



TRF LIMITED

REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF TRF LIMITED HELD ON SEPTEMBER 22, 2022, RECOMMENDING THE SCHEME OF AMALGAMATION OF TRF LIMITED INTO AND WITH TATA STEEL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

Members Present:

Mr. Sabyasachi Hajara	- Independent Director and Chairman of the Committee
Mr. Ranaveer Sinha	- Independent Director and Member of the Committee
Ms. Ramya Hariharan	- Independent Director and Member of the Committee
Mr. Krishnava Dutt	- Independent Director and Member of the Committee
Dr. Ansuman Das	- Independent Director and Member of the Committee

In attendance:

Mr. Prasun Banerjee, Company Secretary

Management:

Mr. Alok Krishna	- Managing Director
Mr. Anand Chand	- Chief Financial Officer

Representatives of Tata Steel Limited:

Mr. Parvatheesam Kanchinadham	- Company Secretary and Chief Legal Officer (Corporate & Compliance)
Mr. Dibyendu Dutta	- Chief Portfolio Transformation & FFI
Ms. Neha Haralalka	- Chief Program Manager - Portfolio Transformation

Valuers:

Ms. Rashmi Shah	- Registered Valuer
Ms. Jyoti Bhatia	- Deloitte Touche Tohmatsu India LLP, Valuer
Mr. Amol Rane	- Deloitte Touche Tohmatsu India LLP, Valuer
Ms. Nandita Pai	- Deloitte Touche Tohmatsu India LLP, Valuer

Merchant Bankers:

Mr. Ravishu Shah	- RBSA Capital Advisors LLP
Mr. Samir Shah	- RBSA Capital Advisors LLP

1. BACKGROUND:

1.1 A meeting of the Committee of Independent Directors ("ID Committee" or "Committee") of TRF Limited ("Transferor Company" or "Company") was held on

TRUE COPY
For TRF LIMITED

PRASUN BANERJEE
COMPANY SECRETARY
AUTHORISED SIGNATURE

11 Station Road Burmahmines Jamshedpur 831 007 INDIA
Tel +91 657 2345727 FAX +91 657 2345718 e mail: comp_sec@trf.co.in www.trf.co.in
CIN L74210JH1962PLC00070

A TATA Enterprise



Handwritten signature



TRF LIMITED

September 22, 2022, to consider and, if thought fit, recommend the proposed scheme of amalgamation involving the Transferor Company and 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 amendments thereof for the time being in force), Section 2(1B), read with other applicable provisions of the Income-tax Act, 1961 (as amended) ("IT Act"), and other applicable laws including the 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").

- 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 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 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 Circulars.
- 1.5 The following documents were placed before the ID Committee and while deliberating on the Scheme, the ID Committee, *inter alia*, considered and took on record these documents:
 - i. A draft of the proposed Scheme;
 - ii. Valuation Report dated September 22, 2022 issued by Ms. Rashmi Shah, Registered Valuer (IBBI Reg no. IBBI/RV/06/2018/10240), as "Valuer 1" and Deloitte Touche Tohmatsu India LLP ('Deloitte') as "Valuer 2" (collectively called "Valuers") ("Valuation Report"), who in their reports have recommended the share exchange ratio of 17 (seventeen) fully paid-up equity shares of nominal value of Re. 1/- each of the Transferee Company for every 10 (ten) fully paid-up equity shares of nominal value of Rs. 10/- each held in Transferor Company ("Share Exchange Ratio");



Handwritten signature/initials

- iii. Fairness opinion dated September 22, 2022 issued by RBSA Capital Advisors LLP, (Reg No. INM000011724), an independent SEBI registered Category-I Merchant Banker providing fairness opinion on the Share Exchange Ratio recommended in the Valuation Report prepared by the Valuers (**'Fairness Opinion'**);
- iv. Draft Auditor's Certificate dated September 22, 2022 from 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 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; and;
- v. Pre and post amalgamation shareholding pattern of the Transferor Company and the Transferee Company.

