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

NSE Symbol : APLAPOLLO

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

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 ad 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 LTD. DELHI

APL Apollo Tubes Limited (CIN-L74899 DL 1986PLC023443)
Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi - 110092, India Tel: +91-11-2237 3437 I Fax : +91-11-2237 3537
Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi (NCR) -201010, India Tel: +91-120-4041 400/401/402 I 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. Bulandshahar, U.P.-203205, India, Unit-2 : 332-338, Alur Village, Perandapolli, 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
E-mail : info@aplapollo.com Web : www.aplapollo.com

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

APL APOLLO TUBES LTD.
DELHI

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.

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>1.</td><td>Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.</td><td>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>
<tr><td>Name of Entity</td><td>Net Worth (standalone)</td><td>Turnover for the 9 months period ending December 2020</td></tr>
<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>
</table>
</td></tr>
<tr><td>2.</td><td>Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”</td><td>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 &</td></tr>
</table>

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		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

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		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

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<table>
<tr><td></td><td></td><td>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, one (1) equity share of Rs 2 each of APL Apollo for every 1 (one) equity share of Rs. 2 each of Apollo Tricoat.</td></tr>
<tr><td>6.</td><td>Brief details of change in shareholding pattern (if any) of listed entity</td><td>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>
<tr><td>Category</td><td>Shareholding of APL Apollo as on date</td><td>Indicative post-Scheme shareholding of APL Apollo</td></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>
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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): Authorized share capital: Rs. 7,00,00,000 divided into 70,00,000 equity shares of Rs. 10 each Post-split share capital details : 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

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Deepak C S
Company Secretary