per share value determined by the Registered Valuer is fair from the financial perspective for the buyer i.e. Tata Steel Limited.

It should be noted that we have examined the fairness of the equity value of AEL for the Proposed Transaction only for the Board of directors/ shareholders of Tata Steel Limited and have not examined any other matter including economic rationale of the transfer per se or accounting and tax matters involved in the Proposed Transaction.

Respectfully submitted,

**Ernst and Young Merchant Banking Services LLP**

Navin Vohra
Partner

Annexure 8

OMNIFIN

# VALUATION REPORT
# ANGUL ENERGY LIMITED

True Copy
Angul Energy Limited
Rupesh Purwar
(Rupesh Purwar)
Company Secretary

OMNIFIN
www.omnifin.in

**Omnifin Valuation Services (OPC) P Ltd**
Diamond Arcade, #313
68 Jessore Road, Kolkata 700055
valuation@omnifinsolutions.com
CIN: U74999WB2021OPC242865
+91 88 2000 1234

To,
The Board of Directors
Angul Energy Limited
Ground Floor, Mira Corporate Suites
Plot No 1 & 2, Ishwar Nagar, Mathura Road
New Delhi, South Delhi 110065 India

Dear Sir/ Madam,

**Ref: Valuation of equity shares of Angul Energy Limited as on 31st December 2022**

Pursuant to our engagement with you ("the client") for valuation of shares of Angul Energy Limited ("Company" or "Angul") as of 31st December 2022 ("Valuation Date") to be carried on for the proposed merger of the Company with Tata Steel Limited in a cash deal.

It should be noted that the valuation engagement is purely an analytical exercise based on the information and documents given to us and we have not assessed the merits or legality of the transaction. Our report is not some advice on the transaction and should not be used as the basis of investment. Our valuation conclusion will not necessarily be the price at which actual transaction will take place.

Based on our assessment, the **Fair value of Equity** of the company is **INR 1,041.70 Crore** leading to a **value per share** of **INR 1,041.68.** The detailed valuation report including computation of value has been attached in subsequent pages.

Regards

**Vikash Goel**

Digitally signed by VIKASH GOEL

**Director, Omnifin Valuation Services (OPC) P Ltd**
(IBBI Regd. No.: IBBI/RV/01/2018/10339)
(RVM No. RVOESMA/RVM/2020/0045)
Date: 6-Feb-2023 | Kolkata

ANGUL ENERGY LIMITED

# Contents



ANGUL ENERGY LIMITED

## 1.0 Purpose

We have been engaged for the purpose of assessing fair value of equity shares of the Company as of 31st December 2022 for the purpose of merger with Tata Steel Limited using audited and projected financials.

## 2.0 Key dates

**Appointment Date:** We have been appointed by the Board of Directors vide letter dated 27th January 2023.

**Valuation Date:** The valuation exercise has been performed based on the information available to us as of 31st December 2022.

**Report Date:** Our valuation report has been submitted as of 6th February 2023.

## 3.0 Appointing Authority

We have been appointed by the Audit Committee of Angul Energy Ltd ("Appointing Authority") to value the company for the purpose of merger with Tata Steel Ltd. The Appointing Authority are the only authorized user of this report and is restricted for the purpose indicated in the report. This restriction does not preclude the Appointing Authority from providing a copy of the report to its internal stakeholders on a need-to-know basis, auditors, regulators, and third-party advisors as would be consistent with the intended use.

ANGUL ENERGY LIMITED

# 4.0 About the Valuer

Omnifin Valuation Services (OPC) Pvt Ltd ("Omnifin") is a Registered Valuer Entity under Insolvency and Bankruptcy Board of India (IBBI) having Registration No. IBBI/RV-E/01/2022/160. Omnifin holds a Certificate of Practice with RVO ESMA to value Securities and Financial Assets.

**Vikash Goel** (the "Valuer"), is a Director at Omnifin and is a Registered Valuer with IBBI. The Valuer is registered with the Insolvency and Bankruptcy Board of India to undertake the Valuation of Securities and Financial Assets of the Companies and holds a Certificate of Practice to practice as a valuer. Vikash is a Chartered Accountant (Fellow member of ICAI), CFA (ICFAI) and holds MS Finance and MBA in HR. He is also an alumnus of St Xavier's College, Kolkata, and hails from Indian Institute of Management Calcutta (IIM-C). Vikash has extensive experience of over 16 years spanning across Industry and Consulting and has worked with companies like PwC, EY, and ICA in India and Canada. Vikash has conducted valuation across a variety of spectrum including but not limited to Angel fund raising, Private equity exit, Private Placement, Valuation of shares under Income Tax, Investment advisory around valuation of shares, mutual funds, hedge funds and derivatives and has been exposed to global valuation and business modelling practices for companies.

# 5.0 Disclosure of valuer interest or conflict

We hereby certify that the valuer is suitably qualified and authorized to practice as a valuer; does not have a pecuniary interest, financial or otherwise, that could conflict with the company and jeopardise proper execution of this engagement. The valuer accepts instructions to value the company only from the appointing authority or eligible instructing party.

We have no present or planned future interest in the company or its group companies, if any and the fee payable for this valuation is not contingent upon the value of shares reported herein. In case of entities that are traded in stock markets, we, or our partners, employees or relatives, may have an insignificant stake in some cases. Such investments, if any, have not impaired our independence in carrying out the engagement.

--- Over to next page ---

ANGUL ENERGY LIMITED

# 6.0 Background Information about the Company

**Angul Energy Limited** (formerly known as Bhushan Energy Limited)

| | | |
|---|---|---|
| **CIN** | **U40105DL2005PLC140748** | |
| **Date of Incorporation** | 14th September 2005 | |
| **Registered Address** | Ground Floor, Mira Corporate Suites Plot No 1 & 2, Ishwar Nagar, Mathura Road, New Delhi, South Delhi 110065 India | |
| **Listing status** | Unlisted | |
| **Authorised Capital (INR)** | 2,10,00,00,000 | |
| **Paid Up Capital (INR)** | 10,00,01,420 | |
| **Directors and Key Signatories** | DIN: 00134136 | Sougata Ray |
| | DIN: 01045306 | Sanjib Nanda |
| | DIN: 02845138 | Ansuman Das |
| | DIN: 05133322 | Meena Lall |
| | DIN: 08279634 | Subodh Pandey |
| | DIN: 08830968 | Shailesh Verma |
| | DIN: 09184467 | Rajesh Kumar Agrawal |
| | PAN: AKZPP9731A | Rupesh Purwar |
| | PAN: ALPPP8867J | Sanjeev Kumar Poddar |

*[Source: www.mca.gov.in/* and company financials*]*

Angul Energy Limited (formerly known as Bhushan Energy Limited) is a Public Limited Company incorporated on 14 September 2005. It is classified as Non-govt Company and is registered at Registrar of Companies, Delhi. Its authorized share capital is INR 2,100,000,000 and its paid up capital is INR 10,00,01,420. The Company is involved in Production, collection and distribution of electricity. With effect from February 27, 2020 the name of the Company changed to Angul Energy Limited.

*[ Source: angulenergy.co.in , Company financials]*

During the Financial year ending March 2022, the company reported a Revenue growth of 25 percent along with a EBITDA Margin of 72.8 percent against 73.9 percent in FY 2021. We observed that majority of the company's revenue comes from sale of services to Tata Steel Ltd. Tolling Charges includes INR 1,834.55 Lakhs on account of reimbursement of one-time operation related cost and are net off of electricity duty amounting INR 8,746 lakhs.

## 6.1 Industry Overview

India is the third-largest producer and consumer of electricity worldwide, with an installed power capacity of 408.71 GW as of October 31, 2022. As of October 31, 2022, India's installed renewable energy capacity (including hydro) stood at 165.94 GW, representing 40.6% of the overall installed power capacity. Solar energy is estimated to contribute 61.62 GW, followed by 41.84 GW from wind power, 10.70 GW from biomass, 4.92 GW from small hydropower, and 46.85 GW from hydropower. The non-hydro renewable energy capacity addition stood at 4.2 GW for the first three months of FY23 against 2.6 GW for the first three months of FY22.

With electricity generation (including renewable sources) of 846.18 BU in India between April-September 2022, the country witnessed a growth of 10.67% YoY. According to data from the Ministry of Power, India's power consumption increased 1.64% YoY in October 2022 to 114.64 BU. The peak power demand in the country stood at 210.79 GW on June 9, 2022. All India actual PLF of thermal power plants stood at 68.24% in June 2022, compared with 67.92% in May 2022.

Total FDI inflows in the power sector reached US$ 16.39 billion between April 2000-June 2022, accounting for 2.71% of the total FDI inflow in India. The Government of India has identified the power sector as a key sector of focus to promote sustained industrial growth.

In the current decade (2020-2029), the Indian electricity sector is likely to witness a major transformation with respect to demand growth, energy mix and market operations. India wants to ensure that everyone has reliable access to sufficient electricity at all times, while also accelerating the clean energy transition by lowering its reliance on dirty fossil fuels and moving toward more environmentally friendly, renewable sources of energy. Future investments will benefit from strong demand fundamentals, policy support and increasing government focus on infrastructure.

The Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 GW of power through solar rooftop projects by 2022. It also plans to set up 21 new nuclear power reactors with a total installed capacity of 15,700 MW by 2031. The Central Electricity Authority (CEA) estimates India's power requirement to grow to reach 817 GW by 2030. Also, by 2029-30, CEA estimates that the share of renewable energy generation would increase from 18% to 44%, while that of thermal energy is expected to reduce from 78% to 52%. The government plans to establish renewable energy capacity of 500 GW by 2030.

ENERGY LIMITED

## 7.0 Inspections and Investigations

The Valuation of equity shares is being done as on the Valuation Date considering the available financial statements as on 31st December 2022 and documents produced before us for the purpose of ascertaining the value of equity shares.

During our valuation, we have not carried out any independent verification or validation to establish accuracy or sufficiency of information given to us. We have received representations from the management of the Company and have accordingly assessed the value of equity shares. We believe that given the nature of the valuation and the underlying reports made available to us, it is plausible to carry out such valuation.

## 8.0 Sources of Information

While performing the valuation, we have relied on the following sources:

- Brief received from the management about the company's background.
- Audited Financial Statements for the period ended 31st December 2022.
- Management certified projected financial statements for periods ending till FY 2034.
- Power Tolling Agreement as on 24th October 2019.
- Broad terms of the merger as provided by the management.
- Verbal and written information and discussions with the management.
- We have also accessed public documents as available from external sources such as mca.gov.in to better understand and assess the value of the business.

We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us; we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations, or liabilities of the Company. The valuation analysis and result are substantively based only on information contained in this report and are governed by concept of materiality.

## 9.0 Caveats, limitations, and disclaimers

9.1. **Restriction on use of Valuation Report:** This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. The management of the Company are the only authorized user of this report and is restricted for the purpose indicated in the report. This restriction does not preclude the Appointing Authority from providing a copy of the report to its internal stakeholders on a need-to-know basis, auditors, regulators, and third-party advisors whose review would be consistent with the intended use. Our report is subject to the scope and limitations detailed hereinafter. 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. We do not take any responsibility for the unauthorized use of this report.

9.2. **Purpose:** Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

9.3. **No advice towards investment or on transaction:** Our Valuation report should not be construed as advice for the transaction. Specifically, we do not express any opinion on the suitability or otherwise of entering the proposed transaction as stated in the purpose of engagement. We express no opinion or recommendation, and the stakeholders are expected to exercise their own discretion. We would not be responsible for the decision taken by anybody based on this report.

9.4. **Responsibility of Registered Valuer:** We owe responsibility to only to the appointing authority that has appointed us under the terms of the engagement. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or wilful default on part of the client or companies, their directors, employees, or agents. We do not take any responsibility towards the report unless our fee is paid in full. In any case, our liability to the management or any third party is limited to be not more than the amount of the fee received by us for this engagement.

9.5. **Accuracy of Information:** While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the appointing authority/management.

9.6. **Achievability of the forecast results:** We do not provide assurance on the achievability of the results forecast by the management as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecast as the

ANGUL ENERGY LIMITED

achievement of the forecast results is dependent on actions, plans and assumptions of management.

9.7. **Post Valuation Date Events:** An analysis of such nature is necessarily based on the prevailing stock market, financial, economic, and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. 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. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the Valuation Date.

9.8. **Range of Value Estimate:** The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is no indisputable single value, and the estimate of the value is normally expressed as falling within a likely range. We have provided a single value for the overall Value of equity shares, derived based on appropriate approaches. Whilst we consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.

9.9. **No Responsibility to the Actual Price of the subject asset:** The actual market price achieved may be higher or lower than our estimate of value depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place. The final transaction price is something on which the parties themselves have to agree. We also emphasize that our opinion is not the only factor that should be considered by the parties in agreeing the transaction price or swap ratio.

9.10. **Reliance on the representations of the management and other third parties:** During the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company. The management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the management and other third parties concerning the financial data, operational data except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost, or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee, or agents.

ANGUL ENERGY LIMITED

9.11. **No procedure performed to corroborate information taken from reliable external Sources:** We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

9.12. **Compliance with relevant laws:** The report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. This Report does not look into the business/commercial reasons behind the transaction nor the likely benefits arising out of the same. In addition, we express no opinion or recommendation, and the stakeholders are expected to exercise their own discretion. Further, unless specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

9.13. **Multiple factors affecting the Valuation Report:** The valuation report is tempered by the exercise of judicious discretion by us, considering the relevant factors. There will always be several factors, e.g., management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

9.14. **Questions, Appearances or Testimony in courts/ tribunals/ authorities:** Our engagement is limited to preparing the report to be submitted to the management. The Calculation worksheets and related financial models are proprietary to the valuer and will not be shared with the appointing authority or anyone. We shall not be liable to provide any evidence for any matters stated in the report nor shall we be liable or responsible to provide any explanation or written statement for any assumption, information, methodology or any other matter pertaining to the report. However, in case we are required to appear before any regulatory authority as per law, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and our tendering evidence before such authority shall be under the applicable laws.

9.15. **Fees and Independence:** We are independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid/to be paid for our services in no way influenced the results of our analysis.

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# 10.0 Valuation

The valuation exercise is aimed at the assessment of the Value of the company. We are required to arrive at the above valuations based on internationally accepted valuation practices.

As per **RICS appraisal Manual,** as well as **Ind AS 113** and **IFRS 13,** the **Fair Value** (FV) is defined as *'The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.'*

## 10.1 Valuation bases and premise

There are three common bases of value viz;

- **Fair Value:** Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.
- **Participant Specific Value:** Participant specific value is the estimated value of an asset or liability considering specific advantages or disadvantages of either of the owner or identified acquirer or identified participants.
- **Liquidation Value:** Liquidation value is the amount that will be realised on sale of an asset or a group of assets when an actual/hypothetical termination of the business is contemplated / assumed. It may be orderly liquidation or forced sale.

