



November 13, 2020

The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalai Street,
Mumbai - 400 001.
Maharashtra, India.
Scrip Code: 513010

The Manager, Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.
Maharashtra, India.
Symbol: TATASTLLP

Dear Sir(s), Madam,

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

Re: Intimation of the scheme of amalgamation of The Indian Steel and Wire Products Limited ("ISWP" or "Transferor Company") into and with Tata Steel Long Products Limited (formerly known as 'Tata Sponge Iron Limited') ("TSLP" or "the Company") (collectively, the "Amalgamating Companies") and their respective shareholders

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 the Company at its meeting held today i.e. November 13, 2020, *inter alia*, has considered and approved the aforesaid Scheme pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) or amendments thereof for the time being in force), 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 Transferor Company into and with the Company and their respective shareholders, pursuant to a scheme of amalgamation (hereinafter referred to as the '**Scheme**'), and the consequent issue of 10 (ten) fully paid equity shares of nominal value of ₹10/- each of the Company for every 16 (sixteen) fully paid up equity shares of nominal value of ₹10/- each held in the Transferor Company to the Eligible Members (*as defined in the Scheme*), in accordance with the Share Exchange Ratio (*as defined in the Scheme*), subject to receipt of the requisite statutory and regulatory approval ("**Amalgamation**") and various matters consequentially or integrally connected herewith.

TATASTEEL LONG PRODUCTS LIMITED
(Formerly Tata Sponge Iron Limited)

PO Joda Dist Keonjhar Odisha 758 034 India
Tel 91 6767 278178 Fax 278129 Email info@tatasteellp.com
CIN L27102OR1982PLC001091



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 Directors of the Company for approval by the Audit Committee of the Company at its meeting held on November 13, 2020.

The Scheme is subject to the receipt of approval from the requisite majority of shareholders and creditors of the Amalgamating Parties (unless dispensed with), approval by the benches of the National Company Law Tribunal 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 Steel Long Products Limited

(formerly known as 'Tata Sponge Iron Limited')

Sanjay Kasture

Company Secretary

Encl: As above

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Annexure I

Details of the Scheme of Amalgamation of The Indian Steel and Wire Products Limited (“ISWP” or “Transferor Company”) into and with Tata Steel Long Products Limited (formerly known as ‘Tata Sponge Iron Limited’) (“TSLP” or “the Company”) 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.	<u>The Indian Steel and Wire Products Limited (‘ISWP’/ Transferor Company’)</u> was incorporated on December 2, 1935 under the provisions of the Companies Act, 1913, and is a public limited company within the meaning of the Companies Act, 2013 having CIN - U27106WB1935PLC008447. The registered office of ISWP is at Flat-7D & E, 7th Floor, Everest House, 46C Chowringhee Road, Kolkata 700 071. None of the shares of the Transferor Company are listed on any stock exchange. <u>Tata Steel Long Products Limited (formerly known as ‘Tata Sponge Iron Limited’) (‘TSLP’ / ‘Transferee Company’ / ‘the 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 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 BSE Limited and National Stock Exchange of India Limited (“Stock Exchanges”) As on September 30, 2020, standalone net assets and revenue of the Amalgamating Parties are as hereunder: <table><tr><th>SN</th><th>Name</th><th>Net Asset*</th><th>Revenue from operations*</th></tr><tr><td>1.</td><td>ISWP</td><td>112.52</td><td>116.67</td></tr><tr><td>2.</td><td>TSLP</td><td>1,944.87</td><td>1,838.96</td></tr></table> (* in Rs. crore and based on audited Financial Statements as on September 30, 2020)	SN	Name	Net Asset*	Revenue from operations*	1.	ISWP	112.52	116.67	2.	TSLP	1,944.87	1,838.96
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1.	ISWP	112.52	116.67											
2.	TSLP	1,944.87	1,838.96											
2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”	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.												

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		ISWP is an unlisted subsidiary of Tata Steel Limited and TSLP is a listed subsidiary of Tata Steel Limited. 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 Mr. Vikrant Jain, a Registered Valuer. RBSA Capital Advisors LLP, a SEBI Registered Category I Merchant Banker has provided the fairness opinion on the fairness of the valuation dated November 13, 2020. 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. The Audit Committee has also independently recommended the Scheme. The Scheme is, <i>inter alia</i>, subject to approvals of majority of the public shareholders in terms of the SEBI Scheme Circular.
3.	Area of business of the entity(ies);	<u>ISWP</u> is engaged, <i>inter alia</i>, in the business of manufacture of wire rods, TMT rebars, wires, welding products, nails, rolls and castings. <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 (special bar quality) segment with an annual capacity of one million tons per annum.
4.	Rationale for amalgamation/ merger	1.1 The Amalgamating Companies are engaged in the business of manufacture and sale of steel and steel based long products. The amalgamation will ensure creation of a combined entity, hosting all value added long products under the Company, as the holding entity of the cluster, thereby resulting in unified interface with customers, 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.



