



November 13, 2020

The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001, India
Scrip Code: 513434

The Manager, Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot C/1
G Block, Bandra Kurla Complex, Bandra East
Mumbai – 400 051, India
Scrip Code: TATAMETALI

Dear Sir(s), Madam,

Subject: Outcome of the Board Meeting held on November 13, 2020

Re: Intimation of the scheme of amalgamation of Tata Metaliks Limited into and with Tata Steel Long Products Limited (formerly known as ‘Tata Sponge Iron Limited’) (collectively, the “Amalgamating Companies”) and their respective shareholders (“Scheme”).

In compliance with Regulation 30 of the **SEBI** (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) issued by Securities and Exchange Board of India (“**SEBI**”), read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, we wish to submit that the Board of Directors of Tata Metaliks Limited (“**the Company**” or “**TML**” or “**Transferor Company**”) at its meeting held today i.e. November 13, 2020, *inter alia*, considered and approved the aforesaid Scheme pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder and the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 on Schemes of Arrangement by Listed Entities and Relaxation under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 issued by SEBI, as amended from time to time (“**SEBI Scheme Circular**”), which, *inter alia*, envisages the amalgamation and consolidation of the businesses of the Company into and with Tata Steel Long Products Limited (formerly known as ‘Tata Sponge Iron Limited’) (“**TSLP**” / “**Transferee Company**”) and their respective shareholders, pursuant to a scheme of amalgamation and the consequent issue of 12 (twelve) fully paid up equity shares of ₹10/- each of the Transferee Company for every 10 (ten) fully paid up equity shares of ₹10/- each held in by the Eligible Members (*as defined in the Scheme*) in the Company, in accordance with the Share Exchange Ratio (*as defined in the Scheme*) subject to the receipt of requisite statutory and regulatory approvals and various matters consequentially or integrally connected herewith.

The Scheme, *if approved*, will be effective from the Appointed Date (*as defined in the Scheme*) and operative from the Effective Date (*as defined in the Scheme*).

It may be noted that the proposed Scheme was reviewed and recommended to the Board of the Directors of the Company for approval by the Audit Committee of the Company at its meeting held on November 13, 2020.

TATA METALIKS LIMITED

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The Scheme is subject to the receipt of approval from the requisite majority of the shareholders and creditors of the Amalgamating Companies (unless dispensed with), approval by the benches of the NCLT having jurisdiction over the Amalgamating Companies, SEBI, the stock exchanges and such other approvals, permissions and sanctions of regulatory and other statutory authorities / quasi-judicial authorities, as may be necessary.

The Scheme will be filed with the stock exchanges as per the applicable provisions of Regulation 37 of the Listing Regulations read with the SEBI Scheme Circular.

Pursuant to Regulation 30 of the Listing Regulations, details in respect of the Scheme are enclosed herewith as **Annexure I**.

This is for your information and records.

Thanking you.

Yours faithfully,

Tata Metaliks Limited

A handwritten signature in blue ink, appearing to read 'Sankar Bhattacharya', is written over a light blue rectangular background.

Sankar Bhattacharya

Chief – Corporate Governance
& Company Secretary

Encl: As above.

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Annexure I

Details of the scheme of amalgamation of Tata Metaliks Limited into and with Tata Steel Long Products Limited (formerly known as Tata Sponge Iron Limited) and their respective shareholders

