



JINDAL STAINLESS LIMITED

Corporate Identity No. L26922HR1980PLC010901

Registered Office : O.P. Jindal Marg, Hisar-125005, Haryana

Tel. No.(01662) 222471-83; Fax No.(01662) 220499

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NOTICE TO UNSECURED CREDITORS

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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

COMPANY JURISDICTION

COMPANY PETITION NO. 38 OF 2015

In the matter of Companies Act, 1956;

AND

In the matter of Petition under Sections 391 to 394 of the Companies Act, 1956

AND

In the matter of Composite Scheme of Arrangement among Jindal Stainless Limited and Jindal Stainless (Hisar) Limited and Jindal United Steel Limited and Jindal Coke Limited and their respective Shareholders and Creditors.

<p>JINDAL STAINLESS LIMITED [CIN L26922HR1980PLC010901], an existing company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at O. P. Jindal Marg, Hisar 125005, Haryana. Tel No.(01662) 222471-83, Fax No.(01662) 220499 Website : www.jindalstainless.com; Email : investorcare@jindalstainless.com</p>	<p>PETITIONER/ TRANSFEROR COMPANY</p>
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NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF JINDAL STAINLESS LIMITED.

To

The Unsecured Creditors of Jindal Stainless Limited (the "Company").

TAKE NOTICE that by an Order made on the 31st day of March, 2015, the Hon'ble High Court of Punjab and Haryana at Chandigarh ("Hon'ble High Court") has directed that a meeting of the Unsecured Creditors of the Company ("Meeting"), be held at the Registered Office of the Company at O.P. Jindal Marg, Hisar- 125005, Haryana, on Saturday, the 16th day of May, 2015 at 03:00 P.M., for the purpose of considering, and if thought fit, approving with or without modification(s), the Composite Scheme of Arrangement among Jindal Stainless Limited and Jindal Stainless (Hisar) Limited and Jindal United Steel Limited and Jindal Coke Limited and their respective shareholders and creditors (the "Scheme").

TAKE FURTHER NOTICE that in pursuance of the said Order, a meeting of the Unsecured Creditors of the Company will be held at the Registered Office of the Company at O.P. Jindal Marg, Hisar-125005, Haryana, on Saturday, the 16th day of May, 2015 at 03:00 P.M., at which place and time the Unsecured Creditors of the Petitioner/Transferor Company are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the Meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of the Company at O.P. Jindal Marg, Hisar-125005, Haryana, not later than 48 hours before the commencement of the Meeting.

The Hon'ble High Court has appointed Mr. Kartar Singh Malik, Advocate as Chairman and Mr. Abhilaksh Grover, Advocate as Co-Chairman of the said meeting.

A copy of the Scheme, the statement under Section 393 of the Companies Act, 1956 and form of Proxy are enclosed.

Dated this 8th day of April, 2015

Place : Chandigarh

(Kartar Singh Malik, Advocate)
(Chairman appointed for the meeting of the Unsecured
Creditors of the Petitioner/Transferor Company)

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

COMPANY JURISDICTION

COMPANY PETITION NO.38 OF 2015

In the matter of Companies Act, 1956;

AND

In the matter of Petition under Sections 391 to 394 of the Companies Act, 1956

AND

In the matter of Composite Scheme of Arrangement among Jindal Stainless Limited and Jindal Stainless (Hisar) Limited and Jindal United Steel Limited and Jindal Coke Limited and their respective Shareholders and Creditors.

<p>JINDAL STAINLESS LIMITED [CIN L26922HR1980PLC010901], an existing company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at O. P. Jindal Marg, Hisar 125005, Haryana. Tel No.(01662) 222471-83, Fax No.(01662) 220499 Website : www.jindalstainless.com; Email : investorcare@jindalstainless.com</p>	<p style="text-align: right;">PETITIONER/ TRANSFEROR COMPANY</p>
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**EXPLANATORY STATEMENT UNDER SECTION 393
OF THE COMPANIES ACT, 1956 (“ACT”)**

1. Pursuant to an Order dated March 31, 2015, passed by the Hon'ble High Court of Punjab & Haryana at Chandigarh [“Hon'ble High Court”] in Company Petition No.38 of 2015, the **Hon'ble High Court** has directed the convening of the following meetings :-
 - i. Meeting of the Equity Shareholders of Jindal Stainless Limited [**Petitioner/Transferor Company**] to be held on Saturday, May 16, 2015 at 10.00 AM at the Registered Office of the Petitioner/ Transferor Company at O.P. Jindal Marg, Hisar – 125005, Haryana;
 - ii. Meeting of the Secured Creditors of Jindal Stainless Limited [**Petitioner/Transferor Company**] to be held on Saturday, May 16, 2015 at 1.00 PM at the Registered Office of the Petitioner/ Transferor Company at O.P. Jindal Marg, Hisar – 125005, Haryana;
 - iii. Meeting of the Unsecured Creditors of Jindal Stainless Limited [**Petitioner/Transferor Company**] to be held on Saturday, May 16, 2015 at 3.00 PM at the Registered Office of the Petitioner/ Transferor Company at O.P. Jindal Marg, Hisar – 125005, Haryana.

for the purpose of considering and if thought fit, approving with or without modification(s), the Composite Scheme of Arrangement among Jindal Stainless Limited [**Petitioner/Transferor Company**] and Jindal Stainless (Hisar) Limited [**Petitioner/Resulting Company/Transferee Company 1**] and Jindal United Steel Limited [**Petitioner/Transferee Company 2**] and Jindal Coke Limited [**Petitioner/Transferee Company 3**] and their respective Shareholders and Creditors (“Scheme”).

