

APL/SECT/DLH/SE: 2020-21

27th February 2021

Electronic Filing

National Stock Exchange of India Limited
"Exchange Plaza" Bandra-Kurla Complex,
Bandra (E),
Mumbai-400051

Department of Corporate Services/Listing
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street, Fort,
Mumbai-400001

NSE Symbol : APLAPOLLO

Scrip Code : 533758

Dear Sir/Madam,

Subject: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – regarding approval of Scheme of Amalgamation and Arrangement

In compliance with the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Annexure I of the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, we wish to inform that the Board of Directors of APL Apollo Tubes Limited ("Company"), at its meeting held today, i.e., on February 27, 2021, has considered and approved a draft scheme of amalgamation of Shri Lakshmi Metal Udyog Limited ("Shri Lakshmi") and Apollo Tricoat Tubes Limited ("Apollo Tricoat") with the Company and their respective shareholders and creditors, as may be modified from time to time ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013.

The Scheme is subject to receipt of approvals from the shareholders and creditors of the Company as may be directed by the National Company Law Tribunal, Delhi bench ("NCLT"), BSE Limited, National Stock Exchange of India Limited and approval of other regulatory or statutory authorities as may be required

The Audit Committee and the Independent Directors have furnished their respective reports to the Board recommending the Scheme.

A Valuation Report dated February 27, 2021, issued by SSPA & Co. Chartered Accountants (Registered Valuer), has been received for the Scheme.

Fairness opinion, dated February 27, 2021, issued by Fortress Capital Management Services Private Limited, a SEBI Registered (Category-I) Merchant Banker providing the fairness opinion on the Share Exchange Ratio recommended by the valuer under the Valuation Report, has also been received by the Company.

Pursuant to Regulation 30 of the Listing Regulations as amended, read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, details of the Scheme are enclosed herewith as Annexure I.

APL Apollo Tubes Limited (CIN-L74899 DL 1986PLC023443)

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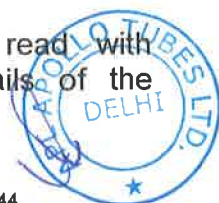
Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi (NCR) -201010, India Tel: +91-120-4041 400/401/402 | Fax : +91-120-4041 444

Corp. Office : Tapasya Corp. Heights, 4th Floor, Tower-A, Sector-126, Noida, Uttar Pradesh -201303, India Tel: +91-120 4742 700/701

Unit - 1: A-19, Industrial Area, Sikandrabad, Distt. Bulandshahr, U.P.-203205, India, Unit-2 : 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu-635109, India

Unit - 3 : Plot No. M-1, Additional M.I.D.C. Area, Kudavali, Murbad, Maharashtra, Thane-421401, India, Unit-4 : Village Bendri Near Urla Indl. Area Raipur, Chhattisgarh-493661, India

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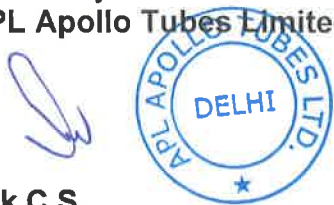
Further we also enclose herewith a presentation on the proposed merger for kind perusal.

This is for your information and records.

Thanking you,

Yours faithfully

For APL Apollo Tubes Limited

A handwritten signature in blue ink is positioned to the left of a circular blue stamp. The stamp contains the text "APL APOLLO TUBES LTD." around the perimeter, "DELHI" in the center, and a small star at the bottom.

**Deepak C S
Company Secretary**

Encl: a/a

Annexure I

Details of the Scheme under Regulation 30 of the Listing Regulations read with the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

Disclosures relating to the amalgamation of Shri Lakshmi Metal Udyog Limited and Apollo Tricoat Tubes Limited with APL Apollo Tubes Limited, as per Para. 1.2 of Annexure I of the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015.