SN	Particulars	Details												
1.	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	<p><u>Tata Metaliks Limited (Transferor Company/ TML/Company)</u> was incorporated on October 10, 1990 as Tata Korf Metals West Bengal Limited under the provisions of the Companies Act, 1956 and is a public limited company within the meaning of the Companies Act, 2013 having CIN - L27310WB1990PLC050000. The name of the Company was subsequently changed to Tata Metaliks Limited with effect from January 16, 1992. The registered office of TML is at Tata Centre, 10th Floor, 43, J. L. Nehru Road, Kolkata-700071, West Bengal. The equity shares of TML are listed on the BSE Limited and the National Stock Exchange of India Limited (“Stock Exchanges”)</p> <p><u>Tata Steel Long Products Limited (formerly known as ‘Tata Sponge Iron Limited’) (‘TSLP’ / ‘Transferee Company’)</u> was incorporated on July 31, 1982 as Ipitata Sponge Iron Limited under the provisions of the Companies Act, 1956 and is a public limited company within the meaning of the Companies Act, 2013 having CIN - L27102OR1982PLC001091. The name of the Transferee Company was subsequently changed to Tata Sponge Iron Limited with effect from September 24, 1996 and to Tata Steel Long Products Limited with effect from August 20, 2019. The registered office of TSLP is at Joda, Keonjhar Odisha - 758 034. The equity shares of TSLP are listed on the Stock Exchanges.</p> <p>As on September 30, 2020, standalone net assets and revenue of the Amalgamating Companies are as hereunder:</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name</th> <th>Net Asset*</th> <th>Revenue from operations*</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>TML</td> <td>1,150.06</td> <td>729.57</td> </tr> <tr> <td>2.</td> <td>TSLP</td> <td>1,944.87</td> <td>1,838.96</td> </tr> </tbody> </table> <p>(* in Rs. crore and based on audited Financial Statements as on September 30, 2020)</p>	Sr. No.	Name	Net Asset*	Revenue from operations*	1.	TML	1,150.06	729.57	2.	TSLP	1,944.87	1,838.96
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2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”	<p>Yes. The transaction would fall within related party transactions under the Listing Regulations. The transaction shall not attract compliance with the requirements of Section 188 of the Companies Act, 2013 pursuant to the clarifications provided in General Circular No. 30/2014 dated July 17, 2014.</p> <p>TML and TSLP are listed subsidiaries of Tata Steel Limited.</p> <p>The consideration for the Scheme will be discharged on an ‘arm’s length’ basis. The consideration/share exchange ratio for the Scheme are based on the Valuation Report dated November 13, 2020, issued by Ms. Rashmi Shah, an Independent Chartered Accountant and a Registered Valuer, and Valuation Report dated November 13, 2020 issued by Deloitte Haskins & Sells, a SEBI Registered Valuer. V B Desai Financial Services, a SEBI Registered Category 1 Merchant Banker has provided the fairness opinion on the fairness of the valuation dated November 13, 2020.</p> <p>Further, Price Waterhouse & Co Chartered Accountants LLP, statutory auditors of the Company have given their certificate dated November 13, 2020 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, 2013.</p> <p>The Audit Committee has also independently recommended the Scheme.</p> <p>The Scheme is, <i>inter alia</i>, subject to approvals of majority of the public shareholders in terms of the SEBI Scheme Circular.</p>
3.	Area of business of the entity(ies);	<p><u>TML</u> is engaged, <i>inter alia</i>, in the business of manufacture and sale of pig iron and ductile iron pipes and its allied accessories in its manufacturing plant located at Kharagpur, West Bengal.</p> <p><u>TSLP</u> is primarily engaged in the business of production and marketing of sponge iron, which is a single end use (steel making) and a single grade product. It has also one of the largest specialty steel plants in India in the SBQ</p>

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		(special bar quality) segment with an annual capacity of one million tons per annum.
4.	Rationale for amalgamation/ merger/ demerger	<p>The Amalgamating Companies are engaged in the business of manufacture and sale of iron, iron products, long products and steel products. The amalgamation will ensure creation of a combined entity, hosting all value-added long products under the Transferee Company, as the holding entity of the cluster, thereby resulting in on-time supplies, efficiency of management and maximizing value for the shareholders. Further, such restructuring will lead to simplification of group structure by eliminating multiple companies in similar business.</p> <p>The Amalgamating Companies believe that the financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of each of the Amalgamating Companies pooled in the merged entity, will lead to optimum use of infrastructure, cost reduction and efficiencies, productivity gains and logistic advantages and reduction of administrative and operational costs, thereby significantly contributing to the future growth and maximising shareholder value.</p> <p>The proposed amalgamation would be in the best interest of the Amalgamating Companies and their respective shareholders, employees, creditors, customers and other stakeholders as the proposed amalgamation will yield advantages as set out, <i>inter alia</i>, below:</p> <ul style="list-style-type: none"> (i) realising benefits of greater synergies between their businesses, yield beneficial results and pool financial resources as well as managerial, technical, distribution and marketing resources of each other in the interest of maximizing value to their shareholders and the other stakeholders; (ii) integrated value chain to enhance degree of vertical integration in the long products segment; (iii) greater efficiency in cash and debt management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to maximize shareholders value and better debt management;

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		<p>(iv) The Transferor Company, being a debt-free company with a stronger balance sheet alongwith a profitable business will</p> <ul style="list-style-type: none"> (a) strengthen the financials of the merged entity, enabling the combined entity to source external funds for future expansion and business requirements; (b) enhance the combined entity's risk-taking capability to bid for large value project contracts <p>(v) pooling of resources, creating better synergies, optimal utilisation of resources, centralization of inventory and greater economies of scale, such as:</p> <ul style="list-style-type: none"> (a) the unutilized facilities of Transferor Company's Redi unit in Maharashtra will have better opportunity for being economically utilized by the Transferee Company to optimize its resources and better meet its future business requirements or monetized; (b) The Transferor Company's strong presence in the DI Pipes segment will further augment the value added Product Portfolio basket of the Long products business segments undertaken by the Transferee Company; (c) Common production process till the hot metal stage will lead to opportunities for better operational efficiencies; (d) Combined sourcing of raw materials (e.g., coal, iron ore etc.) and other procurements with centralized inventory management will lead to better economies of scale, increased synergies and operational efficiencies; (e) sharing of best practices and cross-functional learnings; (f) leverage of resources for aggressive growth in its product segment; (g) augmenting the infrastructural capability of the Transferee Company to effectively meet future challenges; (h) Utilize pan India distribution and marketing network of the combined entity to sell its value-added