2. The Hon'ble High Court by the said Order dated March 31, 2015 dispensed with the requirement of convening the meetings of the Equity Shareholders of the Petitioner/Resulting Company/Transferee Company 1, Petitioner/Transferee Company 2 and Petitioner/ Transferee Company 3 and meeting of Preference Shareholders of the Petitioner/Transferor Company, to consider the Scheme. The Hon'ble High Court by Order dated March 31, 2015 in Company Application No. 209 of 2015 filed by the Petitioner/ Transferor Company dispensed with the requirement of following the procedure under Section 101 (2) of the Act. The Hon'ble High Court further by order dated March 31, 2015 in Company Application No. 210 of 2015 filed by the Petitioner/Resulting Company/Transferee Company 1 dispensed with the requirement of following the procedure under Section 101 (2) of the Act. The said Orders dated March 31, 2015 will be available for inspection at the Registered Office of the Petitioner/Transferor Company at O.P. Jindal Marg, Hisar – 125 005, Haryana, on all working days between 10.00 AM and 5.00 PM upto one day before the date of the meetings. A copy of the Scheme is enclosed.

3. **PARTICULARS OF THE PETITIONER/TRANSFEROR COMPANY.**

- a. Jindal Stainless Limited, the Petitioner/Transferor Company was incorporated under the Act under the name of Jindal Ceramics Limited in terms of Certificate of Incorporation dated September 29, 1980 issued by the Registrar of Companies, Delhi and Haryana. The name of the Petitioner/Transferor Company was changed to Jindal Int.Com Limited in terms of fresh Certificate of Incorporation consequent upon change of name dated January 29, 2001 issued by the Deputy Registrar of Companies, NCT of Delhi and Haryana. The name of the Petitioner/Transferor Company was thereafter changed to Jindal Stainless Limited in terms of fresh Certificate of Incorporation consequent upon change of name dated January 28, 2003 issued by the Registrar of Companies, NCT of Delhi and Haryana. In terms of fresh Certificate of Incorporation consequent upon change of name dated September 23, 2008, the name of the Petitioner/ Transferor Company was changed to JSL Limited. In terms of a fresh Certificate of Incorporation consequent upon change of name dated August 06, 2010, the name of the Petitioner/Transferor Company was changed to JSL Stainless Limited. The name of the Petitioner/Transferor Company was changed to its present name, Jindal Stainless Limited in terms of fresh Certificate of Incorporation consequent upon change of name dated December 07, 2011 issued by the Registrar of Companies, NCT of Delhi and Haryana. The Registered Office of Petitioner/ Transferor Company is at O. P. Jindal Marg, Hisar 125005, Haryana. The Petitioner/Transferor Company is authorized to and is primarily engaged in the business of manufacturing, distribution and sale of stainless steel in India and other countries. The Equity Shares of the Petitioner/Transferor Company are listed on the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”).
- b. Petitioner/Transferor Company is engaged in the business of manufacturing, distribution and sale of stainless steel in India and abroad.

The main objects of the Petitioner/Transferor Company as set out in its Memorandum of Association are as under :

1. *“To set up Steel and non-ferrous melting furnaces, converters. AP Lines and casting facilities to produce stainless steel, Ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, bloom, rounds billets of various cross-sections, alloys and special steel, to make a deal in ferrous. non ferrous and special alloy and steel including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for and for other applications.*
2. *To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot &Cold rolled, deformed bars, plain and cold twisted bars and shaftings and blank-coins.*
3. *To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulates, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metallingerous ore, manganese ore, chrome ore, nickel ore, coal lignite, limestone, quartz, zinc ore, copper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities.*
4. *To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchases dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*
5. *To manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferros silicon, ferro chrome, ferro manganese and other ferros substances and metals of every description and grades and to manufacture, deal, import and export all kinds and varieties of non-ferros raw metals such as aluminum, copper, tin, lead etc. and the by-products obtained in processing and manufacturing these raw metals.*
6. *To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use transmit, accumulate, employ. Distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants bases on any source of energy as may be developed or invented in future.*
7. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carboic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gasses, substances or any compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and thing or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”*

- c. The details of the share capital structure of the Petitioner/ Transferor Company as on December 26, 2014 is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorised share capital	
44,50,00,000 (Forty Four Crore and Fifty Lakh) equity shares having face value of Rs. 2 (Rupees Two) each	89,00,00,000
3,00,00,000 (Three Crore) preference shares having face value of Rs. 2 (Rupees Two) each	6,00,00,000
Total	95,00,00,000
Issued and paid-up share capital	
22,63,75,005 (Twenty Two Crore Sixty Three Lakh Seventy Five Thousand and Five) equity shares having face value of Rs. 2 (Rupees Two) each*	45, 27,50,010
48,10,440 (Forty Eight Lakh Ten Thousand Four Hundred and Forty) CCCPS having face value of Rs. 2 (Rupees Two) each	96,20,880
Total	46,23,70,890
Outstanding Transferor Company GDSs	
*includes 1,76,04,334 (One Crore Seventy Six Lakh Four Thousand Three Hundred and Thirty Four) equity shares having face value Rs. 2 (Rupees Two) each, underlying 88,02,167 (Eighty Eight Lakhs Two Thousand One Hundred and Sixty Seven) Transferor Company GDSs	

There is no material change in the share capital structure of the Petitioner/Transferor Company subsequent to December 26, 2014.