Our assessment is based on the information given to us. Considering the purpose of valuation, we have considered the premise of value to be Going concern. Our general approach has been to assess the Fair Value of the company.

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## 10.2 Valuation approach and methodologies

Valuation is not an exact science and is dependent on various factors such as specific nature of business, economic life cycle in which the industry and company is operating, past financial performance of the business, future growth potential of the business, business model, management of the company, relevance of technology in the business model, liquidity of equity and much more. The results of the valuation exercise may vary significantly depending on the basis used, the specific circumstances and the judgement of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue.

As per International Valuation Standards (IVS) issued by International Valuation Standards Council the principal approaches to valuation are:

a) Market Approach
b) Cost Approach
c) Income Approach

**Market Approach**

The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. The market approach should be applied and afforded significant weight under the following circumstances:

- the subject asset has recently been sold in a transaction appropriate for consideration under the basis of value,
- the subject asset or substantially similar assets are actively publicly traded, and/or
- there are frequent and/or recent observable transactions in substantially similar assets.

Some of the methods applied under Market Approach include Comparable Transactions Method and Guideline publicly traded comparable method.

- The comparable transactions method, also known as the guideline transactions method, utilises information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value.
- The guideline publicly traded method utilises information on publicly-traded comparables that are the same or similar to the subject asset to arrive at an indication of value.

**Cost Approach**

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence. The cost approach should be applied and afforded significant weight under the following circumstances:

- participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,

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- the asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- the basis of value being used is fundamentally based on replacement cost, such as replacement value.

Broadly, there are three cost approach methods:

- replacement cost method: a method that indicates value by calculating the cost of a similar asset offering equivalent utility,
- reproduction cost method: a method under the cost that indicates value by calculating the cost to recreating a replica of an asset, and
- summation method: a method that calculates the value of an asset by the addition of the separate values of its component parts.

**Income Approach**

The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. A fundamental basis for the income approach is that investors expect to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment.

The income approach should be applied and afforded significant weight under the following circumstances:

a) the income-producing ability of the asset is the critical element affecting value from a participant perspective, and/or
b) reasonable projections of the amount and timing of future income are available for the subject asset, but there are few, if any, relevant market comparables.

Although there are many ways to implement the income approach, methods under the income approach are effectively based on discounting future amounts of cash flow to present value. The Discounted Cash Flow (DCF) method is a common application of Income Approach and there are variations to this method such as Capitalisation of Income Method.

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## 10.3 Valuation rationale

### 10.3.1 Market Approach:

The company is privately held and sells almost all its products and services to Tata Steel Ltd. We have assessed the value of the company based on EV/EBITDA multiple. The EV/EBITDA multiple was chosen based on industry peers and multiplied by the EBITDA of the Company as on Financial Year March 2022 being the latest annual figures. These figures have been adjusted for Debt, Cash and Non-Operating Assets to arrive at Equity Value.

| EV/EBITDA Multiple Method | Amount (INR Lakhs) |
|---|---|
| EV/EBITDA Multiplier (Peer Companies) | 5.16 |
| EBITDA | 13,476.28 |
| **Enterprise Value** | **69,492.68** |
| Less: Debt on Valuation Date | 5,600.00 |
| Add: Cash on Valuation Date | 260.07 |
| Add: Value of Non-Operating Assets | 1,892.21 |
| **Value of Equity** | **66,044.96** |
| No. of Shares | 1,00,00,142 |
| **Value per share (INR)** | **660.44** |

The company operates at well below its total capacity and thus its operating profits are not representative of its potential profits. Thus, we have not considered this value and have assigned NIL weight for our conclusion of value under this approach.

As a benchmarking approach, we have also considered Price / Book Value Method as a method of valuation. Since the Company primarily operates in Energy, we have considered comparable companies from the Power & Energy Industry. Since the company is privately held, we have applied a Discount for lack of marketability of 20 percent based on our studies and industry standards.

| Price / Book Value Multiple Method | Amount (INR Lakhs) |
|---|---|
| P/BV Multiplier | 1.35 |
| Book Value as on Valuation Date | 91,951.51 |
| Multiplied Value | 1,24,441.04 |
| Less: Discount for lack of marketability (20%) | 24,888.21 |
| **Value of Equity** | **99,552.83** |
| No. of Shares | 1,00,00,142 |
| **Value per share (INR)** | **995.51** |

Since, the comparable companies demonstrated very divergent multiples, the average multiple may not be representative of the industry or the company. Further, the company operates at a value well below its capacity as compared to its industry peers. Thus, Book Value multiples based valuation may not represent true value of the company. Accordingly, we have not assigned weight to the value arrived at under this method.

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While we have used the market approach to corroborate the values under Income Approach to compare using Market Approach, we did not find it relevant to assign weight under Market Approach in our final assessed value.

### 10.3.2 Cost Approach

The value under cost approach is arrived at based on Value of Assets, less value of liabilities. We understand from the financials that the investments are valued at Fair Values, thus, no adjustments were made to the value of such investments. The values are as follows:

| Particulars as on Valuation Date (31-Dec-22) | Amount (INR Lakhs) |
|---|---|
| Total Assets | 1,01,070.82 |
| Less: Total Liabilities | 9,119.31 |
| **Value of Equity** | **91,951.51** |
| No. of Shares | 1,00,00,142 |
| **Value per share (INR)** | **919.50** |

We have not assigned any weight to value arrived under Cost Approach as the replacement cost or book value may not be representative of the Fair Value of the company.

### 10.3.3 Income Approach

We have used Discounted Cash Flow Method as the methods of valuation based on financial projections given by the management. Under the Discounted Cash Flow Approach, the value of the firm's equity is the present value of future free cash flows discounted at the appropriate discount rate. DCF approach requires significant assumptions about the future earning potential as well as the discount rate.

1. **Going concern assumption:** Based on the projections received from the management, the company is operating at less than optimum capacity and is expected to enhance its production / power generation leading to positive cash flows in the foreseeable future. We did not observe any visible sign of default in the visible period. Accordingly, we have valued the company as a going concern.

2. **Cash Flows:** Based on the representation received from the management, the company is expected to generate positive free cash flows in the future years. Further, the company has purchasing power agreements with Tata Steel limited for a reasonable. Also there are 3 power plants, 2x 150 MW and 1 x 165 MW that is operative with reasonable useful life. Therefore, we have considered the Discounted Cash Flow (DCF) method of valuation and assessed free cash flows. Under the Discounted Cash Flow Approach, the value of the firm's equity is the present value of future free cash flow discounted at the appropriate discount rate.

3. **Terminal Value:** Power companies operate based on power plants that have limited standard life of around 25 years. However, most companies may operate the plants well beyond their standard lives based on sustenance and replacement capex. While we have received forecasts till FY 2034, we have assumed that the company may operate beyond FY 2034. Since cash flows beyond FY 2034 cannot be ascertained with certainty, we have considered the EBITDA of FY 2034 and multiplied with EV/EBITDA multiple of peer companies as representative of industry

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to arrive at the Terminal Value. We believe that towards the end of the forecast period, the company would have achieved appropriate capacity to be compared against peers. This is then discounted at the Cost of Equity to arrive at the present value of Terminal Value.

4. **Discount Rate:** Since the cash flows used are DCF, we have used the Cost of Equity (Ke) as the discounting factor. The cash flows for each year have been discounted and brought to their present value applying the discounting factor. The Cost of equity is derived using the Capital Asset Pricing Model (CAPM), as follows:

**Ke = Rf + (β x Rp) + Additional Unsystematic Risk Premium**

Where:

- Rf = the current return on risk-free assets.
- Rm = The market rate of return is the compounded average in BSE Sensex, BSE 500 and SmallCap as on valuation date.
- Equity Risk Premium is the difference of Rm and Rf i.e., the premium of additional returns from investment in equity (due to market risks)
- Beta is the measure of the riskiness of the investments. Beta is the co-variance between the return on sample stock and the return on the market, divided by the variance of market return. We have taken the Beta based on comparable peers, adjusted for Leverage and considered Unlevered Beta considering no debt in the company.
- Unsystematic Risk Premium, for the purpose of valuation, we have added an additional unsystematic risk premium of 1% to incorporate company specific risk factors which may arise due to unforeseen circumstances.

Based on management estimates, available documents and financial records, we have assumed a Target Debt of 0 percent and a consequent Equity proportion of 100 percent based on the average Debt-Equity share as per management projections. Based on the projections and risk and reward attributable to the company, we believe that this discount rate is reasonable and defensible.

The Present Value of Free Cash Flows from the explicit forecast period and the Terminal value gives us the Value of the Firm (Enterprise Value). The value of Equity is derived from Firm Value after adjusting for Debt and Cash as on the valuation date.

| | |
|---|---|
| Risk Free Rate | 7.47% |
| Market Return | 13.09% |
| Risk Premium | 5.62% |
| Beta | 0.95 |
| Additional Risk Premium | 1.00% |
| Cost of Equity | 13.83% |
| Proportion of Equity (Discount Rate) | 100% |

5. **Number of shares:** As on the valuation date the total diluted no. of equity shares is **1,00,00,142.** In case the management issues any other number of shares, number of shares and the value per share may change accordingly. Our primary analysis is on the Value of Equity of the Company rather than "value per share".

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6. **Value of Equity:** Based on the above, we have arrived at the Equity Value using FCFE Approach. This equity value is adjusted for Cash and Non-operating assets as on the valuation date to arrive at adjusted Value of Equity as follows.

| Particulars | Amount |
|---|---|
| Value of Equity | 1,02,017.44 |
| Add: Cash on Valuation Date | 260.07 |
| Add: Value of Non-Operating Assets | 1,892.21 |
| **Value of Equity (INR Lakhs)** | **1,04,169.72** |
| Number of Shares | 1,00,00,142 |
| **Value per Share** | **INR 1,041.68** |

## 10.4 Valuation Results and Conclusion

Based on the rationale explained under **10.3 Valuation Rationale**, our Valuation Conclusion is based on the weighted average of the values arrived under each of the three approaches. As explained, we have assigned 100 percent weight to the value under Income Approach (DCF Method).

| Weighted Value | Weights | Value of Equity (INR Lakhs) | Value Per Share (INR) |
|---|---|---|---|
| Value as per Income Approach (DCF Method) | 100% | 1,04,169.72 | 1,041.68 |
| Value as per Market Approach (P/BV Method) | 0% | 99,552.83 | 995.51 |
| Value as per Market Approach (EV/EBITDA method) | 0% | 66,044.96 | 660.44 |
| Value as per Cost Approach (NAV Method) | 0% | 91,951.51 | 919.50 |
| **Weighted Value** | **100%** | **1,04,169.72** | **1,041.68** |

**Rationale for not using Market Approach:** Since, the comparable companies demonstrated very divergent multiples, the average multiple may not be representative of the industry or the company. Also, the company operates at a value well below its capacity as compared to its industry peers. Further, the company being a captive plant serving only one company primarily, the peer companies do not represent true comparable companies for valuation. Thus, we did not find it relevant to assign weight under Market Approach in our final assessed value

**Rationale for not using Cost Approach:** We have not assigned any weight to value arrived under Cost Approach as the replacement cost or book value may not be representative of the Fair Value of the company.

**Conclusion:** We have arrived at the Value of Equity at around INR 1,041.70 Crore and a corresponding value per share of INR 1,041.68.

--- Over to Annexure ---

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## 11.0 Annexure: Calculation of FCFE (Discounted Cash Flow Approach)

| Particulars (INR Lakhs) | FY 2023 (3 months) | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net Profit After Tax | 1,305 | 7,699 | 8,717 | 9,042 | 9,762 | 7,685 | 9,487 | 10,154 | 9,444 | 11,328 | 11,379 | 12,639 |
| Add: Net Non-Cash Charges (E.g., Depreciation) | 1,672 | 6,867 | 7,193 | 7,558 | 7,764 | 14,034 | 14,634 | 15,134 | 15,334 | 15,534 | 15,734 | 15,934 |
| Add: Net Borrowing | (5,600) | - | - | - | - | - | - | - | - | - | - | - |
| Less: Capital Expenditure | 860 | 10,422 | 7,835 | 2,200 | 7,250 | 13,750 | 12,500 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Less: Investment in Non-Cash Working Capital | (1,067) | - | - | - | - | - | - | - | - | - | - | - |
| **Free Cash Flow to Equity** | **(2,416)** | **4,144** | **8,075** | **14,400** | **10,276** | **7,969** | **11,621** | **20,288** | **19,778** | **21,862** | **22,113** | **23,573** |
| Terminal Value | | | | | | | | | | | | 1,61,139 |
| **PV of Cash Flows** | **(2,339)** | **3,524** | **6,033** | **9,453** | **5,926** | **4,037** | **5,172** | **7,933** | **6,794** | **6,598** | **5,863** | **43,023** |
| Sum of PV of Cash Flows | 1,02,017.44 | | | | | | | | | | | |
| Add: Cash on Valuation Date | 260.07 | | | | | | | | | | | |
| Add: Value of Non-Operating Assets | 1,892.21 | | | | | | | | | | | |
| **Equity Value (INR Lakhs)** | **1,04,169.72** | | | | | | | | | | | |
| Number of Shares | 1,00,00,142 | | | | | | | | | | | |
| **Value per Share (INR)** | **1,041.68** | | | | | | | | | | | |

**- - - End of Report - - -**

ANGUL ENERGY LIMITED

finshore

# FAIRNESS OPINION

On

Valuation Report for Proposed Merger of

**"Angul Energy Limited"** with

**"Tata Steel Limited"**

as on December 31, 2022

True Copy
Angul Energy Limited
Rupesh Purwar
(Rupesh Purwar)
Company Secretary

ANGUL ENERGY LIMITED

*Creating Enterprise Managing Values*

To,
The Board of Directors
Angul Energy Limited
Ground Floor, Mira Corporate Suites Plot No 1 & 2,
Ishwar Nagar, Mathura Road,
New Delhi-110065

Dear Sir/Madam,

**Sub: Fairness Opinion on Valuation Report on Proposed Merger of Angul Energy Limited with Tata Steel Limited.**

1. **ENGAGEMENT BACKGROUND**

We refer to the engagement letter dated 27th January 2023 whereby Angul Energy Limited (hereinafter referred as "Transferor Company" or "Company" or "AEL") has engaged Finshore Management Services Limited (hereinafter referred as "FMSL"), *inter alia*, to provide fairness opinion on valuation report of Omnifin Valuation Services (OPC) P Ltd (the "Valuer"), for the Proposed Merger of Angul Energy Limited with TATA Steel Limited (here in after referred as "Transferee Company" or "TSL") in a Cash Deal as of 31st December, 2022.

2. **ABOUT THE PROPOSED TRANSACTION**

Angul Energy Limited is proposing to merge with TATA Steel Limited.