		1.2 The Amalgamating Companies believe that 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. 1.3 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: (i) segregation and unbundling of products identified as <i>long products</i> into the Transferee Company, which will enable enhanced focus on the Transferee Company for exploiting opportunities; (ii) the combined entity would be better equipped to exploit the value accretive long products business of the Transferor Company in India, besides growth in Transferor Company's conversion business of production of wire rods and wires by making it part of the larger long products value chain and providing access to the Transferee Company's Centre of Excellence; (iii) Competitive advantage of the Transferor Company as a value added downstream player for Long Products business will be utilized in the combined entity; (iv) realising benefits of greater synergies between their businesses (such as benefit arising from availability of raw materials for the value chain, access to pan India distribution and marketing network of the combined entity for a new market of value added products), 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;
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		(v) 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; (vi) pooling of resources (such as clubbing of shipments and combining raw material stacks and stockyards will lead to greater economies of scale for freight and logistics movements; Combined sourcing procurements with centralized inventory management will lead to better economies of scale, increased synergies and operational efficiencies), creating better synergies, optimal utilisation of resources (such as the unutilized land bank of the Transferor Company can be used for future expansion purposes, or get monetized), centralization of inventory and greater economies of scale; (vii) augmentation of operational facilities of the combined entity and leverage of Transferor Company's resources for aggressive growth in the product segment; (viii) The Transferor Company, having a debt-free with stronger balance sheet alongwith a profitable business will strengthen the financial of the merged entity, enabling the combined entity to source external funds for future expansion and business requirements (ix) sharing of best practices and cross-functional learnings; (x) 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); (xi) integration will improve customer servicing owing to dedicated stock yards and supply chain efficiencies across multiple locations in India; (xii) 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
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		(xiii) create value for the stakeholders including the respective shareholders, customers, lenders and employees. 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 Company pursuant to Sections 230 to 232 and other relevant provisions of the Act and in accordance with Section 2(1B) of the Income Tax Act, 1961 (on a going concern basis) and other Applicable Law.												
5.	In case of cash consideration – amount or otherwise share exchange ratio;	Upon coming into effect of this Scheme and in consideration of the amalgamation of the Transferor Company into and with the Company, the Company shall, without any further application, act or deed, issue and allot to the Eligible Members in the following Share Exchange Ratio: “10 (Ten) fully paid up equity shares of nominal value of ₹ 10/- each of the Company for every 16 (Sixteen) fully paid up equity shares of ₹10/- each held in the Transferor Company.” The Share Exchange Ratio has been arrived at based on the valuation report dated November 13, 2020 submitted by Mr. Vikrant Jain, a registered valuer and supported by a fairness opinion dated November 13, 2020 submitted by RBSA Capital Advisors LLP, an Independent SEBI Registered Category I Merchant Banker.												
6.	Brief details of change in shareholding pattern (if any) of the listed entity.	TSLP: <table border="1"> <thead> <tr> <th>Category</th><th>Number of Shares & % of Voting Rights Pre-Amalgamation¹</th><th>Number of Shares & % of Voting Rights Post-Amalgamation²</th></tr> </thead> <tbody> <tr> <td>Promoter & Promoter Group</td><td>3,42,37,521 (75.91%)</td><td>6,05,44,436 (69.80%)</td></tr> <tr> <td>Public</td><td>1,08,62,479 (24.09%)</td><td>2,61,93,499 (30.20%)</td></tr> <tr> <td>Total</td><td>4,51,00,000 (100%)</td><td>8,67,37,935 (100%)</td></tr> </tbody> </table> Notes: 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	Category	Number of Shares & % of Voting Rights Pre-Amalgamation ¹	Number of Shares & % of Voting Rights Post-Amalgamation ²	Promoter & Promoter Group	3,42,37,521 (75.91%)	6,05,44,436 (69.80%)	Public	1,08,62,479 (24.09%)	2,61,93,499 (30.20%)	Total	4,51,00,000 (100%)	8,67,37,935 (100%)
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		December 15, 2020 to enable it to meet the minimum public shareholding requirement. 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.
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Tata Steel Long Products Limited
(formerly known as 'Tata Sponge Iron Limited')

Sanjay Kasture
Company Secretary

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