4. **PARTICULARS OF THE PETITIONER/RESULTING COMPANY/ TRANSFEREE COMPANY 1**

- a. Jindal Stainless (Hisar) Limited, the Petitioner/ Resulting Company/ Transferee Company 1 was incorporated under the Act under the name of KS Infra Tower and Landmark Private Limited in terms of Certificate of Incorporation dated July 30, 2013 issued by the Registrar of Companies, NCT of Delhi and Haryana. The name of the Petitioner/ Resulting Company/Transferee Company 1 was changed to Jindal Stainless (Hisar) Private Limited in terms of Certificate of Incorporation pursuant to change of name dated August 28, 2014. Upon conversion into a Public Limited Company, the name of the Petitioner/Resulting Company/ Transferee Company 1 was changed to Jindal Stainless (Hisar) Limited in terms of Certificate of Incorporation consequent upon conversion to Public Limited Company dated December 26, 2014. The Registered Office of the Petitioner/Resulting Company/Transferee Company 1 is situated at O. P. Jindal Marg, Hisar 125005, Haryana. The Petitioner/ Resulting Company/ Transferee Company 1 is authorized to engage in the business of manufacturing, distribution and sale of stainless steel including, inter alia,

special steel, coin blanks and precision strips, in India and abroad. The Equity Shares of the Petitioner/Resulting Company/Transferee Company 1 are not listed on any stock exchange in India.

- b. Petitioner / Resulting Company / Transferee Company 1 proposes to engage in the business of manufacturing, distribution and sale of stainless steel, including inter alia, special steel, coin blanks and precision strips, in India and other countries.

The main objects of the Petitioner/ Resulting Company / Transferee Company 1 as set out in its Memorandum of Association are as under:

1. *To set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, blooms, rounds billets of various cross-sections, alloys and special steel, to make and deal in ferrous/non-ferrous and special alloys & steels including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for other applications.*
2. *To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shafting and blank-coins.*
3. *To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulate, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metalliferous ore, manganese ore, chrome ore, nickel ore, coal, lignite, limestone, quartz, zinc ore, copper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities.*
4. *To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchase dealers, import and export agents, representatives, Contractors, and dealers of and in forging, Casting of Steel, Stainless and Special Steels, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*
5. *To manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferro silicon, ferro chrome, ferro manganese and other ferrous substances and metals of every description and grades and to manufacture, deal, import, and export all kinds and varieties of non-ferrous raw metals such as aluminum, copper, tin, lead etc. and the by products obtained in processing and manufacturing these raw metals.*
6. *To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy as may be developed or invented in future.*

7. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carboic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gases, substances and compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and things or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”*

c. The details of the share capital structure of the Petitioner/ Resulting Company/Transferee Company 1 as on December 26, 2014 is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorized share capital	
2,50,000 (Two Lakh Fifty Thousand) equity shares having face value of Rs. 2 (Rupees Two) each	5,00,000
Total	5,00,000
Issued and paid-up share capital	
2,50,000 (Two Lakh Fifty Thousand) equity shares having face value of Rs. 2 (Rupees Two) each	5,00,000
Total	5,00,000

There is no change in the share capital structure of the Petitioner/ Resulting Company /Transferee Company 1 subsequent to December 26, 2014.

5. PARTICULARS OF THE PETITIONER/ TRANSFEE COMPANY 2

a. Jindal United Steel Limited, the Petitioner/ Transferee Company 2 was incorporated under the Companies Act, 2013 in terms of Certificate of Incorporation dated December 01, 2014 issued by the Assistant Registrar of Companies, Haryana. The Registered Office of the Petitioner/ Transferee Company 2 is situated at O. P. Jindal Marg, Hisar 125005, Haryana. The Petitioner/ Transferee Company 2 is authorized to engage in the business of manufacturing, processing, refining, smelting, importing, exporting, marketing and distribution of all kinds and forms of iron and steel including tools and alloy steels, stainless and all other special steels. The Equity Shares of the Petitioner/Transferee Company 2 are not listed on any stock exchange in India.

- b. Petitioner / Transferee Company 2 proposes to engage in the business of manufacturing, processing, refining, smelting, importing, exporting, marketing and distribution of all kinds and forms of iron and steel including tools and alloy steels, stainless and all other special steels.

The main objects of the Petitioner/ Transferee Company 2 as set out in its Memorandum of Association are as under:

1. *“To carry on the business of manufactures, processors, refiners, smelters, makers, converts, finishers, importers, exporters, agents, merchants, buyers, sellers and dealers in all kinds and forms of steels including tools and alloy steels, stainless and all other special steels, iron and other metals and alloys, all kinds of goods, products, articles or merchandise whatsoever manufactured wholly or partly from steels and other metals and alloys; and also the business and iron masters, steel and metal converters, colliary proprietors, coke manufacturers, ferroalloy manufactures , miners, smelters and engineers in all their respective branches and to search for, get , work, raise, make, merchantable , manufacture , process, buy , sell and otherwise deal in iron , Pig Iron, Granulated slag, Iron Ore Fines, steel and other metal, coal , coke, brick-carth, fire-clay , bricks, ores, minerals and mineral substances, gases, alloy. Metal, metal scrap, chemicals and chemical substances of all kinds and to set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, blooms, rounds, billets of various cross-sections, alloys and special steel.*
2. *To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shaftings and blank-coins and to carry on all or any of the business of manufacturing, developing, assemblers, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchase dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, Carbon Steel and Mild Steel ,alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*
3. *To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulate, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metalligerous ore, manganese ore, chrome ore, nickel ore, coal, lignite, limestone, quartz, zinc ore, cooper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities and to manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferro silicon, ferro chrome, ferro manganese and other ferrous substances and metals of every description and grades and to manufacture, deal, import, and export all kinds and varieties of non-ferrous raw metals such as aluminum, copper, tin, lead etc. and the byproducts obtained in processing and manufacturing these raw metals and to deal in to make and deal in ferrous/non-ferrous and special alloys & steels including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for other applications.*

4. *To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy as may be developed or invented in future.*
5. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carbolic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gases, substances and compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and things or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”*
- c. The details of the share capital structure of the Petitioner/ Transferee Company 2 as on December 26, 2014 is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorised share Capital	
50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each	5,00,000
Total	5,00,000
Issued and paid-up share capital	
50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each	5,00,000
Total	5,00,000

There is no change in the share capital structure of the Petitioner/Transferee Company 2 subsequent to December 26, 2014.