We understand that the proposed merger of AEL with TSL is being evaluated on a 'going concern' basis (the "Proposed Transaction") pursuant to a scheme of amalgamation under section 230 – 232 and other applicable provisions of the Companies Act, 2013. As a consideration for the Proposed Transaction, equity shareholders of AEL other than TSL shall be paid cash against their shares. In order to comply with the requirements of Companies Act and other applicable statutes, the Audit Committee ('AC') of AEL have appointed Omnifin Valuation Services (OPC) Pvt Ltd a Registered Valuer Entity with Insolvency and Bankruptcy Board of India (IBBI Reg No: IBBI/RV-E/01/2022/160), to carry out the valuation of the equity shares of AEL and recommend the fair valuation for the Proposed Transaction on a 'going concern' basis.

Finshore Management Services Limited Kolkata

Angul Energy Limited



FINSHORE MANAGEMENT SERVICES LIMITED
(CIN : U74900WB2011PLC169377) • Website : www.finshoregroup.com
Regd. Office : "Anandlok" 2nd Floor, Block-A, Room No. 207, 227, A. J. C. Bose Road, Kolkata-700 020 West Bengal, India Ph. : 033 2289 5101

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## 3. BACKGROUND OF THE COMPANIES

- **Angul Energy Limited:**

  Angul Energy Limited (CIN: U40105DL2005PLC140748) was incorporated on September 14, 2005 having registered office at Ground Floor, Mira Corporate Suites Plot No 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065.

  Angul Energy Limited (formerly known as Bhushan Energy Limited) is a Public Limited Company incorporated on 14 September 2005. It is a subsidiary of TSL wherein TSL holds 99.998% equity stake. It is classified as Non-govt Company and is registered at Registrar of Companies, Delhi. Its authorized share capital is Rs. 2,100,000,000 and its paid up capital is Rs. 10,00,01,000. The main objective of AEL is to carry on business of generation of thermal power. With effect from February 27, 2020 the name of the Company changed to Angul Energy Limited.

  *Source: anqulenerqy.co.in*

- **TATA Steel Limited:**

  TATA Steel Limited (CIN: L27100MH1907PLC000260) was incorporated on August 26, 1907, having registered office at Bombay House, 24-Homi Mody Street, Fort, Mumbai-400001.

  Tata Steel was established in India as Asia's first integrated private steel company in 1907. With this, they developed India's first industrial city at Jamshedpur. Today, they are among the leading global steel companies. There annual crude steel capacity across Indian operations is nearly 20 MnTPA. They also set up second greenfield steel plant of 3 MnTPA in the eastern state of Odisha in 2016; the expansion to 8 MnTPA is currently underway. They possess and operate captive mines that help to maintain cost- competitiveness and production efficiencies through an uninterrupted supply of raw material.

  The Indian product portfolio is divided into four segments – Automotive and Special Products; Industrial Products, Projects and Exports; Branded Products and Retail; and Services and Solutions. The Company supplies hot-rolled, cold-rolled, galvanised, branded solution offerings and more.

  *Source: https://www.tatasteel.com/*

## 4. SOURCES OF INFORMATION

We have relied on the following information for forming our opinion on the fairness of the Valuation Report:-

a. Audited Financial Statement of Angul Energy Limited for period ended December 31, 2022;
b. Fair Valuation report dated 6th February, 2023 of equity shares of AEL as at 31st December 2022, issued by Omnifin Valuation Services (OPC) Pvt Ltd a Registered Valuer Entity with Insolvency and Bankruptcy Board of India (IBBI Reg No: BBI/RV-E/01/2022/160.
c. Brief Overview of the Companies and its past & current operations.

FINSHORE MANAGEMENT SERVICES LIMITED Kolkata





ANGUL ENERGY LIMITED

d. Copy of Power Tolling Agreement between TSL and AEL
e. Draft Scheme of Merger;
f. Other information provided, as well as discussions held with, the Management of the Companies and other key personnel regarding past, current & future business operations;
g. Such other necessary information as considered relevant.

**5. SCOPE AND LIMITATIONS/CAVEATS**

a. Our opinion and analysis is limited to the documents provided to us by the company. Our engagement is limited to the extent of review of documents as provided to us by the company including the Valuation report of Omnifin Valuation Services (OPC) P Ltd. However we have also performed our valuation analysis for our internal verification of valuation arrived at of each equity share of AEL provided by Omnifin Valuation Services (OPC) P Ltd. We have relied upon the accuracy and completeness of all information and documents provided to us by AEL and Omnifin Valuation Services (OPC) Pvt Ltd ,without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not reviewed any financial statement relating to these Companies. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the entities.

b. In rendering our opinion, we have assumed that the Scheme of Arrangement for Merger will be implemented on the terms described therein without any waiver or modification of any material terms or conditions and that in the course of obtaining the necessary regulatory approvals to the Scheme of Arrangement, no delay, limitation, restriction or conditions will be imposed that would have an adverse effect on the Scheme.

c. We do not express an opinion as to any tax or other consequences that might arise from the Scheme of Arrangement nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Companies have obtained such advice as it deemed necessary from qualified professionals.

d. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. Our opinion is specific to the arrangement as contemplated in the Scheme of Arrangement for Merger provided to us and is not valid for any other purpose.

e. Our engagement and opinion expressed herein are for the use of Board of Directors of the Companies in connection with the Scheme of Arrangement for Merger and for no other purpose. Neither we nor any of our affiliates, partners, directors, shareholders, managers, employees or agents or any of them make any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained therein.

FINSHORE MANAGEMENT SERVICES LIMITED Kolkata



**FINSHORE MANAGEMENT SERVICES LIMITED**
(CIN : U74900WB2011PLC169377) • Website : www.finshoregroup.com
Regd. Office : "Anandlok" 2nd Floor, Block-A, Room No. 207, 227, A. J. C. Bose Road, Kolkata-700 020 West Bengal, India Ph : 033 2289 5101

*Creating Enterprise Managing Values*

ANGUL ENERGY LIMITED

f. No decision should be taken based on this Report by any person intending to provide finance or invest in shares of the Companies and shall do so after seeking their own professional advice and carrying out their own due diligence to ensure that they are making an informed decision.

g. Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme of Arrangement for Merger, if required or any matter related thereto.

h. Reproduction, Copying or otherwise quoting of our Report or any parts thereof, other than in connection with the scheme of Arrangement for Merger, can be done only with our prior consent in writing.

i. Our report should not be construed as an opinion or certificate certifying the compliance of the Proposed Scheme of Arrangement for Merger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implication or issues arising from proposed Arrangement.

j. Our opinion is restricted to the Fairness opinion on the valuation report given by the Registered Valuer.

k. We have no present or planned future interest in the entities and the fee payable for this opinion is not contingent upon the opinion reported herein. The company has been provided with an opportunity to review the draft opinion as a part of our standard practice to make sure that factual accuracy / omissions are avoided in our final opinion.

l. The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.

m. This Fairness opinion report is subject to the scope and limitations detailed herein. As such the report is to be read in totality, and not in parts and in conjunction with the relevant documents referred to in this report. This report has been issued only for the purpose of the facilitating the Scheme and should not be used for any other purpose.

FINSHORE MANAGEMENT SERVICES LIMITED Kolkata

ANGUL ENERGY LIMITED



FINSHORE MANAGEMENT SERVICES LIMITED
(CIN : U74900WB2011PLC169377) • Website : www.finshoregroup.com
Regd. Office : "Anandlok" 2nd Floor, Block-A, Room No. 207, 227, A. J. C. Bose Road, Kolkata-700 020 West Bengal, India Ph. : 033 2289 5101

*Creating Enterprise Managing Values*

6. **VALUATION ANALYSIS**

We have performed our independent valuation of AEL as on December 31, 2022 based on Audited Financial Statement of AEL for period ended December 31, 2022 and financial projections of the Company from FY 2023 to FY 2034 as confirmed and certified by the Company. Our internal valuation analysis is based on value arrived at under Income Approach. Based on our assessment, the value of Equity is INR 1,03,796.82 Lakhs resulting in INR 1,037.95 per Equity share.

The value arrived at by the Registered valuer Omnifin Valuation Services (OPC) P Ltd is as follows:

Value of Equity: INR 1,04,169.72 lakhs

Value per Equity Share: INR 1,041.68 per share

7. **OPINION**

With reference to above and based on information provided by Management and after discussions with the Key Executives of AEL and Registered Valuer, we understand that Angul Energy Limited is proposed to be merged with TATA Steel Limited in a Cash Deal. The proposed merger is driven by motive to achieve financial and operational synergies, and increase the competitive strength of the group at a global level.

*Considering the above and subject to our caveats as provided in annexure, we as a Merchant Banker hereby certify that we have reviewed the valuation report provided by the valuer and have also performed our own independent valuation and we are of the opinion that fair value of each share of Angul Energy Limited as arrived at by Omnifin Valuation Services (OPC) P Ltd for cash consideration for the proposed merger is fair and reasonable.*

**For Finshore Management Services Limited**
**SEBI Regd. CAT-I Merchant Banker, Regn No. INM000012185**

FINSHORE MANAGEMENT SERVICES LIMITED Kolkata

S. Ramakrishna Iyengar
Director

Place: Kolkata
Date: February 06, 2023

ANGUL ENERGY LIMITED

Page 5 of 5

**Annexure 10**

**Pre and Post Amalgamation Shareholding Pattern of both Transferor and Transferee Company as on November 22, 2023**

| SN | Description | Transferor Company – Angul Energy Limited | | | | Transferee Company –Tata Steel Limited | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Pre-arrangement | | Post-arrangement | | Pre-arrangement | | Post-arrangement | |
| | | No. of shares | % | No. of shares | % | No. of shares | % | No. of shares | % |
| **(A)** | **Shareholding of Promoter and Promoter Group** | | | | | | | | |
| **1** | **Indian** | | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family | - | - | - | - | - | - | - | - |
| (b) | Central Government/ State Government(s) | - | - | - | - | - | - | - | - |
| (c) | Bodies Corporate | 99,99,904 | 99.99 | - | - | 414,35,94,780 | 33.70 | 414,35,94,780 | 33.70 |
| (d) | Financial Institutions/ Banks | - | - | - | - | - | - | - | - |
| (e) | Any Others | - | - | - | - | - | - | - | - |
| **Sub Total(A)(1)** | | **99,99,904** | **99.99** | **-** | **-** | **414,35,94,780** | **33.70** | **414,35,94,780** | **33.70** |
| **2** | **Foreign** | | | | | | | | |
| (a) | Individuals (Non-Residents Individuals/Foreign Individuals) | - | - | - | - | - | - | - | - |
| (b) | Bodies Corporate | - | - | - | - | - | - | - | - |
| (c) | Institutions | - | - | - | - | - | - | - | - |
| (d) | Any Others | - | - | - | - | - | - | - | - |
| **Sub Total(A)(2)** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)** | | **99,99,904** | **99.99** | **-** | **-** | **414,35,94,780** | **33.70** | **414,35,94,780** | **33.70** |
| **(B)** | **Public shareholding** | | | | | | | | |
| **1** | **Institutions** | | | | | | | | |
| (a) | Mutual Funds/ UTI | - | - | - | - | 118,66,81,054 | 9.65 | 118,66,81,054 | 9.65 |
| (b) | Financial Institutions/Banks | - | - | - | - | 1,96,05,978 | 0.16 | 1,96,05,978 | 0.16 |
| (c) | Central Government/ State Government(s) | - | - | - | - | 11,09,353 | 0.01 | 11,09,353 | 0.01 |
| (d) | Venture Capital Funds | - | - | - | - | | 0.00 | | 0.00 |
| (e) | Insurance Companies | - | - | - | - | 133,85,61,307 | 10.88 | 133,85,61,307 | 10.88 |
| (f) | Foreign Institutional Investors | - | - | - | - | 1,24,650 | 0.00 | 1,24,650 | 0.00 |
| (g) | Foreign Venture Capital Investors | - | - | - | - | | | | |
| (h) | Any Other | | | | | | | | |
| | - Foreign Portfolio Investors I | - | - | - | - | 2,345,664,476 | 19.07 | 2,345,664,476 | 19.07 |
| | - Foreign Portfolio Investors II | - | - | - | - | 94,340,414 | 0.77 | 94,340,414 | 0.77 |
| | - Sovereign Wealth Funds | - | - | - | - | 17,871,830 | 0.15 | 17,871,830 | 0.15 |
| | - NBFCs registered with RBI | - | - | - | - | 3,84,910 | 0.00 | 3,84,910 | 0.00 |
| | - Provident Funds/ Pension Funds | - | - | - | - | 16,61,97,091 | 1.35 | 16,61,97,091 | 1.35 |
| | - Alternate Investment Funds | - | - | - | - | 6,83,97,480 | 0.56 | 6,83,97,480 | 0.56 |
| **Sub-Total (B)(1)** | | | | | | **523,89,38,543** | **42.60** | **523,89,38,543** | **42.60** |
| **2** | **Non-institutions** | | | | | | | | |
| (a) | Associate companies / Subsidiaries | - | - | - | - | - | - | - | - |
| (b) | Directors and their relatives (excluding Independent Directors and nominee Directors) | - | - | - | - | 26,72,790 | 0.02 | 26,72,790 | 0.02 |
| (c) | Key Managerial Personnel | - | - | - | - | 1,000 | 0.00 | 1,000 | 0.00 |
| (d) | Relatives of promoters (other than 'immediate relatives of promoters disclosed under 'Promoter and Promoter Group' category) | - | - | - | - | - | - | - | - |
| (e) | Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or “author of the trust” | - | - | - | - | - | - | - | - |
| (f) | Investor Education and Protection Fund (IEPF) | - | - | - | - | 5,77,81,108 | 0.47 | 5,77,81,108 | 0.47 |
| (g) | i. Resident Individual shareholders holding nominal share capital up to ₹2 lakh | 204 | 0.01 | - | - | 217,35,51,220 | 17.67 | 217,35,51,220 | 17.67 |
| (h) | ii. Resident Individual shareholders holding nominal share capital in excess of ₹2 lakh. | - | - | - | - | 24,64,49,507 | 2.00 | 24,64,49,507 | 2.00 |
| (i) | Non-Resident Indians (NRIs) | - | - | - | - | 8,25,42,627 | 0.67 | 8,25,42,627 | 0.67 |
| (j) | Foreign Nationals | - | - | - | - | 1,52,124 | 0.00 | 1,52,124 | 0.00 |
| (k) | Foreign Companies | - | - | - | - | 43,35,230 | 0.04 | 43,35,230 | 0.04 |
| (l) | Body Corporate | 32 | 0.00 | - | - | 13,51,82,747 | 1.10 | 13,51,82,747 | 1.10 |
| (m) | Any other | - | - | - | - | | | | |
| | - Trusts | - | - | - | - | 5,55,76,160 | 0.45 | 5,55,76,160 | 0.45 |
| | - Body Corp-Ltd Liability Partnership | - | - | - | - | 40,74,505 | 0.03 | 40,74,505 | 0.03 |

| SN | Description | Transferor Company – Angul Energy Limited | | | | Transferee Company –Tata Steel Limited | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Pre-arrangement | | Post-arrangement | | Pre-arrangement | | Post-arrangement | |
| | | No. of shares | % | No. of shares | % | No. of shares | % | No. of shares | % |
| | - Escrow Account | - | - | - | - | 1,02,670 | 0.00 | 1,02,670 | 0.00 |
| | - Hindu Undivided Family | 2 | 0.00 | - | - | 6,76,62,538 | 0.55 | 6,76,62,538 | 0.55 |
| | - Overseas Body Corporates | - | - | - | - | 9,540 | 0.00 | 9,540 | 0.00 |
| | - Trust (Employees) | - | - | - | - | 2,55,000 | 0.00 | 2,55,000 | 0.00 |
| | - Clearing Member | - | - | - | - | 51,988 | 0.00 | 51,988 | 0.00 |
| | - Other Directors/ Relatives | - | - | - | - | 8,13,392 | 0.01 | 8,13,392 | 0.01 |
| **Sub-Total (B)(2)** | | | | | | **283,12,14,146** | **23.02** | **283,12,14,146** | **23.02** |
| **(B)** | **Total Public Shareholding (B)=(B)(1)+(B)(2)** | **238** | **0.01** | **-** | **-** | **807,01,52,689** | **65.63** | **807,01,52,689** | **65.63** |
| **TOTAL (A)+(B)** | | **1,00,00,142** | **100.00** | **-** | **-** | **1221,37,47,469** | **99.32** | **1221,37,47,469** | **99.32** |
| **(C)** | **Shares held by Custodians and against which DRs have been issued** | **-** | **-** | **-** | **-** | **8,35,89,840** | **0.68** | **8,35,89,840** | **0.68** |
| **GRAND TOTAL (A)+(B)+(C)** | | **1,00,00,142** | **100.00** | **-** | **-** | **1229,73,37,309** | **100.00** | **1229,73,37,309** | **100.00** |

