

## ANNEXURE 8

### Form No. MR-3

#### Secretarial Audit Report for the Financial Year Ended March 31, 2019

#### Pursuant to section 204 (1) of the Companies Act, 2013

#### [Read with rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
Tata Steel Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Steel Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (**'the Act'**) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**)
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:
  1. The Mines Act, 1952 and the rules, regulations made thereunder.
  2. Mines and Minerals (Development & Regulation) Act, 1957 and the rules made thereunder.
  3. Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder.
  4. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975
  5. Environment Protection Act, 1986 and the rules, notifications issued thereunder.
  6. Factories Act, 1948 and allied State Laws.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (j) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned above.

During the year certain forms DIR-12 in respect of appointment/cessation of Directors could not be filed due to technical error at MCA.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Committee of Directors of the Company by circular resolution-CR No. 32, dated March 1, 2019, approved the allotment of 43,150 – 9.8359% Unsecured, Redeemable, Rated, Listed, Non-Convertible Debentures of face value of ₹10,00,000 each, aggregating ₹4,315 crore ('NCDs') with ISIN INE081A08223. These NCDs are listed and traded on BSE Limited.
2. The Company has redeemed 9.15% NCDs of Series I (ISIN INE081A08199) aggregating ₹500 crore on the due date, January 24, 2019.
3. The following shares, earlier kept in abeyance were allotted to the Shareholders during Fiscal 2019:
  - 4,164 Fully Paid Ordinary Shares of face value ₹10 each were allotted to the shareholders whose shares were kept in

abeyance in the Rights Issue of 2018. The details for the same are as follows:

- 324 Fully Paid Ordinary Shares allotted on July 27, 2018
- 3,840 Fully Paid Ordinary Shares allotted on December 18, 2018

- 2,080 Partly Paid Ordinary Shares of ₹10 each (₹2.504 paid-up) were allotted to the shareholders whose shares were kept in abeyance in the Rights Issue of 2018. The details for the same are as follows:

- 162 Partly Paid Ordinary Shares allotted on July 27, 2018
- 1,918 Partly Paid Ordinary Shares allotted on December 18, 2018

- 701 Ordinary Shares of ₹10 each were allotted to the shareholders whose shares were kept in abeyance in the Rights Issue of 2007. The details for the same are as follows:

- 26 Ordinary Shares allotted on December 18, 2018
- 675 Ordinary Shares allotted on March 27, 2019

4. The Company through its wholly-owned subsidiary, Bamnival Steel Limited completed the acquisition of controlling stake of 72.65% in Tata Steel BSL Limited (formerly known as Bhushan Steel Limited), pursuant to the Resolution Plan as approved by National Company Law Tribunal vide its Order dated May 15, 2018, under Corporate Insolvency and Resolution Process of the Insolvency and Bankruptcy Code, 2016.

Further, during the year, the Company acquired 1070,00,00,000 – 11.09% Non-Convertible Redeemable Preference Shares of face value ₹10 each, aggregating to ₹10,700 crore, in two tranches and 900,00,00,000 – 8.89% Optionally Convertible Redeemable Preference Shares of face value ₹10 each, aggregating to ₹9,000 crore, in two tranches, of Tata Steel BSL Limited.

5. On March 22, 2019, the Company acquired 25,00,00,000, 12.5% Non-Convertible Redeemable Preference Shares of TRF Limited on private placement basis aggregating to ₹250 crore.
6. On March 28, 2019, the Company acquired 27,97,000 Equity Shares of Tata Metaliks Limited at a price of ₹642 per Equity Share aggregating to ₹179,56,74,000 and 34,92,500 Warrants at a price of ₹642 per Warrant, with a right exercisable by the Warrant holder to subscribe for one equity share per Warrant of face value of ₹10 each, aggregating to ₹224,21,85,000 (25% paid on application).
7. On January 28, 2019, T S Global Holdings Pte. Ltd. (TSGH), an indirect wholly-owned subsidiary of the Company, executed definitive agreements to divest its entire equity stake held in NatSteel Holdings Pte. Ltd (100%) and Tata Steel (Thailand) Public Company Ltd (67.9%) to a company in which 70% equity shares will be held by an entity controlled by HBIS Group Co., Ltd (HBIS) and the balance 30% will be held by TSGH.

8. On September 22, 2018, the Company, as a part of strategy to grow in long products, executed definitive agreements for acquisition of steel business of Usha Martin Limited ('UML'), a special steel and wire rope manufacturer, through a slump sale on a going concern basis. Tata Sponge Iron Limited (TSIL) is an indirect subsidiary of the Company (54% shareholding). On October 24, 2018, the Company extended support for TSIL's entry into steel business and identified it as the strategic vehicle for acquisition of steel business of UML. On April 9, 2019, TSIL completed the acquisition of steel business undertaking including captive power plants, for a cash consideration payable to UML of ₹4,094 crore, which is subject to further hold backs of ₹640 crore, pending transfer of some of the assets including mines and certain land parcels.
9. On September 18, 2018, the Company completed the acquisition of 51% equity stake in Creative Port Development Private Limited.
10. On June 30, 2018, the Company and thyssenkrupp AG signed definitive agreements to combine the European Steel Business in a 50:50 joint venture. This follows the signing of Memorandum of Understanding in September 2017. Only after completion of the JV process, thyssenkrupp Steel Europe and Tata Steel in Europe will be integrated as one company.

**For Parikh & Associates**  
Company Secretaries

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**P. N. PARIKH**

Partner

Place: Mumbai  
Date: April 25, 2019

FCS No.: 327 CP No.: 1228

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

## ANNEXURE A

To,  
The Members  
Tata Steel Limited

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events, etc.
- The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
Company Secretaries

sd/-

**P. N. PARIKH**

Partner

Place: Mumbai  
Date: April 25, 2019

FCS No.: 327 CP No.: 1228