

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"

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- 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/2022/000000103 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

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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
Senior Manager



Sabah Vaze
Senior Manager