Annexure 11

EXPERIENCE THE NEW

**DCS/AMAL/PB/R37/2848/2023-24** **July 26, 2023**

The Company Secretary,
**Tata Steel Limited**
Bombay House, 24 Homi Mody Street,
Fort, Mumbai, Maharashtra, 400001
Dear Sir,

**Sub: Observation letter regarding the Scheme of Amalgamation amongst Tata Steel Ltd and Angul Energy Ltd and their respective shareholders**

We are in receipt of the Scheme of Amalgamation amongst Tata Steel Ltd and Angul Energy Ltd and their respective shareholders filed by Tata Steel Ltd as required under SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 59A, 94(2) and 94A(2) of SEBI (LODR) Regulations, 2015 and SEBI Operational Circular No. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/103 dated July 29, 2022; SEBI vide its letter dated July 25, 2023 has inter alia given the following comment(s) on the draft scheme of Amalgamation:

a) **"Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."**

b) **"Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**

c) **"Company shall ensure compliance with the SEBI circulars issued from time to time."**

d) **"The entities involved in the Scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company."**

e) **"Company is advised that the information pertaining to all the Unlisted Companies involved in the Scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."**

f) **"Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."**

g) **"Company is advised that the details of the proposed scheme under consideration as provided by Company to the stock exchange shall be prominently disclosed in the notice sent to the shareholders."**

h) **"Both the Companies are advised to disclose the latest proforma balance sheet of TSL pursuant to amalgamation of AEL with TSL, (ii) valuation report along with detailed rationale and (iii) the need, rationale and cost-benefit analysis of the scheme along with its impact on the shareholders of TSL and AEL, (iv) the rationale for cash consideration, as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013"**

Pn

EXPERIENCE THE NEW

i) "Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."

j) "Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."

k) "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."

l) "Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."

m) "It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

n) "The entities involved in the proposed scheme shall not provide any misstatement or furnish false information with regard to disclosures to be made in the draft scheme of amalgamation as per the provisions of Chapter XII of the Operational Circular Ref. No. SEBI/HO/DDHS_Div1/P/CIR/2022/0000000103 dated July 29,2022 and comply with other requirements of the aforesaid Operational Circular.

o) "The listed entity involved in the proposed scheme shall include the information pertaining to the unlisted entity in the format specified in abridged prospectus as provided in Part B of Schedule I of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, in the notice or proposal to be sent to the holders of NCDs/NCRPS while seeking approval for the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered Merchant Banker after following the due diligence process." "Company is advised to comply with all provisions of SEBI Master Circular dated June 20, 2023 including obtaining the No-Objection Certificate."

p) "The entities involved in the scheme shall ensure to comply with the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) any other relevant regulations and circulars."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Prasad Bhide
**Prasad Bhide**
**Senior Manager**

Sabah Vaze
**Sabah Vaze**
**Senior Manager**

Annexure 12

National Stock Exchange Of India Limited

Ref: NSE/LIST/34577_I July 26, 2023

The Company Secretary
Tata Steel Limited
Bombay House, 24,
Homi Mody Street, Fort,
Mumbai-400 001

**Kind Attn.: Mr. Parvatheesam Kanchinadham**

Dear Sir,

**Sub: Observation Letter for Draft scheme of amalgamation amongst Tata Steel Limited ("Transferee Company" or "TSL") and Angul Energy Limited ("Transferor Company" or "AEL") and their respective shareholders.**

We are in receipt for Draft Scheme of amalgamation amongst Tata Steel Limited ("Transferee Company" or "TSL") and Angul Energy Limited ("Transferor Company" or "AEL") and their respective shareholders vide application dated February 27, 2023.

Based on our letter reference no. NSE/LIST/34577 dated April 28, 2023, submitted to SEBI pursuant to SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20,2023 and Regulation 59A and 94(2) and 94A(2) of SEBI (LODR) Regulations, 2015 and SEBI operational circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/103 dated July 29, 2022 has inter alia given the following comment(s) on the draft scheme of amalgamation:

a. *Company shall ensure to discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*

b. *Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed Company and the stock Exchanges.*

c. *The entities involved in the scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company.*

d. *Company shall ensure that information pertaining to all the unlisted Companies involved in the scheme, shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*

e. *Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*

f. *Company shall ensure that the details of the proposed Scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.*

This Document is Digitally Signed

Signer: DIPTI VIPIL CHINCHKHEDE
Date: Wed, Jul 26, 2023 11:12:32 IST
Location: NSE

g. Companies shall disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013.
   - *The latest proforma balance sheet of TSL pursuant to amalgamation of AEL with TSL.*
   - *Valuation report along with detailed rationale.*
   - *The need, rationale and cost-benefit analysis of the scheme along with its impact on the shareholders of TSL and AEL.*
   - *The rationale for cash consideration.*

*h. Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*

*i. Company shall ensure that no changes to the draft scheme except those mandated by the regulators/authorities/ tribunals shall be made without specific written consent of SEBI.*

*j. Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*

*k. The Companies involved in the Scheme shall ensure that the proposed scheme have complied with the relevant provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.*

*l. It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

*m. Companies involved shall not provide any misstatement or furnish false information with regard to disclosures to be made in the draft scheme of amalgamation as per provisions of Chapter XII of the Operational Circular issued on July 29, 2022 and comply with other requirements of the aforesaid Operational circular.*

*n. Company shall include information pertaining to the unlisted entity in the format specified for abridged prospectus as provided in Part B of Schedule I of the SEBI (issue and Listing of Non-Convertible Securities) Regulations, 2021, in the notice or proposal to be sent to the holders of NCDs/ NCRPS while seeking approval for the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered merchant banker after following the due diligence process.*

*o. Company shall comply with the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) any other relevant regulations and circulars.*

**It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.**

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted**.**

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No objection" in terms of Regulation 94 and 94A of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from July 26, 2023, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

**The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.**

Yours faithfully,
For National Stock Exchange of India Limited

Dipti Chinchkhede
Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL: https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist

This Document is Digitally Signed

Signer: DIPTI VIPIL CHINCHKHEDE
Date: Wed, Jul 26, 2023 11:12:32 IST
Location: NSE

TATA

**Details of ongoing adjudication and recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Transferee Company, its promoters, and directors**

**I. Details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken against the Transferee Company.**

**1. Details of ongoing adjudications and recovery proceedings against the Transferee Company**

**1. Income Tax**

i. The Transferee Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Transferee Company as deduction and the computation of, or eligibility of the Transferee Company's use of certain tax incentives or allowances.

ii. Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

iii. As at September 30, 2023, there are matters and/or disputes pending in appeal amounting to ₹3,553.73crore (March 31, 2023: ₹3,553.73 crore).

iv. The details of significant demands are as below:

a) Interest expenditure on loans taken by the Transferee Company for acquisition of a subsidiary has been disallowed in assessments with tax demand raised for ₹1,641.64 crore (inclusive of interest) (March 31, 2023: ₹1,641.64 crore).

b) Interest expenditure on "Hybrid Perpetual Securities" has been disallowed in assessments with tax demand raised for ₹484.78 crore (inclusive of interest) (March 31, 2023: ₹484.78 crore)

v. In respect of above demands, the Transferee Company has deposited an amount of ₹1,255.63 crore (March 31, 2023: ₹1,255.63 crore) as a precondition for obtaining stay. The Transferee Company expects to sustain its position on ultimate resolution of the said appeals.

2. **Customs, excise duty, service tax and GST**

   i. As at September 30, 2023, there were pending litigations for various matters relating to customs, excise duty, service tax and GST involving demands of ₹602.27 crore (March 31, 2023: ₹450.55 crore).

      The details of significant demand is as below:

      The Transferee Company is providing municipal services in the town of Jamshedpur as per the Lease deed dated August 20, 2005. In this regard the Company has entered into various agreements with TSUISL, whereby TSUISL provides the services to the Company, and the Company in turn provides such services to the residents. TSUISL charges GST on the invoices raised and the Company takes ITC of the same in terms of the GST Law. Further, the Company maintains TMH in the town of Jamshedpur, wherein health care services are provided to employees as well as non-employees. The Transferee Company has taken ITC of GST paid on various services received which is attributable to employees (no billing done for healthcare services). Both the above ITC was disputed by the department resulting in issuance of Show Cause Notice (SCN). The demand in the said SCN has been confirmed vide Order in Original (OIO) dated June 23, 2023. Against the said OIO dated June 23, 2023 the Transferee Company has preferred appeal before Commissioner (Appeals) Ranchi. The appeal is currently pending. The amount involved as on September 30, 2023 is amounting to **₹ 154.54** crore (March 31, 2023: Nil)

3. **Sales Tax/VAT**

   i. The total sales tax demands that are being contested by the Transferee Company amounted to ₹649.10 crore (March 31, 2023: ₹716.76 crore).

   ii. The details of significant demands are as below:

      a) The Transferee Company stock transfers its goods manufactured at Jamshedpur works plant to its various depots/ branches located outside the state of Jharkhand across the country and these goods are then sold to various customers outside the states from depots/ branches. As per the erstwhile Central Sales Tax Act, 1956, these transfers of goods to depots/branches were made without payment of Central sales tax and F-Form was submitted in lieu of the stock-transfers made during the period of assessment. The value of these sales was also disclosed in the periodical returns filed as per the Jharkhand Vat Act, 2005. The Commercial Tax Department has raised demand of Central Sales tax by levying tax on the differences between value of sales outside the states and value of F-Form submitted for stock transfers. The amount involved for various assessment years beginning 2012-13, 2014-15, 2015-16, 2016-17 and 2017-18 as on March 31, 2023 is amounting to ₹221.00 crore (March 31, 2023: ₹200.00 crore)

4. **Other taxes, dues and claims**

i. Other amounts for which the Transferee Company may contingently be liable aggregate to ₹18,372.53 crore (March 31, 2023: ₹18,192.96 crore).

ii. The details of significant demands are as below:

a) The State Government of Odisha introduced “Orissa Rural Infrastructure and Socio Economic Development Act, 2004” with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Transferee Company had filed a writ petition in the Odisha High Court challenging the validity of the Act. The High Court held in December 2005 that the State does not have authority to levy tax on minerals. The State of Odisha filed an appeal in the Supreme Court against the order of the High Court and the case is pending in Supreme Court. The potential liability, as at September 30, 2023 is ₹14,178.37 crore (March 31, 2023: ₹13,084.69 crore).

b) The Transferee Company pays royalty on iron ore on the basis of quantity removed from the leased area at the rates based on notification issued by the Ministry of Mines, Government of India and the price published by Indian Bureau of Mines (IBM) on a monthly basis.

Demand of ₹411.08 crore has been raised by Deputy Director of Mines, Joda, claiming royalty at sized ore rates on despatches of ore fines. The Transferee Company has filed a revision petition on November 14, 2013, before the Mines Tribunal, Government of India, Ministry of Mines, New Delhi, challenging the legality and validity of the demand and to grant refund of royalty paid in excess by the Transferee Company. Mines Tribunal vide its order dated November 13, 2014 has stayed the demand of royalty on iron ore for Joda East of ₹314.28 crore upto the period ending March 31, 2014. For the demand of ₹96.80 crore for April, 2014 to September, 2014 a separate revision application was filed before Mines Tribunal. The matter was heard by Mines Tribunal on July 14, 2015 and stay was granted on the total demand with directive to Government of Odisha not to take any coercive action for realisation of this demanded amount.

The Hon’ble High Court of Odisha in a similar case held the circulars based on which demands were raised to be valid. The Transferee Company has challenged the judgment of the High Court by a separate petition in the Hon’ble Supreme Court on April 29, 2016.

On July 16, 2019, the Transferee Company has filed rejoinders to the reply filed by State of Odisha against the revision petition. The State pressed for rejection of revision applications citing the judgment of the High Court. The Transferee Company represented before the authorities and explained that the judgment was passed under a particular set of facts and circumstances which cannot have blanket application on the Transferee Company considering that the case of the Transferee Company is factually different. On August 7, 2019, the Mines Tribunal decided to await the outcome of Special leave petition pending before the Hon'ble Supreme Court and adjourned the case.

RAs of TSL was listed on June 10, 2020, for virtual hearing. Hearing was adjourned to November 24, 2020. On November 24, 2020, our Counsel submitted that the present issue is pending before the Hon'ble Supreme Court of India in SLP (C) No. 7206 of 2016, M/s Mideast Integrated Steel Pvt. Ltd. Vs. State of Odisha & Ors. and hence, sought adjournment. State Counsel also agreed for the same.

On October 26, 2022, assessment order (for the period April, 2022 to September, 2022) was served, confirming that royalty will be paid for Calibrated Lump Ore and Fines at their respective prices published by IBM w.e.f. April, 2022.

