

Term Sheet

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| Security Name | Unsecured, Rated, Listed, Redeemable, Floating Coupon, Non-Convertible Debentures of Tata Steel Limited |
| Issue Name | Tata Steel June 2020 NCD Issuance –VI |
| Issuer | Tata Steel Limited |
| Type of Instrument | Rated, Listed, Unsecured, Redeemable, Floating Coupon, Non-Convertible Debentures (the “ Debentures ”). |
| Nature of Instrument | Unsecured |
| Seniority | <i>Pari passu</i> with unsecured creditors |
| Mode of Issue | Private placement under the electronic book mechanism of BSE |
| Eligible Investors | As specified under the paragraph titled “ Eligible Investors ” in the Information Memorandum. |
| Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing) | <p>Debentures are to be listed on the WDM of the BSE within a maximum period of 15 (Fifteen) calendar days from the Deemed Date of Allotment.</p> <p>In case of delay in listing of the debt securities beyond 20 calendar days from the Deemed Date of Allotment, the Issuer will pay penal interest of at least 1% p.a. over the Coupon Rate from the expiry of 30 (Thirty) days from the Deemed Date of Allotment till the listing of such Debentures.</p> |
| Rating of the Instrument | The Debentures are rated as ‘ Ind AA ’ by India Ratings And Research Private Limited (India Ratings) and “ CARE AA ” by Credit Analysis & Research Limited (CARE Ratings). |
| Issue Size | Rs. 400 crores |
| Objects of the Issue and details of the utilisation of the Proceeds | The proceeds of the issue will be used in accordance with applicable laws for general business purpose including long term working capital requirements, capital expenditure and repayment/prepayment of existing loans. The proceeds will, however, not be used for investments in equity/capital market, speculative activity, acquisition of land, real estate purpose, acquisitions and on-lending. |
| Coupon Rate | <p>Coupon Rate on the Debentures is the sum of the prevailing Repo Rate fixed by the Reserve Bank of India on each Monthly Reset Date and the applicable spread of 4.08% per annum, payable annually at the end of every year from the Date of Allotment.</p> <p>The Repo Rate shall be reset monthly, on the 3rd day of every month. To clarify, if the Repo Rate is changed and announced by RBI on 15th day of a particular month, the interest until the 3rd day of the following month will be calculated on the previous / old Repo Rate. The revised rate will come into effect from the 4th day of the following month. The Spread of 4.08% per annum will remain fixed over the tenor of the Debentures.</p> <p>The current effective Coupon Rate as on the date of this Disclosure Document is 8.08% per annum (being the sum of the current Repo Rate of 4.0% per annum and the Spread of 4.08% per annum).</p> |
| Illustrative Cash Flow | Dates on which coupon is payable by the Company in relation to the Debentures (“ Coupon Payment Date ”), please see Annexure 4 of the |

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| | Information Memorandum. |
| Step Up/ Step Down Coupon Rate | Not Applicable |
| Coupon Payment Frequency | Annually |
| Coupon Payment Date(s) | Please see Annexure 4 of the Information Memorandum. |
| Coupon Type | Floating |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.) | <p>Coupon Rate on the Debentures is the sum of the prevailing Repo Rate fixed by the Reserve Bank of India on each Monthly Reset Date and the applicable Spread of 4.08% per annum, payable annually at the end of every year from the Date of Allotment.</p> <p>The Repo Rate shall be reset monthly, on the 3rd day of every month. To clarify, if the Repo Rate is changed and announced by RBI on 15th day of a particular month, the interest until the 3rd day of the following month will be calculated on the previous / old Repo Rate. The revised rate will come into effect from the 4th day of the following month. The spread of 4.08% per annum will remain fixed over the tenor of the Debentures.</p> |
| Day Count Basis | Interest payable on the Debentures will be calculated on the basis of actual number of days elapsed in a year of 365 or 366 Days as the case may be i.e. Actual/ Actual. |
| Interest on Application Money | To be paid to investors at Coupon Rate from the date of realization of subscription money up to one day prior to the Deemed Date of Allotment. Such interest is payable within seven business days from the Deemed Date of Allotment. |
| Default Interest Rate | In case of default in payment of interest and/or Redemption Amount on relevant due dates (being the Coupon Payment Date or the Redemption Date), additional interest at 2% per annum over the Coupon Rate will be payable by the Issuer for the period of default on the unpaid Coupon or Redemption Amount. |
| Delay Penalty | In the case of a delay in the execution of Debenture Trust Deed beyond 3 (three) months from the Issue Closing Date, the Issuer shall pay penal interest of 2% (Two Percent) per annum over the and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Debenture holders. |
| Tenor | Three years |
| Redemption Date | Bullet Repayment at the end of Three years |
| Redemption Amount | Rs. 10,00,000 (Indian Rupees Ten Lakhs only) per Debenture (" Redemption Amount ") |
| Redemption Premium / Discount | Not Applicable |
| Issue Price | Rs. 10,00,000 (Indian Rupees Ten Lakhs only) per Debenture |
| Discount at which security is issued and the effective yield as a result of such discount | Not Applicable |