6. **PARTICULARS OF THE PETITIONER/ TRANSFEREE COMPANY 3**

- a. Jindal Coke Limited, the Petitioner/Transferee Company 3 was incorporated under the Companies Act, 2013 in terms of Certificate of Incorporation dated December 02, 2014 issued by the Assistant Registrar of Companies, Haryana. The Registered Office of the Petitioner/ Transferee Company 3 is situated at O. P. Jindal Marg, Hisar 125005, Haryana. The Petitioner/Transferee Company 3 is authorized to engage in the business of manufacture, processing, finishing and dealing in all kinds of forms of coke and coke products. The Equity Shares of the Petitioner/Transferee Company 3 are not listed on any stock exchange in India.
- b. Petitioner / Transferee Company 3 proposes to engage in the business of manufacturing, processing, finishing and dealing in all kinds and forms of coke products.

The main objects of the Petitioner/Transferee Company 3 as set out in its Memorandum of Association are as under :-

1. *“To carry on the business of purchase, sale, manufacture, process, import, export, buyers, sellers, traders, merchants, distribution, deal in, to act as indent or agent, commission agent, distributors, whole sellers, retailers, broker, contractor, or otherwise deal with raw and process materials, semi products and end products of Low ash Metallurgical Coke, carbon, Chemicals, Coal, Coke, Petroleum Coke products, Calcined Petroleum Coke, Ferro Alloys, Electrodes, Petro Products and Petro Products of all kinds & specification and other allied items and industrial raw materials.*
2. *To manufacture, purchase, sell, deal in soft coke, Special Smokeless Fuel(SSF) with coal tar recovered by CMPDIL Technology, industrial coke, coke as substitute to Charcoal, processing and distillation of coal tar coal tar chemicals, any other type of coke and organic chemicals based on carbon and tar derivatives, charcoal, bone charcoal, activated charcoal, activated carbon, black or any other carbon products, dyes, dye intermediaries, coal mining, use of waste heat for processing or production of any article etc.*
3. *To carry on in all its branches the business of manufacturers and dealers in carbon black of all types, gas black, ebony black, jet black, hydrocarbon black, satin black and silicate of carbon either from natural and/or artificial gas or from any other source.*
4. *To carry on the business of manufactures, processors, refiners, smelters, makers, converters, finishers, importers, exporters, agents, merchants, buyers, sellers and dealers in all kinds and forms of steels including tools and alloy steels, stainless and all other special steels, iron and other metals and alloys, all kinds of goods, products, articles or merchandise whatsoever manufactured wholly or partly from steels and other metals and alloys; and also the business and iron masters, steel and metal converters, colliary proprietors, coke manufacturers, ferroalloy manufactures, miners, smelters and engineers in all their respective branches and to search for, get, work, raise, make, merchantable, manufacture, process, buy, sell and otherwise deal in iron, Pig Iron, Granulated slag, Iron Ore Fines, steel and other metal, coal, coke, brick-carth, fireclay, bricks, ores, minerals and mineral substances, gases, alloy. Metal, metal scrap, chemicals and chemical substances of all kinds.*
5. *To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchase dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, Carbon Steel and Mild Steel ,alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*
6. *To set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, blooms, rounds, billets of various cross-sections, alloys and special steel, to make and deal in ferrous/non-ferrous and special alloys & steels including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for other applications.”*

- c. The details of the share capital structure of the Petitioner/ Transferee Company 3 as on December 26, 2014, is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorised share Capital	
50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each	5,00,000
Total	5,00,000
Issued and paid-up share capital	
50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each	5,00,000
Total	5,00,000

There is no change in the share capital structure of the Petitioner/Transferee Company 3 subsequent to December 26, 2014.

7. **BACKGROUND AND RATIONALE FOR THE SCHEME**

- a. The Petitioner/Transferor Company is a leading stainless steel manufacturer in India and proposes to enter into this Scheme to enable its management to develop focussed business verticals. The Petitioner/Transferor Company intends to demerge the Demerged Undertakings (as defined in the Scheme) and transfer and vest the same in the Petitioner / Resulting Company / Transferee Company 1 and transfer and vest, by way of a Slump Sale, the Business Undertaking 1 (as defined in the Scheme) to the Petitioner/ Resulting Company/ Transferee Company 1 in order to unlock shareholder value in the Petitioner/ Transferor Company, to increase its profitability and to improve serviceability of debt by it.
- b. The Petitioner/Transferor Company intends to transfer and vest, by way of a Slump Sale, the Business Undertaking 2 (as defined in the Scheme) into the Petitioner/Transferee Company 2 and the Business Undertaking 3 (as defined in the Scheme) into the Petitioner/Transferee Company 3 to enable focused management of these business verticals. The Scheme will enable increased capacity utilization and enable the Petitioner/Transferee Company 2 and Petitioner/Transferee Company 3 to increase profitability and improve competitiveness. The transfer and vesting, by way of a Slump Sale, of Business Undertaking 2 (as defined in the Scheme) and Business Undertaking 3 (as defined in the Scheme) to the Petitioner /Transferee Company 2 and the Petitioner/Transferee Company 3 respectively will also facilitate the backward integration of the value chain at Odisha thereby resulting in increased efficiencies and profitability for the Petitioner/Transferor Company as well as the Petitioner/Transferee Company 2 and Petitioner/Transferee Company 3.