Likely demand of royalty on fines at sized ore rates as on September 30, 2023 is ₹2,696.58 crore (March 31, 2023: ₹2,696.58 crore).

c) Demand notices were originally issued by the Deputy Director of Mines, Odisha amounting to ₹3,827.29 crore for excess production over the quantity permitted under the mining plan, environment clearance or consent to operate, pertaining to 2000-01 to 2009-10. The demand notices have been raised under Section 21(5) of the Mines & Minerals (Development and Regulations) Act, 1957 (MMDR). The Transferee Company filed revision petitions before the Mines Tribunal against all such demand notices. Initially, a stay of demands was granted, later by order dated October 12, 2017, the issue has been remanded to the State for reconsideration of the demand in the light of Supreme Court judgement passed on August 2, 2017

The Hon'ble Supreme Court pronounced its judgement in the Common Cause case on August 2, 2017 wherein it directed that compensation equivalent to the price of minerals extracted in excess of environment clearance or without forest clearance from the forest land be paid.

In pursuance to the Judgement of Hon'ble Supreme Court, demand/show cause notices amounting to ₹3,873.35 crore have been issued during 2017-18 by the Deputy Director of Mines, Odisha and the District Mining Office, Jharkhand.

In respect of the above demands:

- as directed by the Hon'ble Supreme Court, the Transferee Company has provided and paid for iron ore and manganese ore an amount of ₹614.41 crore during 2017-18 for production in excess of environment clearance to the Deputy Director of Mines, Odisha.

- the Transferee Company has provided and paid under protest an amount of ₹56.97 crore during 2017-18 for production in excess of environment clearance to the District Mining Office, Jharkhand.

- the Transferee Company challenged the demands amounting to ₹132.91 crore in 2017-18 for production in excess of lower of mining plan and consent to operate limits raised by the Deputy Director of Mines, Odisha before the Mines Tribunal and obtained a stay on the matter. Mines Tribunal, Delhi vide order dated November 26, 2018 disposed of all the revision applications with a direction to remand it to the State Government to hear all such cases afresh and pass detailed order. Demand amount of ₹132.91 crore (March 31, 2022: ₹132.91 crore) is considered contingent. After reconsideration, the State has raised a revised fresh demand of Rs 107 Cr in September 2022. The Transferee Company has challenged the fresh demand in Mines Tribunal, Delhi.

- the Transferee Company has made a comprehensive submission before the Deputy Director of Mines, Odisha against show cause notices amounting to ₹694.02 crore received during 2017-18 for production in chromite ore Sukinda mine in violation of mining plan, Environment Protection Act, 1986 and Water (Prevention & Control of Pollution) Act, 1981. A demand amounting to ₹234.74 crore has been received in April 2018 from the Deputy Director of Mines, Odisha for production in excess of the Environmental Clearance. The state has so far not initiated any action. Based on the evaluation of the facts and circumstances, the Company has assessed and concluded that the said show cause notice of ₹694.02 crore and demand of ₹234.74 crore has not been considered as contingent liability.The Transferee Company has challenged the demand and obtained a stay on the matter from the Revisionary Authority, Mines Tribunal, New Delhi.

- For its Coal mines in Jharkhand, the Transferee Company based on its internal assessment has provided an amount of ₹1,412.89 crore against demand notices amounting to ₹2,140.30 crore received from the District Mining Office, Jharkhand for producing more than environment clearance and the balance amount of ₹727.41 crore (March 31, 2023: ₹727.41 crore) is considered contingent. The Transferee Company has however been granted a stay by the Revisional Authority, Ministry of Coal, Government of India against such demand notices

5. **Other significant litigations**

i. Odisha Legislative Assembly issued an amendment to Indian Stamp Act, 1889, on May 09, 2013 and inserted a new provision (Section 3A) in respect of stamp duty payable on grant/renewal of mining leases. As per the amended provision, stamp duty is levied equal to 15% of the average royalty that would accrue out of the highest annual extraction of minerals under the approved mining plan multiplied by the period of such mining lease. The Transferee Company had filed a writ petition challenging the constitutionality of the Act on July 5, 2013. The Hon'ble High Court, Cuttack passed an order on July 9, 2013 granting interim stay on the operation of the Amendment Act, 2013. Because of the stay, as on date, the Act is not enforceable and any demand received by the Transferee Company is not liable to be proceeded with. Meanwhile, the Transferee Company received demand notices for the various mines at Odisha totalling to ₹5,579.00 crore (March 31, 2022: ₹5,579.00 crore). The Transferee Company has concluded that it is remote that the claim will sustain on ultimate resolution of the legal case by the court.

In April 2015, the Transferee Company has received an intimation from Government of Odisha, granting extension of validity period for leases under the MMDR Amendment Act, 2015 up to March 31,2030 in respect of eight mines and up to March 31, 2020 for two mines subject to execution of supplementary lease deed. Liability has been provided in the books of accounts as on March 31, 2020 as per the existing provisions of the Stamp Act 1899 and the Transferee Company had paid the stamp duty and registration charges totalling ₹413.72 crore for supplementary deed execution in respect of eight mines out of the above mines.

ii. Noamundi Iron Ore Mine of the Transferee Company was due for its third renewal with effect from January 1, 2012. The application for renewal was submitted by the Transferee Company within the stipulated time, but it remained pending consideration with the State and the mining operations were continued in terms of the prevailing law.

By a judgement of April 2014 in the case of Goa mines, the Supreme Court took a view that second and subsequent renewal of mining lease can be effected once the State considers the application and decides to renew the mining lease by issuing an express order. State of Jharkhand issued renewal order to the Transferee Company on December 31, 2014. The State, however, took a view on interpretation of Goa judgement that the mining carried out after expiry of the period of second renewal was ‘illegal’ and hence, issued a demand notice of ₹3,568.31 crore being the price of iron ore extracted. The said demand has been challenged by the Transferee Company before the Jharkhand High Court.

The mining operations were suspended from August 1, 2014. Upon issuance of an express order, Transferee Company paid ₹152.00 crore under protest, so that mining can be resumed.

The Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance, 2015 promulgated on January 12, 2015 provides for extension of such mining leases whose applications for renewal have remained pending with the State(s). Based on the new Ordinance, Jharkhand Government revised the Express Order on February 12, 2015 for extending the period of lease up to March 31, 2030 with the following terms and conditions:

a) value of iron ore produced by alleged unlawful mining during the period January 1, 2012 to April 20, 2014 for ₹2,994.49 crore to be decided on the basis of disposal of our writ petition before Hon’ble High Court of Jharkhand.

b) value of iron ore produced from April 21, 2014 to July 17, 2014 amounting to ₹421.83 crore to be paid in maximum 3 instalments.

c) value of iron ore produced from July 18, 2014 to August 31, 2014 i.e. ₹152.00 crore to be paid immediately

District Mining Officer Chaibasa on March 16, 2015 issued a demand notice for payment of ₹421.83 crore, in three monthly instalments. The Transferee Company on March 20, 2015 replied that since the lease has been extended by application of law till March 31, 2030, the above demand is not tenable. The Transferee Company has paid ₹50.00 crore under protest on July 27, 2015, because the State had stopped issuance of transit permits.

The Transferee Company filed another writ petition before the Hon'ble High Court of Jharkhand which was heard on September 9, 2015. An interim order was given by the Hon'ble High Court of Jharkhand on September 17, 2015 wherein the Court has directed the Transferee Company to pay the amount of ₹371.83 crore in 3 equal instalments, first instalment by October 15, 2015, second instalment by November 15, 2015 and third instalment by December 15, 2015.

In view of the interim order of the Hon'ble High Court of Jharkhand ₹124.00 crore was paid on September 28, 2015, ₹124.00 crore on November 12, 2015 and ₹123.83 crore on December 14, 2015 under protest.

The case is pending before the Hon'ble High court for disposal. The State issued similar terms and conditions to other mining lessees in the State rendering the mining as illegal. Based on the Transferee Company's assessment of the Goa mines judgement read with the Ordinance issued in the year 2015, the Transferee Company believes that it is remote that the demand of the State would sustain.

iii. The Supreme Court of India vide its order dated September 24, 2014, cancelled the coal blocks allocated to various entities which includes one coal block allocated to the Tata Steel BSL Limited (entity merged with the Transferee Company) which were under development. Subsequently, the Government of India has issued the Coal Mines (Special Provision) Act 2015, which inter-alia deal with the payment of compensation to the affected parties in regard to investment in coal blocks. The receivable in respect of de-allocated coal block amounts to ₹414.56 crore (net of provision of ₹138.74 crore). The Transferee Company has filed its claim for compensation in respect of New Patrapada Coal Block, with the Government of India, Ministry of Coal. Pursuant to letter dated November 22, 2019, Ministry of Coal ('MoC') informed that all statutory license, consent approvals, permission required for undertaking of Coal mining operations in New Patrapara Coal Mine now vested to Singareni Collieries Company Ltd. MoC /Union of India, filed supplementary affidavit dated February 11, 2020 before Delhi High Court vide which it has informed that payment of compensation can be paid to prior allottee after the mine is successfully allotted and compensation is deposited by successful allottee, following the sequence mentioned in section 9 of Coal Mine (Special Provisions) Act, 2015. It has been informed that New Patrapara Coal Mine has been allocated to Singareni Collieries Company Ltd (SCCL, a state Government Undertaking) and compensation to the prior allottee to be released. MoC vide order dated May 17, 2021 has directed SCCL to pay aforesaid compensation to TSBSL (entity merged with the Transferee Company). Later, the SCCL also has voluntarily surrendered the coal block. The case pertaining to several issues related to surrender of coal block and recovery of compensation is pending in Delhi HC in Writ Petition No. 6293 of 2016, which is pending. The case was heard on August 10, 2023 where IDCO has confirmed that it has released Rs. 105.33 Cr to prior allottee.

**2. Details of Prosecutions Initiated and Other enforcement actions against the Transferee Company**

**i.** The Transferee Company has been facing criminal prosecutions under statutes stipulating criminal consequences arising therefrom, including the Mines & Mineral (Development Regulation) Act, 1957, Contract Labour (Regulation & Abolition) Act, 1970, Environment (Protection) Act, 1986, Water (Prevention and Control of Pollution) Act, 1974, Forest (Conservation) Act, 1980, Indian Forest Act, 1927, Scheduled Caste and Scheduled Tribe (Prevention of Atrocities) Act, 1989, Indian Penal Code, 1860, State Acts on these subjects, as well as rules and regulations framed thereunder.

**ii.** As at September 30, 2023, there are 16 cases pending against the Transferee Company (including cases involving allegations of violation against the erstwhile Bhushan Steel Ltd. & its subsidiary companies).

**iii.** The details of significant cases against the Transferee Company are as below:

**a)** Cases involving allegations of violation of Environment (Protection) Act, 1986 and/or excess mining for an extended period which carries a maximum prescribed punishment of imprisonment which may extend to 7 years other than fine, in respect of:

i. Sukinda Chromite Mine
ii. Noamundi Mines
iii. Manmora Manganese Mine
iv. Khondbond Manganese Mine
v. Bamebari Manganese Mine
vi. Joda West Iron & Manganese Mine
vii. Katamati Iron Mine
viii. Joda East Iron Mine

**b)** Case involving allegation of violation of Mines & Minerals (Development & Regulation) Act, 1957 and rules framed thereunder prescribing a maximum punishment which may extend to 2 years and/or fine extending upto Rs.5 lakhs where the MD & CEO is also an accused.

**II. Details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken against the promoters of the Transferee Company.**

1. Representative suit titled Mr. Pramod Premchand Shah & Others versus Mr. Ratan N. Tata & Others was filed by a small group of shareholders in the Bombay High Court ("**Court**") against Tata Sons, its directors, and certain listed Tata companies (including Tata Steel Limited) in which Tata Sons has investments. This suit claims, inter alia, damages in the sum of INR 41,832 crore for alleged loss caused to all the non-promoter shareholders of those listed Tata companies owing to a fall in the share price of those companies allegedly due to the removal of Mr Cyrus P. Mistry as the executive Chairman of Tata Sons. Tata Sons had sought revocation of the leave granted by the Court permitting the Plaintiffs to institute the suit as a representative suit. By an order dated July 10, 2017 the Court revoked the earlier leave granted to the Plaintiffs, as a result the suit is no longer a representative suit. The Plaintiffs sought a stay of the order, which request was denied by the Court by its order dated July 11, 2017. The Plaintiffs have preferred an appeal from the aforesaid orders. The hearing of the appeal is awaited. Tata Sons believes this case is frivolous and without merit. Tata Sons is defending itself appropriately in accordance with the law. Based on legal advice, no financial liability for Tata Sons is foreseen at this stage. Any future liability in the case would depend on the final adjudication of the cases which is uncertain and, in any event, is unlikely to crystallise in a near-term.

**III. Details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken against the directors of the Transferee Company.**

**A. Cases pending against CEO & MD**

i. Criminal prosecutions (8 in number) have been instituted against the CEO&MD, in the capacity of Occupier, on the basis of allegations of violation of the provisions of the Factories Act, 1948 read with the State Rules. The cases arise out of accidents that have taken place in the factory alleged to be as a result of lapses on the part of the Transferee Company. The details of significant cases, punishment for which includes imprisonment or fine or both, are as below:
   a. 3 Cases arising out of fatal accidents of two employees & a contract worker in Jamshedpur steel works
   b. 3 Cases arising out of a fatal accident of an employee & two contract workers in Meramandali

ii. A Case involving allegation of violation of Mines & Minerals (Development & Regulation) Act, 1957 and rules framed thereunder, prescribing a maximum punishment which may extend to 2 years and/or fine extending upto Rs.5 lakhs, is pending, where the Transferee Company is also an accused.

iii. Complaints (4 in number) have been registered against CEO&MD, as a representative of the Transferee Company, by the Senior Labour Inspector alleging non-compliance of labour laws including the Minimum Wages Act, 1948 read with the Minimum Wages Rules (Central) Rules, 1950, Karnataka Shops and Establishment Act, 1961, Equal Remuneration Act, 1976, Payment of Wages Act, 1936, Child and Adolescent Labour (Prohibition and Regulation) Act, 1986, at the Bangalore office.