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		<p>products;</p> <p>(i) Clubbing of shipments and combining of stockyards will facilitate optimization of logistics movements and freight costs.</p> <p>(vi) the customers' need would be addressed</p> <p>(a) by providing them uniform products and service experience;</p> <p>(b) owing to dedicated stock yards and supply chain efficiencies across multiple locations in India;</p> <p>(vii) simplification of management structure, elimination of duplication and multiplicity of compliance requirements, rationalization of administrative expenses, better administration and cost reduction (including reduction in administrative and other common costs);</p> <p>(viii) further expanding the business of the Transferee Company into growing markets;</p> <p>(ix) efficient tax planning at the combined entity level;</p> <p>(x) 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; and</p> <p>(xi) create value for the stakeholders including the respective shareholders, customers, lenders and employees.</p> <p>As a result, the Board of Directors of the Amalgamating Companies have formulated this Scheme for the amalgamation of the Transferor Company as a going concern into and with the Transferee Company pursuant to Sections 230 to 232 and other relevant provisions of the Act and in accordance with Section 2(1B) of Income Tax Act, 1961 (on a going concern basis) and other Applicable Laws.</p>

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5.	In case of cash consideration – amount or otherwise share exchange ratio;	<p>Upon coming into effect of this Scheme and in consideration of the amalgamation of the Company into and with the Transferee Company, the Transferee Company shall, without any further application, act or deed, issue and allot to Eligible Members of the Company in the following ratio Share Exchange Ratio:</p> <p><i>12 (twelve) fully paid up equity share of ₹10/- each of the Transferee Company for every 10 (ten) fully paid up equity shares of ₹10/- each held in the Transferor Company.</i></p> <p>The Share Exchange Ratio has been arrived at based on the valuation report dated November 13, 2020, issued by Ms. Rashmi Shah, an Independent Chartered Accountant and a Registered Valuer, and Valuation Report dated November 13, 2020 issued by Deloitte Haskins & Sells, a SEBI Registered Valuer, supported by a fairness opinion dated November 13, 2020 submitted by V B Desai Financial Services, an independent SEBI registered Merchant Banker Category I.</p>												
6.	Brief details of change in shareholding pattern (if any) of the listed entity.	<p style="text-align: center;"><u>TML:</u></p> <table border="1" data-bbox="651 1189 1406 1659"> <thead> <tr> <th data-bbox="651 1189 874 1384">Category</th> <th data-bbox="874 1189 1137 1384">Number of Shares & % of Voting Rights Pre-Amalgamation</th> <th data-bbox="1137 1189 1406 1384">Number of Shares & % of Voting Rights Post-Amalgamation</th> </tr> </thead> <tbody> <tr> <td data-bbox="651 1384 874 1503">Promoter & Promoter Group</td> <td data-bbox="874 1384 1137 1503">1,89,57,090 (60.03%)</td> <td data-bbox="1137 1384 1406 1503">0</td> </tr> <tr> <td data-bbox="651 1503 874 1581">Public</td> <td data-bbox="874 1503 1137 1581">1,26,20,410 (39.97%)</td> <td data-bbox="1137 1503 1406 1581">0</td> </tr> <tr> <td data-bbox="651 1581 874 1659">Total</td> <td data-bbox="874 1581 1137 1659">3,15,77,500 (100%)</td> <td data-bbox="1137 1581 1406 1659">0</td> </tr> </tbody> </table>	Category	Number of Shares & % of Voting Rights Pre-Amalgamation	Number of Shares & % of Voting Rights Post-Amalgamation	Promoter & Promoter Group	1,89,57,090 (60.03%)	0	Public	1,26,20,410 (39.97%)	0	Total	3,15,77,500 (100%)	0
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		<u>TSLP:</u>	
		Category	Number of Shares & % of Voting Rights Pre-Amalgamation
		Number of Shares & % of Voting Rights Post-Amalgamation	
		Promoter & Promoter Group	3,42,37,521 (75.91%)
		Public	6,05,42,752 (69.80%)
			1,08,62,479 (24.09%)
		Total	4,51,00,000 (100%)
			8,67,37,935 (100%)
		Notes:	
		<p>1. The Company had issued fully paid equity shares on rights basis in July,2019. Post the said Rights issue, the equity shareholding of Promoter Company, Tata Steel Limited (Tata Steel), had increased from 54.50% to 75.91%. Tata Steel expects to reduce its shareholding in the Company by December 15, 2020 to enable it to meet the minimum public shareholding requirement.</p> <p>2. In computing the above post amalgamation shareholding, the Company has taken into consideration the fully paid equity shares to be issued to shareholders of both, Tata Metaliks Limited and The Indian Steel & Wires Products Limited in the Share Exchange Ratios approved by the Board pursuant to the respective Scheme of Amalgamation.</p>	

Tata Metaliks Limited

Sankar Bhattacharya

Chief – Corporate Governance
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