While deliberating on the Scheme, the ID Committee also considered the audited financials of the three preceding financial years along with the audited financials of the latest quarter of both the Transferor and Transferee Company.

2. PROPOSED SCHEME OF AMALGAMATION

2.1 The ID Committee noted the salient features of the Scheme which *inter alia* are as under:

- a) Amalgamation of the Transferor Company into and with the Transferee Company in accordance with Section 2 (1B) and other provisions of the IT Act, 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 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 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, the IT Act and other applicable laws.





TRF LIMITED

- 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) Issue and allotment of New Shares (*as defined in the Scheme*) to the Eligible Members (*as defined in the Scheme*) (except the Transferee Company) as of the Record Date (*as defined in the Scheme*) in accordance with Part II of the Scheme. 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.
 - f) 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.
 - g) New Shares to be issued by the Transferee Company to the equity shareholders of the Transferor Company pursuant to the Scheme, would be listed on the Stock Exchanges.
 - 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 from the Stock Exchanges 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;
 - (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 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;





TRF LIMITED

- (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 Section 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 Transferor Company, which is an associate of the Transferee Company, is engaged in the business of undertaking turnkey projects of material handling for the infrastructure sector and also in production of such material handling equipment. The amalgamation will consolidate the business of the Company into and with the Transferee Company which will result in focused growth, operational efficiencies and business synergies. In addition, the resulting corporate holding structure will bring enhanced agility to the business ecosystem of the merged entity.

4. RATIONALE AND OBJECTIVE OF THE SCHEME

- 4.1 The Companies believe that the resources of the merged entity can be pooled to unlock the opportunity for creating shareholder value.
- 4.2 The Companies will be able to share best practices, cross-functional learnings, and utilize each other's facilities in a more efficient manner.

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

The proposed scheme would result in the following synergies:

- (a) **Operational efficiencies:** Centralized sourcing would result in procurement synergies and reduction in stores / spare through common inventory management. The proposed amalgamation would also result in sharing of best practices, cross functional learnings, better utilisation of common facilities and greater efficiencies in debt and cash management;



Handwritten signature and initials



TRF LIMITED

- (b) **Simplified structure and management efficiency:** In line with group level 5S strategy –simplification, synergy, scale, sustainability, and speed – proposed amalgamation will simplify group holding structure, improve agility to enable quicker decision making, eliminate administrative duplications, consequently reducing administrative costs of maintaining separate entities;
- (c) **Execution of projects in pipeline:** Existing facilities and expertise of the Company will cater to demand for design and engineering services for industrial structure required in upcoming expansion projects of the Transferee Company;
- (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 merged entity 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 Committee concluded 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 Independent Directors of the Company noted that, upon the Scheme coming into effect, the Transferee Company shall without any further application, act, instrument or deed, issue and allot 17 (seventeen) fully paid-up equity shares of nominal value of Re. 1/- each of the Transferee Company to the shareholders of the Company (except the Transferee Company) for every 10 (ten) fully paid-up equity shares of nominal value of Rs. 10/- each held by the shareholders (except the Transferee Company) in the Company, whose name(s) appear(s) in the register of members, including register and index of beneficial owners maintained by a depository(ies) under Section 11 of the Depositories Act, 1996 as on the Record Date (as defined in the Scheme). Thus, the Independent Directors placed emphasis (amongst others), on the fact that the shareholders of the Company will become the shareholders of the Transferee Company, which is part of both BSE SENSEX and NIFTY- 50 indices, the two most significant stock indices of the country.



11 Station Road Burmamines Jamshedpur 831 007 INDIA
Tel +91 657 2345727 FAX +91 657 2345718 e mail: comp_sec@trf.co.in www.trf.co.in
CIN L74210JH1962PLC00070

A TATA Enterprise

Handwritten signature/initials

7. **RECOMMENDATION OF THE ID COMMITTEE**

In light of the aforesaid conclusion, the ID Committee was 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 Transferor 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 TRF Limited



Sabyasachi Hajara
(DIN: 00004485)
Chairman of the ID Committee

Date: September 22, 2022