**Annexure 14**

| THIS ABRIDGED PROSPECTUS CONSISTS OF 14 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES |
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**ANGUL ENERGY LIMITED**

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| **CIN:** | U40105DL2005PLC140748 | **Date of incorporation:** | September 14, 2005* |
| **Registered and Corporate Office:** | Ground Floor, Mira Corporate Suites, Plot No. 1& 2, Ishwar Nagar, Mathura Road, New Delhi 110065 | | |
| **Contact Person:** | Mr. Rupesh Purwar, Company Secretary | **Telephone:** | +91 11 3919 4000 |
| **E-mail:** | ael@angulenergy.co.in | **Website:** | www.angulenergy.co.in |

**originally incorporated in the name of Bhushan Energy Private Limited. The name was changed to Bhushan Energy Limited vide fresh certificate of incorporation dated December 19, 2006 consequent upon change of name on conversion to public limited company. The name was further changed to present name vide fresh certificate of incorporation dated February 27, 2020*

| **DISCLOSURE DOCUMENT** |
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| **This is a disclosure document ("Disclosure Document") prepared solely in connection with the proposed Scheme of Amalgamation involving Angul Energy Limited (the "Company" or "AEL" or "Transferor Company") into and with Tata Steel Limited ("TSL" or "Transferee Company") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder (collectively the "Act") and all other applicable rules and regulations, (hereinafter referred to as the "Scheme"). This Disclosure Document discloses applicable information of the unlisted company i.e., AEL, in compliance with the SEBI Circular no. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022 ("SEBI 2022 Circular") and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 as amended, to the extent applicable ("SEBI Master Circular")** |
| This document is prepared to comply with the requirements of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Para 3(a) of Part I (A) of the SEBI Master Circular, setting out details in relation to the Transferor Company, and in accordance with the disclosures required to be made in the format specified for an abridged prospectus in SEBI 2022 Circular.<br><br>You may download the Disclosure Document along with the Scheme and other relevant documents from the website of the Transferee Company at *https://www.tatasteel.com/investors/amalgamation/amalgamation-of-angul-energy-limited-into-and-with-tata-steel-limited/,* BSE Limited ("**BSE**") (www.bseindia.com) and the National Stock Exchange of India ("**NSE**") (www.nseindia.com) (hereinafter BSE and NSE collectively referred as "**Stock Exchanges**") where the equity shares of the Transferee Company are listed. |
| Pursuant to the Scheme, it is proposed to amalgamate the Transferor Company into and with the Transferee Company and cancellation of all the issued share capital of the Transferor Company which shall be affected as a part of the Scheme and not in accordance with Section 66 of the Act and payment to all the shareholders of the Transferor Company (other than the Transferee Company) cash consideration as per the approved valuation report, without any further act, instrument or deed, in accordance with Part II of the Scheme.<br><br>The Scheme is subject to approvals of relevant regulatory authorities, such as, amongst others, SEBI/ Stock Exchanges and the relevant benches of Hon'ble National Company Law Tribunal ("**NCLT**"). The Transferee Company has received the Observation Letters dated July 26, 2023 from BSE and NSE respectively, including SEBI comments on the Scheme. |
| This Disclosure Document dated January 03, 2024 should be read together with the Scheme and the notice sent to the shareholders of the Transferee Company. |

| PROMOTER OF THE COMPANY | |
|---|---|
| **TATA STEEL LIMITED** | |
| **Details of Offer to Public** | Not Applicable |
| **Details of OFS by Promoter(s) / Promoter Group/ Other Selling Shareholders** | Not Applicable |
| **Price Band, Minimum Bid Lot & Indicative Timelines** | Not Applicable |
| **Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP** | Not Applicable |

**RISK IN RELATION TO THE FIRST OFFER**

Not Applicable

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk. Specific attention of the readers is invited to the sections titled "Scheme Details, Listing and Procedure" and "Internal Risk Factors" on pages 2 and 12 respectively of this Disclosure Document.

**SCHEME DETAILS, LISTING AND PROCEDURE**

**Scheme Details:**

The Scheme provides for the merger of the Transferor Company with the Transferee Company, pursuant to Sections 230 to 232 and other relevant provisions of the Act, such that:

(a) all the assets of the Transferor Company, shall become the property of the Transferee Company, by virtue of the amalgamation;

(b) all the liabilities of the Transferor Company, shall become the liabilities of the Transferee Company, by virtue of the amalgamation;

(c) cancellation of all the issued share capital of the Transferor Company which shall be affected as a part of the Scheme and not in accordance with Section 66 of the Act and payment to all the shareholders of the Transferor Company (other than the Transferee Company) cash consideration as per the approved valuation report, without any further act, instrument or deed, in accordance with Part II of the Scheme;

(d) transfer of the authorised share capital of the Transferor Company to the Transferee Company as provided in Part III of the Scheme, and consequential increase in the authorised share capital of the Transferee Company as provided in Part III of the Scheme; and

(e) dissolution of the Transferor Company, without being wound up.

Upon coming into effect of this Scheme, and in consideration of the amalgamation of the Undertaking (*as defined in the Scheme*) into and with the Transferee Company, the Transferee Company shall, without any further application, act or deed, pay to the shareholders of the Transferor Company (other than the Transferee Company), whose names are recorded in the register of members as a member of the Transferor Company, including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, on the Record Date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Transferee Company) (the "**Eligible Member**") in the following manner:

"***INR 1,045*** *(Rupees One Thousand and Forty-Five) for every 1 (one) fully paid-up equity shares of INR 10/- each held in the Transferor Company*."

which payment shall be made not later than 30 (thirty) days from the Effective Date ("**Payment Date**").

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| Upon this Scheme becoming effective and upon the payment of cash consideration to the Eligible Members, the equity shares of the Transferor Company, both in demat form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.<br><br>Upon the sanction of the Scheme by the Competent Authority (as defined in the Scheme), the Scheme shall become operative on and from the Effective Date (as defined in the Scheme) and the Transferor Company shall stand transferred to and be vested in the Transferee Company on and from and with effect from the Appointed Date (as defined in the Scheme) for all intent and purposes and the Transferor Company shall stand dissolved without being wound up.<br><br>The Appointed Date for the Scheme means opening of business on April 1, 2022, or such other date as may be determined by the Board of Directors of the concerned Companies or directed/ allowed by the Competent Authority.<br><br>Unless otherwise defined, capitalised terms used but not defined in this section shall have the same meaning assigned to such terms in the Scheme.<br><br>For further details, please refer to the Scheme.<br><br>**Listing:**<br><br>Not applicable since no new equity shares are proposed to be issued by the Transferee Company to the shareholders of the Transferor Company.<br><br>**Procedure:**<br><br>Not applicable as neither any new equity shares are proposed to be issued by the Transferee Company to the shareholders of the Transferor Company nor there is a public offer of securities. Hence, the procedure with respect to General Information Document (GID) is not applicable to this Disclosure Document. |

| **PRICE INFORMATION OF BOOK RUNNING LEAD MANAGER(S)** | |
|---|---|
| Not Applicable | |
| **Name of BRLM and contact details (telephone and email id) of each BRLM:** Not Applicable | **Name of Statutory Auditors:**<br><br>M/s Singhi & Co., Chartered Accountants<br>(Firm's Registration No. 302049E) |
| **Name of Syndicate Members:** Not Applicable | **Name of Registrar to the Issue and contact details (telephone and email id):** Not Applicable |
| **Name of Credit Rating Agency and the rating or grading obtained, if any:** Not Applicable | **Non-Syndicate Registered Broker:** Not Applicable |
| **Name of Debenture Trustee, if any:** Not Applicable | **Self-Certified Syndicate Banks:** Not Applicable |
| **Details regarding website address(es)/ link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable):** Not Applicable | |

| PROMOTER OF THE TRANSFEROR COMPANY | | |
|---|---|---|
| **Name** | **Individual/ Corporate** | **Details of the Corporate Promoter** |
| **Tata Steel Limited ('TSL')** | **Corporate** | TSL/ Transferee Company is the promoter of Transferor Company. Transferee Company is a part of the diversified Tata Group and is a public limited company which was incorporated on August 26, 1907 under the provisions of the Indian Companies Act, 1882 and is an existing Company within the meaning of the Companies Act, 2013. The corporate identity number of the Transferee Company is L27100MH1907PLC000260 and its registered office is situated at Bombay House, 24 Homi Mody Street, Fort, Mumbai, Maharashtra, 400001. The equity shares of Transferee Company are listed on the BSE and NSE. The global depository receipts of the Transferee Company are listed on the Luxembourg Stock Exchange and the London Stock Exchange. The unsecured redeemable non-convertible debentures of the Transferee Company are listed on the wholesale debt market segments of the BSE.<br><br>The Transferee Company is engaged in the business of manufacturing steel and offers a broad range of steel products including a portfolio of high value added downstream products such as hot rolled, cold rolled and coated steel, rebars, wire rods, tubes and wires. The Transferee Company is also amongst the lowest cost integrated steel manufacturers in India, with 100% (hundred percent) captive iron ore sources. The Transferee Company also has a well-established distribution network. The business segments of Transferee Company include agriculture, automotive steels, construction, consumer goods, energy & power, engineering and material handling.<br><br>As on February 06, 2023, (being the date of board approval on the Scheme) the Transferee Company holds 99,99,904 equity shares constituting 99.99% of the equity share capital of Transferor Company.<br><br>The Board of Directors of Transferee Company as on the date of this Disclosure Document are as under: |

| SN | Name of the Director | Designation | DIN |
|---|---|---|---|
| 1. | Mr. Natarajan Chandrasekaran | Chairman, Non-Executive Director | 00121863 |
| 2. | Mr. Noel Naval Tata | Vice Chairman, Non-Executive Director | 00024713 |
| 3. | Mr. Deepak Kapoor | Independent Director | 00162957 |
| 4. | Ms. Farida Khambata | Independent Director | 06954123 |
| 5. | Mr. Vijay Kumar Sharma | Independent Director | 02449088 |
| 6. | Ms. Bharti Gupta Ramola | Independent Director | 00356188 |
| 7. | Dr. Shekhar C. Mande | Independent Director | 10083454 |
| 8. | Mr. Saurabh Agrawal | Non-Executive Director | 02144558 |
| 9. | Mr. T. V. Narendran | Chief Executive Officer and Managing Director | 03083605 |
| 10. | Mr. Koushik Chatterjee | Executive Director and Chief Financial Officer | 00004989 |

As on November 22, 2023, the promoter (i.e., Tata Sons Private Limited) holds 32.24% in the Transferee Company and Tata Sons Private Limited together with promoter group of the Transferee Company, together hold 33.70% shares in the Transferee Company.

## BUSINESS OVERVIEW AND STRATEGY

**Company Overview:**

The Transferor Company is an unlisted public company incorporated under the provisions of the Companies Act, 1956 (and an existing company under the Act) and has its registered office at Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110065. The Corporate Identification Number of the Transferor Company is U40105DL2005PLCI40748.

The Transferor Company was incorporated on September 14, 2005 as Bhushan Energy Private Limited with the Registrar of Companies, New Delhi. Subsequently, its name was changed to Bhushan Energy Limited pursuant to the certificate of incorporation dated December 19, 2006 issued by the Registrar of Companies, New Delhi. Thereafter, the Transferor Company's name was changed to Angul Energy Limited pursuant to the certificate of incorporation dated February 27, 2020 issued by the Registrar of Companies, New Delhi.

The Transferor Company is engaged in the business of generation of thermal power. The power plant of the Transferor Company is located at district Angul, Odisha with a total capacity of 485MW. The Transferor Company's power plant is adjacent to Meramandali plant of the Transferee Company. The Transferor Company's plant is a captive power plant of the Transferee Company and it has entered into power purchase agreement dated December 1, 2023 with the Transferee Company by exiting the power tolling agreement, for supply of electricity from the said thermal power plant to meet the energy requirement of steel manufacturing plant of Transferee Company. The objects clause of the memorandum of association of the Transferor Company authorises the Transferor Company to carry on the aforesaid business.

The Transferor Company is a subsidiary company of the Transferee Company, with the Transferee Company holding 99.99% of the issued and paid-up capital of the Transferor Company, as on the date of the approval of the Scheme by the Board of Directors of Transferor Company.

For further details, please refer to section titled "**Objects/Rationale of the Scheme**" on page 11 of this Disclosure Document.

**Product/Service Offering:**

- AEL is engaged in the business of thermal power and the power generated by the Company is being supplied to Transferee Company only.

**Revenue segmentation by product/service offering:**

**(INR Crores)**

| SN | Products | Six months period ended September 30, 2023 (Audited) | FY2023 (Audited) |
|---|---|---|---|
| 1 | Power Generation | 113.54 | 194.99 |

**Geographies Served:**

1. Thermal Power- Odisha

**Revenue segmentation by geographies:**

1. **Revenue segmentation for Power Generation**

(INR Crores)

| SN | Location | Six months period ended September 30, 2023 (Audited) | FY2023 (Audited) |
| --- | --- | --- | --- |
| 1 | Odisha | 113.54 | 194.99 |

**Key Performance Indicators:**

**The Key Performance indicator are provided hereunder:**

| SN | Parameters | Unit of Measurement | Six months period ended September 30, 2023 (Audited) | FY2023 (Audited) | FY2022 (Audited) |
| --- | --- | --- | --- | --- | --- |
| 1 | Power Generation | MW | 218.80 | 180 | 181 |
| 2 | Auxiliary Power Consumption | % | 13.6 | 14.43 | 14.65 |
| 3 | Plant Load Factor (PLF) | % | 47 | 39 | 39 |
| 4 | Specific Raw water Consumption | $m^3$/MW | 2.54 | 2.68 | 2.87 |
| 5 | Specific Steam Consumption | MT/MWH | 3.82 | 3.81 | 3.81 |
| 6 | Specific Coal Consumption | MT/MWH | 0.88 | 0.87 | 0.87 |
| 7 | Char utilization in Coal mix | % | 5.0 | 6 | 3 |
| 8 | ESP Dust utilization in Coal mix | % | 1.10 | 1 | 0 |
| 9 | Total Revenue | INR Cr | 116.25 | 199.99 | 187.68 |
| 10 | EBITDA | INR Cr | 81.97 | 127.88 | 134.76 |
| 11 | Profit after Tax | INR Cr | 800.24 | 54.00 | 51.91 |
| 12 | Debt-Equity Ratio | No. of times | 0.00 | 0.03 | 0.14 |

**Client Profile or Industries Served:**

Being a captive power plant for the Transferee Company, the entire power generated is supplied to Transferee Company.

**Revenue segmentation in terms of top 5/10 clients or Industries**

| SN | Client | Industry(ies) served | % of Revenue in Total Revenue |
| --- | --- | --- | --- |
| 1 | Tata Steel Limited | Steel | 100 |

**Intellectual Property, if any:**

(As on September 30, 2023)

| SN | Act | Granted | Applied | Withdrawn/ Refused / Expired |
| --- | --- | --- | --- | --- |
| 1 | The Trademark Act, 1999 | 4 | - | - |

*Note The applications for registration of Trademarks in class 39 and class 40 were filed on October 08, 2021. The Office of Trademark Registry has registered the Trademarks and issued Trademark Registration Certificates during the month of April-May, 2022.The registration is valid for 10 years and can be renewed thereafter.*

**Market Share:** Not Applicable

**Manufacturing plant, if any:**

- **AEL**
  Ganthigadia, P.O. Nuahata, Via Banarpal, Dist. Angul- 759 128, Odisha

**Activities undertaken:** Thermal Power generation

| Employee Strength | |
|---|---|
| **Function** | **No of employees as on September 30, 2023** |
| Manufacturing | 114 |
| Others (Finance, Admin, HR, Secretarial, Legal, etc) | 8 |
| Apprentices | 3 |

**BUSINESS STRATEGY**

Angul Energy Limited ('**AEL'/ 'Company'**) was acquired by Tata Steel Limited ('**TSL**') on June 01, 2019 through its indirect subsidiary Tata Steel BSL Limited (formerly known as 'Bhushan Steel Limited') pursuant to the order of the Hon'ble National Company Law Tribunal dated May 30, 2019 under the Insolvency and Bankruptcy Code, 2016.