Sr. No.	Particulars	Details												
1.	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	Name of entities forming part of Scheme of Amalgamation: APL Apollo Tubes Limited ("APL Apollo") – CIN: L74899DL1986PLC023443, Shri Lakshmi Metal Udyog Limited ("Shri Lakshmi") – CIN: U85110DL1994PLC224835 Apollo Tricoat Tubes Limited ("Apollo Tricoat") CIN: L74900DL1983PLC014972 Details of Size and Turnover as on December 31, 2020 (in Rs Crore): <table border="1"> <thead> <tr> <th>Name of Entity</th><th>Net Worth (standalone)</th><th>Turnover for the 9 months period ending December 2020</th></tr> </thead> <tbody> <tr> <td>APL Apollo</td><td>1,370</td><td>4,167</td></tr> <tr> <td>Shri Lakshmi</td><td>203</td><td>482</td></tr> <tr> <td>Apollo Tricoat</td><td>270</td><td>1,005</td></tr> </tbody> </table>	Name of Entity	Net Worth (standalone)	Turnover for the 9 months period ending December 2020	APL Apollo	1,370	4,167	Shri Lakshmi	203	482	Apollo Tricoat	270	1,005
Name of Entity	Net Worth (standalone)	Turnover for the 9 months period ending December 2020												
APL Apollo	1,370	4,167												
Shri Lakshmi	203	482												
Apollo Tricoat	270	1,005												
2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	Yes, the transaction would be a related party transaction. The consideration for the amalgamations will be discharged on "arm's length" basis. The share exchange ratio for the shares to be allotted to the shareholders of Apollo Tricoat as a consideration for the amalgamation, is based on the report, dated February 27, 2021 issued by SSPA &												



		Co. Chartered Accountants and Registered Valuer (the "Valuation Report"). Further, the fairness opinion dated February 27, 2021 issued by Fortress Capital Management Services Private Limited, a SEBI Registered (Category-I) Merchant Banker has confirmed that the share exchange ratio recommended by the valuers under the Valuation Report is fair and reasonable. The aforesaid Valuation Report and Fairness Opinion have been duly considered by the Audit Committee of APL Apollo and Apollo Tricoat and the Board of Directors of APL Apollo, Shri Lakshmi and Apollo Tricoat.
3.	Area of business of the entity(ies)	APL Apollo is engaged in the business of production of ERW steel tubes. Shri Lakshmi is engaged in the business of production of ERW steel tubes and GP Coils. Apollo Tricoat is engaged in the business of production of ERW steel tubes.
4.	Rationale for amalgamation/ merger	The amalgamations would result in the following benefits: - Combined business under "APL Apollo" brand with wide product offerings and geographical footprint leading to a stronger market presence, to be best suitable for long term growth market; - Amalgamation shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of APL Apollo; - Shri Lakshmi and Apollo Tricoat operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the companies; - Ensuring a streamlined group structure by reducing the number of legal entities in the group



		structure, and thereby eliminating inter-company transactions, administrative duplications and consequently reducing the administrative costs of maintaining separate companies; - Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the Amalgamated entity; and - Overall reduction in administrative, managerial and other expenditure and achieving productivity gains and logistical advantages by pooling technologies for optimum utilization of various resources.
5.	In case of cash consideration – amount or otherwise share exchange ratio	The Scheme does not involve payment of any cash consideration. The share exchange ratio for the amalgamations is as under: (a) <u>Amalgamation of Shri Lakshmi into and with APL Apollo:</u> As the entire, issued, subscribed and paid up share capital of Shri Lakshmi is held by APL Apollo and its nominees, upon the Scheme being effective, notwithstanding anything contrary in this Scheme, the said Equity Share Capital of Shri Lakshmi shall stand automatically cancelled and there will be no issue and allotment of shares to APL Apollo or the nominees as APL Apollo and its nominees are the only shareholders of Shri Lakshmi. (b) <u>Amalgamation of Apollo Tricoat into and with APL Apollo:</u> Upon coming into effect of the Scheme and in consideration for the amalgamation of Apollo Tricoat into and with APL Apollo pursuant to the Scheme, APL Apollo shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of Apollo Tricoat as on