- c. The Petitioner/Transferor Company had earlier restructured its debt facilities with the Indian lender banks by entering into a Corporate Debt Restructuring scheme in 2009 (“**Original CDR Scheme**”). The Original CDR Scheme was reworked in 2012 in accordance with applicable CDR guidelines issued by the Reserve Bank of India. In connection with the reworking of the Original CDR Scheme and a letter of approval, the Petitioner/Transferor Company executed agreement with its Indian lenders. The Petitioner/Transferor Company has also availed of External Commercial Borrowings (ECBs) from foreign lenders with whom the Petitioner/Transferor Company has been in discussion for a considerable period of time with respect to the Scheme. The Scheme is accordingly conditional to the same being approved inter alia, by the Secured Creditors of the Petitioner/Transferor Company.
 - d. The proposed business reorganisation is critical for ensuring the long term stability of the Petitioner/Transferor Company, the Petitioner/Resulting Company/Transferee Company 1, Petitioner/ Transferee Company 2 and the Petitioner/Transferee Company 3 as it will lead to unlocking of value for the stakeholders at large in each of the companies and allow each of the companies to focus on their respective core competencies.
 - e. The Scheme would be in the best interests of the shareholders, creditors, employees and other stakeholders of the Petitioner/Transferor Company, Petitioner/Resulting Company/ Transferee Company 1, Petitioner/ Transferee Company 2 and Petitioner/Transferee Company 3 respectively, as it would result in enhancement of shareholder value, operational efficiencies and greater focus and would enable the management of each of the aforesaid companies to vigorously pursue revenue growth and expansion opportunities.
8. Accordingly, the Board of Directors of the Petitioner/ Transferor Company, Petitioner/Resulting Company / Transferee Company 1, Petitioner/ Transferee Company 2 and the Petitioner/ Transferee Company 3 have approved and adopted the Scheme at their respective Board Meetings held on December 29, 2014.
9. Subsequently, pursuant to letter dated March 19, 2015 from the Securities & Exchange Board of India and letters dated March 20, 2015 from the BSE and NSE, the Board of Directors of each of the Petitioner Companies have approved amendments to the Scheme and authorized the filing of the Scheme with the Hon'ble High Court, by passing the circular resolutions on March 24, 2015.
10. Petitioner / Resulting Company / Transferee Company 1, Petitioner/ Transferee Company 2 and the Petitioner / Transferee Company 3 are in discussion with certain banks for availing term loans / credit facilities, based on the completion of the transactions envisaged under the Scheme, and the said funds will be used for payment of consideration to Petitioner/ Transferor Company as envisaged in the 'Scheme'.

11. **SALIENT FEATURES OF THE SCHEME**

The salient features of the Scheme are as follows :-

- A. Part B of Section I of the Scheme deals with the demerger of the Demerged Undertakings of the Petitioner/Transferor Company and vesting of the same in the Petitioner/ Resulting Company/ Transferee Company 1.
- B. Part B of Section II of the Scheme deals with the transfer of the Business Undertaking 1 of the Petitioner/Transferor Company and its transfer and vesting in the Petitioner/ Resulting Company/ Transferee Company 1.
- C. Part B of Section III deals with the transfer of the Business Undertaking 2 of the Petitioner/Transferor Company and its transfer and vesting in the Petitioner/Transferee Company 2.
- D. Part B of Section IV of the Scheme deals with the transfer of the Business Undertaking 3 of the Petitioner/Transferor Company and its vesting in the Petitioner/Transferee Company 3.
- E. The Appointed Date 1 for coming into effect of Sections I and II of the Scheme is the close of business hours before mid night of March 31, 2014.
- F. Demerged Undertaking 1 means the business undertaking comprising of the FA Division (as defined in the Scheme) of the Petitioner/Transferor Company, comprising of the assets and liabilities set out in **Part A of Schedule 1** of the Scheme, on a going concern basis, inclusive of but not limited to:
 - (i) all assets, whether moveable or immoveable, whether leasehold or freehold, (including the right to use the land on which the FA Division is located but excluding the ownership or leasehold rights in such land) including all rights, title, interest, claims, covenants, undertakings of the Petitioner/Transferor Company pertaining to the FA Division;
 - (ii) all investments, receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Petitioner/Transferor Company pertaining to the FA Division;
 - (iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured of the Petitioner/Transferor Company pertaining to the FA Division;
 - (iv) all permits, rights, entitlements, licenses (including licenses issued by the DGFT under EPCG Scheme, Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT), approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax (including carry forward tax losses comprising of unabsorbed depreciation), tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax, minimum

alternate tax credit), privileges and benefits of all contracts, agreements, tenders, bids, experience and/or performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Petitioner/Transferor Company pertaining to the FA Division;

- (v) all copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom of the Petitioner/ Transferor Company relating to the FA Division, including without limitation, all rights to the brand names and logos “Jindal”, “Jindal Stainless” and “J” and all rights of the Transferor Company in any and all classes of the trademarks and logos, “JSL”, “JSL color”, “JINDAL Stainless”, “J JINDAL” and “J JINDAL Stainless” whether registered, unregistered or pending registration;
- (vi) all employees of the Petitioner/Transferor Company employed in relation to the FA Division;
- (vii) all legal, tax, regulatory, quasi judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated by or against the Petitioner/ Transferor Company in connection with the FA Division; and
- (viii) all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Petitioner/Transferor Company pertaining to the FA Division.