Post-acquisition of Company, the reconstituted board and new management has made significant efforts on operational excellence, health and safety, environment, risk management, governance and human resource development.

The Indian power sector is witnessing rapid transformation driven by sustainability and energy security. Stringent environmental norms along with increased emphasis on protecting the environment are also gaining momentum. In view of the same the Company is setting tougher targets for reduction of water footprint and carbon footprint. For reducing carbon footprint, the Company is converting its CFBC boiler into dual fuel boiler and taking other initiatives for protecting the environment such as installing emission reduction system and rooftop solar panel etc.

Following are some of the key business strategies of the Transferor Company:

- Secure coal through linkage auction such that coal remains available at optimum price for 5 years
- Run its plant at its full capacity by eliminating existing constraints in the area of water, air, ash evacuation, etc. by optimizing resource consumption
- Enhance power off-take by different units of TSL by optimizing cost and working capital
- Ensure strengthening of assets life through regular maintenance activities of Turbine Generators, boilers and other assets
- Drive energy efficiency and through innovation and minimizing waste

For further details, please refer to the section titled "Objects/Rationale of the Scheme" on page 11 of this Disclosure Document.

**BOARD OF DIRECTORS***

| SN | Name | Designation | Experience & Educational Qualification | Other Directorships |
|---|---|---|---|---|
| 1. | Mr. Subodh Pandey<br><br>DIN: 08279634 | Chairman, Non-Executive, Non-Independent Director | Mr Subodh Pandey, a B. Tech in Electrical Engineering from IIT Kanpur, has done Post Graduate Diploma in Business Management from XLRI, Jamshedpur. He has also completed CEDEP General Management Programme at INSEAD.<br><br>He has vast experience of more than 30 years in leadership roles across diverse functions including Improvement, Marketing and Sales of steel & ferro alloys, Tubes and steel operations, Safety etc. | Indian Companies:<br>1. Tata Steel Advanced Materials Limited<br>2. Tata Steel Technical Services Limited<br>3. Tata Steel Support Services Limited<br>4. TM International Logistics Limited<br>5. Tata Steel Tabb Limited<br>6. Ceramat Private Limited<br><br>Foreign Companies: NIL |

| SN | Name | Designation | Experience & Educational Qualification | Other Directorships |
|---|---|---|---|---|
| 2. | Dr. Ansuman Das<br><br>DIN: 02845138 | Independent Director | Dr. Ansuman Das is a graduate in Mechanical Engineering from Regional Engineering College (Presently National Institute of Technology), Rourkela. He is also an MBA from the University of Hull, United Kingdom with a British Council Scholarship under the Colombo Plan.<br><br>He was earlier associated with the National Aluminum Company Limited (NALCO) as Chairman-cum-Managing Director (CMD). Dr. Das has also worked in the Mines, Metals & Power sector after a stint in Aeronautical Production for Defence. He has experience in diverse areas viz Corporate Governance, Corporate Plan & Strategies, Projects, Environment & Sustainability, Marketing & Commercial, Human Resources, Finance, Production and Corporate Social Responsibilities for inclusive Growth. | Indian Companies:<br>1. Amartya Ventures Private Limited<br>2. TRF Limited<br>3. Neelachal Ispat Nigam Limited<br><br>Foreign Companies: NIL |
| 3. | Prof. Sougata Ray<br><br>DIN: 00134136 | Independent Director | Prof. Sougata Ray holds a degree in Mechanical Engineering from IIST, Shibpur, and also holds Fellow Programme (Ph.D) in Management from IIM Ahmedabad.<br><br>Before joining as a Professor at Indian School of Business, Hyderabad, he was associated with Indian Institute of Management ('IIM'), Calcutta.<br><br>He has also served as visiting researcher and professor in a number of well-known business schools in Asia, Europe and North America. | Indian Companies:<br>1. The Tinplate Company of India Limited<br>2. Neomega Intelligent Solutions Private Limited<br>3. Xpertifi Skills Tech Private Limited<br>4. CINI Community Initiatives<br>5. Dark Gray Fashion Private Limited<br>6. Unmukt Solutions Private Limited<br>7. Rayjuvenate Trinayan Advisory (OPC) Private Limited<br><br>Foreign Companies: NIL |
| 4. | Mr. Sanjib Nanda<br><br>DIN: 01045306 | Non-Executive, Non-Independent Director | Mr. Sanjib Nanda is Chartered Accountant. He has a vast experience of more than 34 years. Mr. Nanda has led various Group Finance Functions for over 14 years at Tata Steel Limited like Capital Markets, Treasury, Corporate Finance & Banking, M&A & Insurance and the Finance Transformation Project.<br><br>He has also worked for over a decade in the area of International Sales & Marketing heading the South-East Asia Region for Tata Steel India and also led the world-wide steel trading business of Tata Steel Limited | Indian Companies:<br>1. Bhushan Steel (South) Limited<br>2. Tata Steel Business Delivery Centre Limited<br>3. Tata Steel Advanced Materials Limited<br>4. The Indian Steel & Wire Products Limited<br>5. TRF Limited<br>6. Mjunction Services Limited<br>7. Tata Steel Downstream Products Ltd<br><br>Foreign Companies: |

| SN | Name | Designation | Experience & Educational Qualification | Other Directorships |
|---|---|---|---|---|
| | | | | 1. Bhushan Steel (Australia) Pty. Limited<br>2. Bowen Energy Pty. Limited<br>3. Bowen Coal Pty Limited<br>4. Bowen Consolidated Pty Limited<br>5. T S Global Procurement Co. Pte Limited<br>6. Tata NYK Shipping Pte. Limited<br>7. Tata Steel (Thailand) Public Company Limited<br>8. T Steel Holdings Pte. Limited<br>9. TS Global Holdings Pte. Limited |
| 5. | Mrs. Meena Lall<br><br>DIN: 05133322 | Non-Executive, Non-Independent Director | Mrs. Meena Lall is Bachelor of Science from Rani Durgavati Vishwavidyalaya, Jabalpur. She has completed LLB.<br><br>In Tata Steel, Mrs. Meena Lall has been heading the Legal function since 2008. Mrs. Lall has dealt with litigation in diverse fields of law including criminal, land, mining, environment, forest and labour laws. She also has significant experience in contracting and dispute resolution. Mrs. Lall is Director on the Boards of several Tata Steel Group companies. | Indian Companies:<br>1. Tata Steel Downstream Products Limited.<br>2. Tata Steel Utilities and Infrastructure Services Limited<br>3. Subarnarekha Port Private Limited<br>4. Creative Port Development Private Limited<br><br>Foreign Companies: NIL |

| SN | Name | Designation | Experience & Educational Qualification | Other Directorships |
|---|---|---|---|---|
| 6. | Mr. Rajesh Kumar Agrawal<br><br>DIN 09184467 | Non-Executive, Non-Independent Director | Mr. Rajesh Kumar Agrawal is an experienced power system professional having Master degree in Power System Engineering from University of Roorkee.<br><br>Mr. Agrawal is Chief Power System of Tata Steel Meramandali Plant. He also worked as HOD Captive Power Plant & Power business in Jindal Steel and Power Limited, where he was instrumental in utilising process waste in Power plant so as to reduce the power cost. He also worked as Principal Engineer- GE Energy – Energy Consulting Bangalore and Shriram Fertiliser and Chemicals (DCM group), Kota.<br><br>From May 2001 to May 2010, he led various Electrical maintenance, testing and protection functions in Tata Steel Limited, Jamshedpur.<br><br>He has proven track record in leadership roles in various industries with expertise in Operation & Maintenance of Captive Thermal Power Plant, power cost optimisation, power business, Designing & implementing grid islanding & Load shedding scheme, Power system studies and thus improving the reliability of power system and Operation & maintenance of large Electrical Transmission & Distribution network. | Indian Companies: NIL<br><br>Foreign Companies: NIL |
| 7. | Mr. Shailesh Verma<br><br>DIN 08830968 | Managing Director | Mr. Shailesh Verma holds degree in Mechanical Engineering from Government Engineer College, Bilaspur, Chhattisgarh.<br><br>Mr. Verma started his career in the year 1991 in Tata Steel as an Assistant Engineer in Mines division. He spent his initial years in Iron Ore mines and was appointed as Chief – Joda mines in 2005. In 2011, he was appointed as Chief Coal Beneficiation, West Bokaro mines. Later in the same year, he was appointed as Chief Plant & Equipment Maintenance. In 2012, Mr. Verma was appointed as General Manager, Hooghly Met Coke, Haldia. In 2016, he was appointed as Chief Resident Executive, Ranchi. In 2019, Mr. Verma was deputed to Tata Steel Long Products Limited as Chief Operating Officer of Gamharia Plant.<br><br>Mr. Verma was appointed as Managing Director of the Company with effect from August 17, 2020. Mr. Verma has several years of experience in leadership roles across diverse functions, including general management roles. | Indian Companies: NIL<br><br>Foreign Companies: NIL |

**As on the date of this Disclosure Document*

| OBJECTS/ RATIONALE OF THE SCHEME |
|---|

**Rationale for amalgamation of Transferor Company with Transferee Company:**

The amalgamation will ensure consolidation of all power assets under a single entity, which will increase system agility for power generation and allocation. It will help the Transferee Company to improve its plant reliability, ensuring steady source of power supply while optimising cost. Further, such restructuring will lead to simplification of group structure by eliminating multiple companies in similar operation.

Both the Transferor Company and Transferee Company believe that the financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of the Companies pooled in the merged entity, will lead to optimum use of infrastructure, rationalisation of cost in the areas of operations and administrative overheads, thereby maximising shareholder value of the merged entity.

The proposed Scheme would result in the following synergies:

(a) **Operational efficiencies:** The amalgamation is expected to result in better alignment, optimized power cost, sharing of best practices, cross-functional learnings and better utilisation of common facilities. It would result in synergy benefits arising out of single value chain thereby optimising costs and increasing operational efficiencies.

(b) **Improving asset utilization:** The Transferee Company's technical expertise and financial resources can be used to eliminate congestion in Transferor Company's operations to improve plant load factor. This will also allow surplus capacity to be monetized by wheeling surplus power to the grid for utilization at different locations of the Transferee Company.

(c) **Simplified structure and management efficiency:** In line with group level 5S strategy – simplification, synergy, scale, sustainability, and speed, the amalgamation will simplify group holding structure, improve agility to enable quicker decision making, eliminate administrative duplications, consequently reducing administrative costs of maintaining separate entities.

(d) **Sharing of best practices in sustainability, safety, health and environment:** Adoption of improved safety, environment and sustainability practices owing to a centralized committee at combined level to provide focused approach towards safety, environment and sustainability practices resulting in overall improvement. Further, overall technology maturity can be enhanced by the Companies through unfettered access to each other's information technology applications and systems.

Thus, the proposed amalgamation is beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of the Transferor Company and Transferee Company.

For further details, please refer to the Scheme.

| | |
|---|---|
| **Details of means of finance** | Not Applicable |
| **Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/ rights issues, if any, of the company in the preceding 10 years** | Not Applicable |
| **Name of monitoring agency, if any** | Not Applicable |
| **Terms of issuance of convertible security, if any** | Not Applicable |

| PRE-SCHEME SHAREHOLDING PATTERN OF THE TRANSFEROR COMPANY* |
|---|

| SN | Particulars | No. of shareholders | No. of shares | % Holding |
|---|---|---|---|---|
| 1 | **Promoter and Promoter Group** | | | |
| | Tata Steel Limited | 1 | 99,99,904 | 99.99 |
| 2 | **Public** | **168** | **238** | **0.01** |

| | Total | 169 | 1,00,00,142 | 100.00 |
|---|---|---|---|---|

* As on February 06, 2023

**Number / amount of equity proposed to be sold by the selling shareholders, if any**: Not applicable

## AUDITED FINANCIALS

The audited financial information (Ind-AS) of Transferor Company is provided below:

(INR crores except per share data)

| SN | Particulars | Six months period ended September 30, 2023 | FY 2022-23 | FY 2021-22 | FY 2020-21 |
|---|---|---|---|---|---|
| 1. | Total income from operations (net) | 113.54 | 194.99 | 185.11 | 148.12 |
| 2. | Net Profit / (Loss) before tax and extraordinary items | 48.40 | 54.00 | 51.41 | 12.88 |
| 3. | Net Profit / (Loss) after tax and extraordinary items | 800.24[5] | 54.00 | 51.91 | 12.88 |
| 4. | Equity Share Capital | 10.00 | 10.00 | 10.00 | 10.00 |
| 5. | Other equity | 1,724.88 | 924.29 | 870.09 | 818.58 |
| 6. | Net worth | 1,734.88 | 934.29 | 880.09 | 828.58 |
| 7. | Basic earnings per share (INR) | 800.23 | 54.00 | 51.91 | 12.88 |
| 8. | Diluted earnings per share (INR) | 800.23 | 54.00 | 51.91 | 12.88 |
| 9. | Return on net worth (%) | 46.13 | 5.78 | 5.90 | 1.55 |
| 10. | Net asset value per share (INR) | 1,734.86 | 934.28 | 880.08 | 828.57 |

Notes:

1. Net worth is calculated as a sum of Equity Share Capital and Other equity
2. Basic & Diluted earnings per share is computed by dividing the profit for the year after tax by the weighted average number of equity shares outstanding during the year.
3. Return on net worth (%) is computed by dividing the net profit/ (loss) after tax by the Net worth.
4. Net asset value per share is computed by dividing the Net worth by the outstanding number of equity shares.
5. During the six months period ended September 30, 2023, the Company has created deferred tax asset (net) of INR 751.84 crores on unused tax losses, unabsorbed depreciation etc. based on future profit projections.

## INTERNAL RISK FACTORS

The Internal Risk Factors as identified by the Company are below:

1. **Fluctuations in raw material price:** Our business may suffer due to fluctuations in the coal prices in domestic as well as in international markets due to factors such as market demand, geopolitical events, and shifts in energy policies, and hence we may not be able to source the raw material at a competitive rate.

2. **Disruption in Power generation:** Our business may suffer due to interruption in supply of Raw Material (Coal) due to socio-political events and supply chain disruptions leading to disruption in operation. Further inability to ramp up power production due to less reliability of the equipments and adequate resources may lead to financial loss. Apart from this, extreme weather condition and high temperature during summer may leads to heat stress impacting power generation.

3. **Non-compliance to Environmental Conditions:** Effluent and other emissions such as sulphur oxides (SOx) and nitric oxide (NOx) beyond the permissible limits is posing a huge risk. Noncompliance to Consent to Operate ("CTO") conditions may lead to partial suspension of Environment Clearances / CTO.