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| Put Option Date | Not Applicable |
| Put Option Price | Not Applicable |
| Call Option Date | Not Applicable |
| Call Option Price | Not Applicable |
| Put Notification Time | Not Applicable |
| Call Notification Time | Not Applicable |
| Face Value | Rs. 10,00,000 (Indian Rupees Ten Lakhs only) per Debenture |
| Minimum Application and in multiples of Debentures thereafter | 1 Debenture of Rs. 10,00,000 (Rupees Ten Lakhs) each and in multiple of 1 Debenture of Rs. 10,00,000 (Rupees Ten Lakhs) each thereafter, respectively for the Debentures |
| Issue Timing | Issue Opening Date: June 2, 2020 Issue Closing Date: June 2, 2020 Pay in Date: [T+1 settlement] June 3, 2020 Deemed Date of Allotment: June 3, 2020 |
| Issuance mode of the Debentures | Demat |
| Trading Mode of the Debentures | Demat |
| Settlement Mode of the Debentures | Bank Transfer / RTGS / NEFT or any other mode of payment permissible under law |
| Depository | NSDL/ CDSL |
| Business Day Convention | If any Coupon Payment Date falls on a day that is not a Business Day, the Coupon payment shall be made on the immediately succeeding Business Day. If the redemption date / exercise date / Maturity Date of the Debentures falls on a day that is not a Business Day, the Redemption Amount (excluding Coupon) shall be paid on the immediately preceding Business Day. |
| Record Date | The Record Date for the Debentures shall be 15 days prior to the date of each of the Coupon Payment Date and/or the Redemption Date, as the case may be. |
| Security | Unsecured |
| Security Creation | Not applicable |
| Future Borrowings | The Company shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form and also issue Debentures / Notes / other securities in any manner and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Company may think appropriate, without the consent or intimation to, the Debenture holders/Debenture Trustee in this connection. |
| Transaction Documents | The Issue will be governed by documentation as agreed for the transaction including Information Memorandum, Debenture Trust Deed, Trusteeship Agreement, credit rating letters, listing application, in principle listing approval, debenture trustee consent letter, private placement offer letter in form PAS-4 and corporate Authorizations. |

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| Conditions Precedent to Disbursement | Not Applicable |
| Conditions Subsequent to Disbursement | 1. Execution of the Debenture Trust Deed within 3 (three) months from the Issue Closing Date. 2. Completion of listing of Debentures on the stock exchange. |
| Event of Defaults | As per the Debenture Trust Deed |
| Provisions related to Cross Default | Not Applicable |
| Debenture Trustee | IDBI Trusteeship Services Limited |
| Role and Responsibilities of Debenture Trustee | To oversee and monitor the overall transaction for and on behalf of the Debenture Holders . |
| Governing Law and Jurisdiction | The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction in Kolkata. |
| Manner of Bidding | Open Bid Book |
| Type of Bidding | Fixed Rate Bidding |
| Mode of Allotment | Uniform Yield |
| Mode of Settlement | Indian Clearing Corporation Limited (ICCL) |
| Pay in or Settlement | T+1 |
| Manner of Allotment | The allotment will be done in line with EBP Guidelines vide SEBI circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 read with the “Updated Operational Guidelines for issuance of Securities on Private Placement basis through an Electronic Book Mechanism” issued by BSE vide notice no. 20180928-24 dated September 28, 2018. |