G. Demerged Undertaking 2 means the business undertaking comprising of the Mining Division (as defined in the Scheme) of the Petitioner/Transferor Company, comprising of the assets and liabilities set out in **Part B of Schedule 1** of the Scheme, on a going concern basis, inclusive of but not limited to:

- (i) all assets, whether moveable or immovable, whether leasehold or freehold, including all rights, title, interest, claims, covenants, undertakings of the Petitioner/Transferor Company pertaining to the Mining Division;
- (ii) all investments, receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Petitioner/Transferor Company pertaining to the Mining Division;
- (iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured of the Petitioner/ Transferor Company pertaining to the Mining Division;

- (iv) all permits, rights, entitlements, licenses (including licenses issued by the DGFT under EPCG Scheme, Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT), approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax (including carry forward tax losses comprising of unabsorbed depreciation), tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax credit), privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Petitioner/ Transferor Company pertaining to the Mining Division;
- (v) all copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom of the Petitioner/ Transferor Company pertaining to the Mining Division, whether registered, unregistered or pending registration;
- (vi) all employees of the Petitioner/Transferor Company employed in relation to the Mining Division;
- (vii) all legal, tax, regulatory, quasi judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated by or against the Petitioner/ Transferor Company in connection with the Mining Division; and
- (viii) all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Petitioner/Transferor Company pertaining to the Mining Division.

(Demerged Undertaking 1 and Demerged Undertaking 2 collectively are hereinafter referred to as the **Demerged Undertakings**).

- H. The Scheme provides that with effect from the Appointed Date 1, the Demerged Undertakings shall stand transferred to and be vested in the Petitioner / Resulting Company / Transferee Company 1.
- I. The Scheme provides that upon Section I of the Scheme coming into effect, on the Effective Date 1 and with effect from the Appointed Date 1, and upon the transfer of the Demerged Undertakings and vesting of the same in the Petitioner/Resulting Company/Transferee Company 1, the board of directors of the Petitioner/ Resulting Company/ Transferee Company 1 shall determine a record date, being a date subsequent to the filing of the order of the Court sanctioning the Scheme with the RoC ("Record Date") for the allotment of (i) equity

shares having face value of Rs. 2 (Rupees Two) each of Petitioner/ Resulting Company/ Transferee Company 1, credited as fully paid up; and (ii) CCCPS having face value of Rs. 2 (Rupees Two) each, credited as fully paid up of Petitioner/ Resulting Company / Transferee Company 1, to the equity shareholders and holders of CCCPS respectively, of the Petitioner/Transferor Company as on the Record Date, in consideration for the demerger of the Demerged Undertakings.

- J. The Boards of Directors of the Petitioner/Resulting Company/ Transferee Company 1 and the Petitioner/ Transferor Company, respectively have determined the share entitlement ratio, such that: (a) for every 1 (One) equity share having face value of Rs. 2 (Rupees Two) each held in the Petitioner/Transferor Company as on the Record Date, the equity shareholders of the Petitioner/ Transferor Company shall be issued 1 (One) equity share having face value of Rs. 2 (Rupees Two) each, credited as fully paid-up, in the Petitioner/Resulting Company/Transferee Company 1; and (b) for every 1 (One) CCCPS having face value of Rs. 2 (Rupees Two) each held in the Petitioner/Transferor Company as on the Record Date, the holders of CCCPS of the Petitioner / Transferor Company shall be issued 1 (One) CCCPS having face value of Rs.2 (Rupees Two) each, credited as fully paid-up, in the Petitioner/Resulting Company/Transferee Company 1.
- K. It is provided for in the Scheme that upon Section I of the Scheme coming into effect, the Equity Shares of the Petitioner/ Resulting Company/Transferee Company 1 held by the Petitioner/ Transferor Company shall stand cancelled.
- L. The Scheme further provides that upon Section I of the Scheme coming into effect, the differences between the amount of assets and liabilities pertaining to the Demerged Undertakings being transferred by the Petitioner/Transferor Company shall be adjusted against the Securities Premium Account of the Petitioner/ Transferor Company.
- M. Business Undertaking 1 means the business undertaking relating to the Hisar Unit (as defined in the Scheme) of the Petitioner/ Transferor Company as at Appointed Date 1, on a going concern basis, which shall be inclusive of, but not limited to:-
- (i) all assets, whether moveable or immovable, whether freehold or leasehold, including all rights, title, interest, covenants, undertakings of the Petitioner /Transferor Company pertaining to the Hisar Unit, including without limitation, the assets listed in **Part A of Schedule 2** of the Scheme;
 - (ii) all investments, receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Petitioner/Transferor Company pertaining to the Hisar Unit;
 - (iii) all debts, borrowings and liabilities (except for the secured term borrowings), whether present or future, whether secured or unsecured of the Petitioner /Transferor Company pertaining to the Hisar Unit;

- (iv) all permits, rights, entitlements, licenses (including licenses issued by the DGFT under EPCG Scheme, Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT), approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax), privileges and benefits of all contracts, agreements, tenders, bids, experience and/or performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Petitioner/Transferor Company pertaining to the Hisar Unit;
 - (v) all copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom of the Petitioner/ Transferor Company pertaining to the Hisar Unit (including without limitation all rights in relation to trademarks, brand names and logos, "Krome 16+" and "Krome 16+ (logo)"), whether registered, unregistered or pending registration;
 - (vi) all employees of the Petitioner/Transferor Company employed in relation to the Hisar Unit; all legal, tax, regulatory, quasi judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated by or against the Petitioner/ Transferor Company in connection with the Hisar Unit; and
 - (vii) all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Petitioner/Transferor Company pertaining to the Hisar unit.
- N. The Scheme provides that with effect from the Appointed Date 1, the aforesaid Business Undertaking 1 of the Petitioner/Transferor Company shall by way of slump sale be transferred and vested in the Petitioner / Resulting Company / Transferee Company 1.
- O. The Scheme provides for a payment of lump sum consideration by the Petitioner/Resulting Company/ Transferee Company 1 to the Petitioner/Transferor Company as consideration for the transfer and vesting of the Business Undertaking 1.
- P. The Appointed Date 2 means the close of business hours before midnight of March 31, 2015, the date with effect from which Sections III and IV of this Scheme will be deemed to be effective, in the manner described in Clause 1.3 of Section V of the Scheme.
- Q. Business Undertaking 2 means the business undertaking relating to the HSM Plant (as defined in the Scheme), on a going concern basis as on March 31, 2014, which shall be inclusive of, but not limited to:

- (i) all assets, whether moveable or immovable, whether freehold or leasehold (including the right to use the land on which the HSM Plant is located but excluding the ownership or leasehold rights in such land), including all rights, title, interest, claims, covenants, undertakings of the Petitioner/Transferor Company pertaining to the HSM Plant including without limitation, the assets listed in **Schedule 3** of the Scheme;
- (ii) all investments, receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Petitioner/Transferor Company pertaining to the HSM Plant;
- (iii) all debts, borrowings and liabilities (except for the secured term borrowings), whether present or future, whether secured or unsecured, of the Petitioner/Transferor Company pertaining to the HSM Plant;
- (iv) all permits, rights, entitlements, licenses (including licenses issued by the DGFT under the Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT except the EPCG license and the export obligations thereunder), approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax), privileges and benefits of all contracts, agreements, tenders, bids, experience and/or performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Petitioner/Transferor Company pertaining to the HSM Plant;
- (v) all copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom of the Petitioner/ Transferor Company pertaining to the HSM Plant, whether registered, unregistered or pending registration;
- (vi) all employees of the Petitioner/Transferor Company employed in relation to the HSM Plant;
- (vii) all legal, tax, regulatory, quasi judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated by or against the Petitioner/ Transferor Company in connection with the HSM Plant; and
- (viii) all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Petitioner/Transferor Company pertaining to the HSM Plant.

- R. The Scheme provides that with effect from the Appointed Date 2, the Business Undertaking 2 of the Petitioner/ Transferor Company shall stand transferred by way of slump sale to the Petitioner/Transferee Company 2.
- S. The Scheme provides for the payment of a lump sum consideration by the Petitioner /Transferee Company 2 to the Petitioner/ Transferor Company as consideration for the transfer of the Business Undertaking 2.
- T. Business Undertaking 3 means the business undertaking relating to the Coke Plant (as defined in the Scheme), on a going concern basis as on March 31, 2014, which shall be inclusive of, but not limited to:-
- (i) all assets, whether moveable or immovable, whether freehold or leasehold (including the right to use the land on which the Coke Plant is located but excluding the ownership or leasehold rights in such land), including all rights, title, interest, claims, covenants, undertakings of the Petitioner/Transferor Company pertaining to the Coke Plant, including without limitation, the assets listed in **Schedule 4** to the Scheme;
 - (ii) all investments, receivables, loans and advances, including accrued interest thereon , all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Petitioner/Transferor Company pertaining to the Coke Plant;
 - (iii) all debts, borrowings and liabilities (except for the secured term borrowings), whether present or future, whether secured or unsecured of the Petitioner /Transferor Company pertaining to the Coke Plant;
 - (iv) all permits, rights, entitlements, licenses (including licenses issued by the DGFT under the Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT except the EPCG license and the export obligations thereunder), approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax), privileges and benefits of all contracts, agreements, tenders, bids, experience and/or performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Petitioner/ Transferor Company pertaining to the Coke Plant;
 - (v) all copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom of the Petitioner/ Transferor Company pertaining to the Coke Plant, whether registered, unregistered or pending registration;
 - (vi) all employees of the Petitioner/Transferor Company employed in relation to the Coke Plant;

- (vii) all legal, tax, regulatory, quasi judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated by or against the Petitioner/ Transferor Company in connection with the Coke Plant; and
 - (viii) all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Petitioner/Transferor Company pertaining to the Coke Plant.
- U. It is provided for in the Scheme for the transfer by way of slump sale of the Business Undertaking 3 of the Petitioner/ Transferor Company and its vesting in the Petitioner/ Transferee Company 3.
- V. The Scheme further provides for the payment of a lump sum consideration by the Petitioner/Transferee Company 3 to the Petitioner/Transferor Company as consideration for the transfer of the Business Undertaking 3.
- W. It is provided in the Scheme that the Petitioner/ Transferee Company 2 shall, without any further act or deed, issue and allot, to the Petitioner / Transferor Company, 17,50,00,000 (Seventeen Crore Fifty Lakh) non-cumulative compulsorily convertible preference shares having face value of Rs. 10 (Rupees Ten) each having a coupon rate of 0.01% (Zero point zero one percent) per annum; and (ii) 8,76,73,311 (Eight Crore Seventy Six Lakh Seventy Three Thousand Three Hundred and Eleven) non-cumulative non-convertible redeemable preference shares having face value of Rs. 10 (Rupees Ten) each and coupon rate of 10% (Ten percent) per annum by way of discharge of the remainder of the lump-sum consideration payable by the Petitioner/ Transferee Company 2 to the Petitioner/Transferor Company after adjustment of the amount paid to the Petitioner/Transferor Company in accordance with the terms of the Scheme.
- X. The Petitioner/Transferee Company 3 shall, without any further act or deed, issue and allot, to the Petitioner/ Transferor Company, 2,60,00,000 (Two Crore and Sixty Lakhs) non-cumulative compulsorily convertible preference shares having face value of Rs. 10 (Rupees Ten) each having a coupon rate of 0.01% (Zero point zero one percent) per annum; and (ii) 9,16,47,073 (Nine Crore Sixteen Lakh Forty Seven Thousand and Seventy Three) non-cumulative non-convertible redeemable preference shares having face value of Rs. 10 (Rupees Ten) each and coupon rate of 10% (Ten percent) by way of discharge of the remainder of the lump-sum consideration payable by the Petitioner/Transferee Company 3 to the Petitioner/ Transferor Company after adjustment of the amount paid to the Petitioner/Transferor Company in accordance with the terms of the Scheme.