		the Record Date other than the stake held by Shri Lakshmi i.e. 1,69,70,000 equity shares of Rs. 2 each to the extent of 55.82% which is being cancelled owing to its amalgamation with APL Apollo, <i>one (1)</i> equity share of Rs 2 each of APL Apollo for every 1 (one) equity share of Rs. 2 each of Apollo Tricoat.									
6.	Brief details of change in shareholding pattern (if any) of listed entity	There will be a change in the shareholding pattern of APL Apollo pursuant to the Scheme, in accordance with the share exchange ratios. Indicative shareholding pattern of APL Apollo, post the amalgamation of Shri Lakshmi and Apollo Tricoat into and with APL Apollo in accordance with the Scheme, is set out below: <table border="1"> <tr> <th>Category</th><th>Shareholding of APL Apollo as on date</th><th>Indicative post-Scheme shareholding of APL Apollo</th></tr> <tr> <td>Promoter and Promoter Group</td><td>37.03%</td><td>33.44%</td></tr> <tr> <td>Public</td><td>62.97%</td><td>66.56%</td></tr> </table>	Category	Shareholding of APL Apollo as on date	Indicative post-Scheme shareholding of APL Apollo	Promoter and Promoter Group	37.03%	33.44%	Public	62.97%	66.56%
Category	Shareholding of APL Apollo as on date	Indicative post-Scheme shareholding of APL Apollo									
Promoter and Promoter Group	37.03%	33.44%									
Public	62.97%	66.56%									

Disclosures relating to the splitting-up of equity share capital of Shri Lakshmi Metal Udyog Limited (unlisted company) as per Para. 2.2 of Annexure I of the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015.

Sr. No.	Particulars	Details
1.	Split ratio	Split ratio is 1: 5 i.e. One (1) equity share of face value Rs.10 each into Five (5) equity shares of Rs. 2 each
2.	Rationale behind the split	Face value of each share of APL Apollo is Rs. 2/- Face value of each share of Shri Lakshmi is Rs. 10/- To combine the authorized share capital of APL Apollo and Shri Lakshmi under proposed amalgamation, splitting up of face value of equity share of Shri Lakshmi equivalent to that of APL Apollo



		is proposed.				
3.	Pre and post share capital –authorized, paid-up and subscribed	Pre-split share capital details (of Shri Lakshmi):<table><tr><td>Authorized share capital</td><td>Rs. 7,00,00,000 divided into 70,00,000 equity shares of Rs. 10 each</td></tr></table> Post-split share capital details :<table><tr><td>Authorized share capital</td><td>Rs. 7,00,00,000 divided into 3,50,00,000 equity shares of Rs. 2 each</td></tr></table>	Authorized share capital	Rs. 7,00,00,000 divided into 70,00,000 equity shares of Rs. 10 each	Authorized share capital	Rs. 7,00,00,000 divided into 3,50,00,000 equity shares of Rs. 2 each
Authorized share capital	Rs. 7,00,00,000 divided into 70,00,000 equity shares of Rs. 10 each					
Authorized share capital	Rs. 7,00,00,000 divided into 3,50,00,000 equity shares of Rs. 2 each					
4.	Expected time of completion	Equity Shares are proposed to be split under Scheme of Amalgamation. Upon the Scheme being effective the proposed split is expected to be completed				
5.	Class of shares which are subdivided	The class of share for which splitting up is proposed is “Equity Share”.				
6.	Number of shares of each class pre and post split	Pre-split authorized share capital details: 70,00,000 equity shares of Rs. 10 each Post-split share authorized share capital details: 3,50,00,000 equity shares of Rs. 2 each				
7.	Number of shareholders who did not get any shares in consolidation and their pre-consolidation shareholding	Not applicable				

Yours faithfully
For APL Apollo Tubes Limited

Deepak C S
Company Secretary