4. **Fly ash Evacuation:** For any power industry, fly ash evacuation is one of the biggest challenges. Wrongful disposal or / storage of Fly Ash in non-designated/non-approved areas may lead to heavy penalty/ fine / environmental compensation by National Green Tribunal/ Central Pollution Control Board / Odisha State Pollution Control Board including loss of the Company's reputation.

5. **Regulatory and Policy Changes:** Stringent environmental regulations and policies aimed at reducing emissions and promoting cleaner energy sources can impact the economics of coal-fired power generation. Compliance with these regulations may require costly retrofitting or upgrades to power plants.

6. **Technological Obsolescence:** As the world moves towards cleaner and more efficient energy technologies, coal-fired power plants can become outdated and economically unviable. This could result in stranded assets and financial losses for investors and power producers.

**SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION**

A. Total number of outstanding litigations as on September 30, 2023 by and against the Transferor Company, its Directors, Promoters and Subsidiaries and the total amount involved:

| SN | Name of Entity | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our Promoter | Material Civil Litigations | Aggregate amount involved (Rs in Crores)** |
|---|---|---|---|---|---|---|---|
| 1 | **Company** | | | | | | |
| | By the Company | | | | | | |
| | i) Sales Tax | - | 1 | - | - | - | 32.34 |
| | ii) Direct Tax | - | - | - | - | - | - |
| | iii) Central GST & Excise, Custom | - | 1 | - | - | - | 10.31 |
| | iv) Civil Cases | | | | | 2 | 147.85 |
| | Against the Company | | | | | | |
| | i) Labour cases | - | - | - | - | - | - |
| | ii) Employee State Insurance | - | - | - | - | - | - |
| | iii) Civil Cases | - | - | - | - | 8 | 89.49 |
| 2 | **Directors** | | | | | | |
| | By our Directors | - | - | - | - | - | - |
| | Against the Directors | - | - | - | - | - | - |
| 3 | **Promoters** | | | | | | |
| | By Promoters | 3 | 59 | 4 | - | 21^ | 34,956.56 |
| | Against Promoters | 16 | 10 | 1 | - | 2^ | 14,874.24 |
| 4 | **Subsidiaries*** | | | | | | |
| | By Subsidiaries | - | - | - | - | - | - |
| | Against Subsidiaries | - | - | - | - | - | - |

** Transferor Company does not have any subsidiary;*
*** to the extent ascertainable*
*^ Materiality criteria for cases which will have an impact on the Promoter - Rs. 50 Crores and above*

B. Brief details of top 5 material outstanding litigations as on September 30, 2023 against Transferor Company and amount involved

| SN | Particulars | Litigation filed by | Current Status | Amount Involved (INR Crores) |
|---|---|---|---|---|
| NIL | | | | |

C. Regulatory Action, if any, disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any

NIL

D. Brief details of outstanding criminal proceedings as on September 30, 2023 against Promoter i.e., TSL

There are 16 criminal proceedings outstanding against the Promoter, i.e., TSL (including cases involving allegations of violation against the erstwhile Bhushan Steel Limited & its subsidiary companies) under the Mines & Mineral (Development Regulation) Act, 1957, Environment (Protection) Act, 1986, Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, Indian Penal Code, 1860, Payment of Wages Act, 1936, State Acts on these subjects, as well as rules and regulations framed thereunder.

| ANY OTHER IMPORTANT INFORMATION AS PER BRLM / TRANSFEROR COMPANY |
|---|
| Not applicable |

| DECLARATION BY THE TRANSFEROR COMPANY |
|---|

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992 as the case may be, have been complied with and no statement made in this Disclosure Document is contrary to the provisions of the Companies Act, 2013, the SEBI Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in the Disclosure Document are true and correct.

For **Angul Energy Limited**

SHAILESH VERMA

Digitally signed by SHAILESH VERMA
Date: 2024.01.03 09:42:16 +05'30'

**Shailesh Verma**
**Managing Director**
**DIN 08830968**

**Date:** January 03, 2024
**Place:** Angul

**Ernst & Young Merchant Banking Services LLP**
14th Floor, The Ruby,
29 Senapati Bapat Marg,
Dadar West,
Mumbai - 400 028, India

Tel: +91 22 61920000
ey.com

January 03, 2024

To
The Board of Directors
**Tata Steel Limited**
Bombay House, 2nd Floor,
24 Homi Mody Street,
Fort, Mumbai - 400001

Dear Sirs,

**Sub: Scheme of Amalgamation involving Angul Energy Limited (the "Company" or "AEL" or "Transferor Company") into and with Tata Steel Limited ("TSL" or "Transferee Company") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder (collectively the "Act") and all other applicable rules and regulations, (hereinafter referred to as the "Scheme")**

**Due Diligence Certificate on the Abridged Prospectus dated January 03, 2024**

Securities and Exchange Board of India ("**SEBI**") vide circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended, to the extent applicable ("**SEBI Master Circular**") inter-alia prescribed that the listed entity shall include the applicable information pertaining to the unlisted entity/ies involved in the scheme in the format as specified for abridged prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**"), as amended (**"Abridged Prospectus"**) in the explanatory statement or notice or proposal accompanying resolution to be passed, sent to the shareholders while seeking their approval on the Scheme. SEBI, vide its circular no. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, ("**SEBI Circular 2022**"), replaced the prescribed format as specified for abridged prospectus as provided in Part E of Schedule VI of the SEBI ICDR Regulations.

Further, as per SEBI Master Circular, the accuracy and adequacy of the disclosures on the unlisted entity made in the Abridged Prospectus prepared in the format as mentioned above shall be certified by a SEBI registered Merchant Banker after following the due diligence process.

In this background, we have been engaged by TSL to issue a certificate for the Abridged Prospectus on AEL to be issued to the shareholders of TSL for seeking their approval on the Scheme.

Accordingly, we, on the basis of the examination of various documents pertaining to AEL made available to us, discussions with the officials of AEL and TSL and the management confirmations received from AEL and TSL, confirm that the information contained in the Abridged Prospectus is in conformity with the format specified for abridged prospectus in the SEBI Circular 2022 and the information disclosed in the Abridged Prospectus is fair, accurate and adequate.

Thanking you,

Yours Sincerely,

**For Ernst & Young Merchant Banking Services LLP**

Ernst & Young Merchant Banking Services LLP
Mumbai

**Parag Mehta**
**Partner**

## Annexure 15

As at March 31, 2022

**PROFORMA BALANCE SHEET**

| | | | | ₹ crore | ₹ crore | ₹ crore | ₹ crore |
|---|---|---|---|---|---|---|---|
| | | | | **TSL** | **AEL** | **Merger impact** | **Resulting Entity (TSL + AEL)** |
| **Assets** | | | | | | | |
| **I** | **Non-current assets** | | | | | | |
| | (a) | Property, plant and equipment | | 87,946.22 | 967.42 | (697.75) | 88,215.89 |
| | (b) | Capital work-in-progress | | 14,159.32 | 0.21 | | 14,159.53 |
| | (c) | Right-of-use assets | | 5,538.18 | 26.20 | | 5,564.38 |
| | (d) | Goodwill | | - | - | | - |
| | (e) | Intangible assets | | 806.03 | - | | 806.03 |
| | (f) | Intangible assets under development | | 382.64 | - | | 382.64 |
| | (g) | Investments in subsidiaries, associates and joint ventures | | 29,167.38 | - | (10.00) | 29,157.38 |
| | (h) | Financial assets | | | | | |
| | | (i) | Investments | 14,234.05 | 0.92 | | 14,234.97 |
| | | (ii) | Loans | 30,195.27 | - | (126.00) | 30,069.27 |
| | | (iii) | Derivative assets | 133.21 | - | | 133.21 |
| | | (iv) | Other financial assets | 1,211.81 | 0.03 | | 1,211.84 |
| | (i) | Non-curent tax assets (net) | | 3,620.76 | 10.92 | | 3,631.68 |
| | (j) | Deferred tax assets | | - | - | | - |
| | (k) | Other assets | | 3,301.78 | 0.45 | | 3,302.23 |
| | **Total non-current assets** | | | **1,90,696.65** | **1,006.14** | **(833.75)** | **1,90,869.04** |
| **II** | **Current assets** | | | | | | |
| | (a) | Inventories | | 19,942.94 | 3.89 | | 19,946.83 |
| | (b) | Financial assets | | | | | |
| | | (i) | Investments | 96.11 | - | | 96.11 |
| | | (ii) | Trade receivables | 3,280.30 | 42.43 | (42.65) | 3,280.08 |
| | | (iii) | Cash and cash equivalents | 2,671.59 | 2.32 | (0.02) | 2,673.89 |
| | | (iv) | Other balances with banks | 183.70 | 2.44 | | 186.14 |
| | | (v) | Loans | 2,368.01 | - | | 2,368.01 |
| | | (vi) | Derivative assets | 89.54 | - | | 89.54 |
| | | (vii) | Other financial assets | 718.30 | 0.01 | (10.97) | 707.34 |
| | (c) | Retirement benefit assets | | - | - | | - |
| | (d) | Other assets | | 1,939.08 | 0.33 | | 1,939.41 |
| | (e) | Assets held for sale | | - | - | | - |
| | **Total current assets** | | | **31,289.57** | **51.43** | **(53.64)** | **31,287.36** |
| **Total assets** | | | | **2,21,986.22** | **1,057.57** | **(887.39)** | **2,22,156.40** |
| **Equity and liabilities** | | | | | | | |
| **III** | **Equity** | | | | | | |
| | (a) | Equity share capital | | 1,222.37 | 10.00 | (10.00) | 1,222.37 |
| | (b) | Other equity | | 1,24,211.39 | 874.45 | 78.09 | 1,25,163.93 |
| | **Total equity** | | | **1,25,433.76** | **884.45** | **68.09** | **1,26,386.30** |
| **IV** | **Non-current liabilities** | | | | | | |
| | (a) | Financial liabilities | | | | | |
| | | (i) | Borrowings | 20,290.81 | 126.00 | (126.00) | 20,290.81 |
| | | (ii) | Lease obligations | 3,726.90 | 0.19 | (746.57) | 2,980.52 |
| | | (iii) | Derivative liabilities | 10.18 | - | | 10.18 |
| | | (iv) | Other financial liabilities | 883.23 | 1.74 | | 884.97 |
| | (b) | Provisions | | 2,685.00 | 1.28 | | 2,686.28 |
| | (c) | Retirement benefit obligations | | 2,315.91 | 2.40 | | 2,318.31 |
| | (d) | Deferred income | | 0.74 | - | | 0.74 |
| | (e) | Deferred tax liabilities (net) | | 8,087.57 | - | | 8,087.57 |
| | (f) | Other liabilities | | 4,887.29 | - | | 4,887.29 |
| | **Total non-current liabilities** | | | **42,887.63** | **131.60** | **(872.57)** | **42,146.66** |
| **V** | **Current liabilities** | | | | | | |
| | (a) | Financial liabilities | | | | | |
| | | (i) | Borrowings | 11,984.66 | - | | 11,984.66 |
| | | (ii) | Lease obligations | 522.14 | - | (29.29) | 492.85 |
| | | (iii) | Trade payables | | | | |
| | | | (a) Total outstanding dues of micro and small enterprises | 678.20 | - | | 678.20 |
| | | | (b) Total outstanding dues of creditors other than micro and small enterprises | 20,412.94 | 15.12 | (42.65) | 20,385.41 |
| | | (iv) | Derivative liabilities | 81.48 | - | | 81.48 |
| | | (v) | Other financial liabilities | 5,137.54 | 15.50 | (10.97) | 5,142.07 |
| | (b) | Provisions | | 1,082.42 | 0.03 | | 1,082.45 |
| | (c) | Retirement benefit obligations | | 114.99 | 0.05 | | 115.04 |
| | (d) | Deferred income | | 67.84 | - | | 67.84 |
| | (e) | Current tax liabilities (net) | | 1,079.69 | - | | 1,079.69 |
| | (f) | Other liabilities | | 12,502.93 | 10.81 | | 12,513.74 |
| | **Total current liabilities** | | | **53,664.83** | **41.51** | **(82.91)** | **53,623.43** |
| **Total equity and liabilities** | | | | **2,21,986.22** | **1,057.57** | **(887.39)** | **2,22,156.40** |

**Annexure 16**

March 31, 2023

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

Dear Sir, Madam,

**Sub: Application under Regulation 37 and Regulation 59A of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation of Angul Energy Limited ('AEL' / 'Transferor Company') into and with Tata Steel Limited ('TSL' / 'Transferee Company' / 'the Company')**

We refer to our application dated February 27, 2023, regarding the above subject.

In terms of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, and SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, please find enclosed the Complaint Report for the period March 9, 2023 to March 29, 2023 in the prescribed format.

Request you to kindly take the above on record.

Thanking you.

Yours faithfully,
**Tata Steel Limited**

Parvatheesam

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

Encl: As above

**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

## COMPLAINTS REPORT
## (Period: March 9, 2023 to March 29, 2023)

### Part A

| SN | Particulars | Number |
|---|---|---|
| 1. | Number of complaints received directly | Nil |
| 2. | Number of complaints forwarded by Stock Exchange / SEBI | Nil |
| 3. | Total Number of complaints/comments received (1+2) | Nil |
| 4. | Number of complaints resolved | N.A. |
| 5. | Number of complaints pending | N.A. |

### Part B

| SN | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---|---|---|---|
| N.A. | | | |

**Tata Steel Limited**

Parvatheesam

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

Annexure 17

April 6, 2023

The Manager - Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra,
Mumbai - 400 051.
Maharashtra, India.
**Scrip Code: TATASTEEL**

Dear Sir, Madam,

**Sub: Application under Regulation 37 and Regulation 59A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation of Angul Energy Limited ('AEL' / 'Transferor Company') into and with Tata Steel Limited ('TSL' / 'Transferee Company' / 'the Company')**

We refer to our application dated February 27, 2023, regarding the above subject.

In terms of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, and SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, please find enclosed the Complaints Report for the period March 15, 2023 to April 4, 2023 in the prescribed format.

Request you to take the above on record.

Thanking you.

Yours faithfully,
**Tata Steel Limited**

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

Encl: As above

**COMPLAINTS REPORT**
**(Period: March 15, 2023 to April 4, 2023)**

**Part A**

| SN | Particulars | Number |
|---|---|---|
| 1. | Number of complaints received directly | Nil |
| 2. | Number of complaints forwarded by Stock Exchange / SEBI | Nil |
| 3. | Total Number of complaints/comments received (1+2) | Nil |
| 4. | Number of complaints resolved | N.A. |
| 5. | Number of complaints pending | N.A. |

**Part B**

| SN | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---|---|---|---|
| N.A. | | | |

**Tata Steel Limited**

Parvatheesam

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