(The aforesaid are only the salient features of the Scheme. You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof).

12. The rights and interests of the members and creditors of the Petitioner/ Transferor Company shall not be prejudiced in any manner by the Scheme.
13. No investigation proceedings have been instituted or are pending in relation to the Petitioner /Transferor Company under Section 235 to 251 of the Act or such other equivalent provisions of the Companies Act, 2013 as applicable.
14. It is submitted that as on the date of this Explanatory Statement, the Petitioner/Transferor Company has not been put to notice of any proceeding for winding up nor is there any proceeding for winding up pending before the Hon'ble High Court of Punjab & Haryana at Chandigarh.
15. The details of the present directors of the Petitioner/Transferor Company and their shareholding in each of the Petitioner/Transferor Company **(A)**, Petitioner/Resulting Company/Transferee Company 1 **(B)**, Petitioner/ Transferee Company 2 **(C)** and Petitioner/Transferee Company 3 **(D)** either singly or jointly as on March 31, 2015 is as follows :-

S.No.	Name of Director	Age (Yrs)	Position	Equity shares held in			
				A	B	C	D
1.	Mr. Ratan Jindal	53	Chairman & Managing Director	74,24,148	-	-	-
2.	Mr. Naveen Jindal	45	Director	12,768	-	-	-
3.	Mr. Rajinder Parkash Jindal	71	Executive Director	3,900	-	-	-
4.	Mr. Suman Jyoti Khaitan	56	Director	-	-	-	-
5.	Mr. T.S. Bhattacharya	67	Director	-	-	-	-
6.	Mr. Gautam Kanjilal	65	Nominee Director	-	-	-	-
7.	Mr. Girish Sharma	63	Director	-	-	-	-
8.	Mr. Kanwaljit Singh Thind	59	Additional Director	515	-	-	-
9.	Ms. Ishani Chattopadhyay	40	Additional Director	-	-	-	-

16. The details of the present directors of the Petitioner/Resulting Company/ Transferee Company 1 and their shareholding in each of the Petitioner/Transferor Company (A), Petitioner/Resulting Company/ Transferee Company 1 (B), Petitioner/ Transferee Company 2 (C) and Petitioner/Transferee Company 3 (D) either singly or jointly as on March 31, 2015 is as follows :-

S.No.	Name of Director	Age (Yrs)	Position	Equity shares held in			
				A	B	C	D
1.	Mr. Rajinder Parkash Jindal	71	Additional Director	3,900	-	-	-
2.	Mr. Mahabir Parshad Swami	59	Additional Director	-	250*	10*	10*
3.	Mr. Mahender Kumar Goel	57	Director	-	-	-	-

* Holding shares as nominee of Jindal Stainless Limited

17. The details of the present directors of the Petitioner/Transferee Company 2 and their shareholding in each of the Petitioner/Transferor Company (A), Petitioner/Resulting Company/Transferee Company 1 (B), Petitioner/ Transferee Company 2 (C) and Petitioner/Transferee Company 3 (D) either singly or jointly as on March 31, 2015 is as follows :-

S.No.	Name of Director	Age (Yrs)	Position	Equity shares held in			
				A	B	C	D
1.	Mr. Mahabir Parshad Swami	59	Director	-	250*	10*	10*
2.	Mr. Shanti Swaroop Saxena	66	Director	-	250*	10*	10*
3.	Mr. Ankur Agrawal	38	Director	-	250*	10*	10*

* Holding shares as nominees of Jindal Stainless Limited

18. The details of the present directors of the Petitioner/Transferee Company 3 and their shareholding in each of the Petitioner/Transferor Company (A), Petitioner/Resulting Company/Transferee Company 1 (B), Petitioner/ Transferee Company 2 (C) and Petitioner/Transferee Company 3 (D) either singly or jointly as on March 31, 2015 is as follows :-

S.No.	Name of Director	Age (Yrs)	Position	Equity shares held in			
				A	B	C	D
1.	Mr. Mahabir Parshad Swami	59	Director	-	250*	10*	10*
2.	Mr. Shanti Swaroop Saxena	66	Director	-	250*	10*	10*
3.	Mr. Ankur Agrawal	38	Director	-	250*	10*	10*

* Holding shares as nominees of Jindal Stainless Limited

19. The pre-arrangement and post arrangement (expected) share capital structure of the Petitioner/Transferor Company is as follows :-

Share Capital	Petitioner/Transferor Company	
	Pre-arrangement (as on March 20, 2015)	Post-arrangement (expected) **
	In Rs.	In Rs.
Authorized Share Capital		
44,50,00,000 (Forty Four Crore and Fifty Lakh) equity shares having face value of Rs. 2 (Rupees Two) each	89,00,00,000	89,00,00,000
3,00,00,000 (Three Crore) preference shares having face value of Rs. 2 (Rupees Two) each	6,00,00,000	6,00,00,000
Total	95,00,00,000	95,00,00,000
Issued, Subscribed & Paid Up Capital		
22,63,75,005 (Twenty Two Crore Sixty Three Lakh Seventy Five Thousand and Five) equity shares having face value of Rs. 2 (Rupees Two) each*	45, 27,50,010	45, 27,50,010
48,10,440 (Forty Eight Lakh Ten Thousand Four Hundred and Forty) CCCPS having face value of Rs. 2 (Rupees Two) each	96,20,880	96,20,880
Total	46,23,70,890	46,23,70,890
Outstanding Transferor Company GDSs		
*includes 1,76,04,334 (One Crore Seventy Six Lakh Four Thousand Three Hundred and Thirty Four) equity shares having face value Rs. 2 (Rupees Two) each, underlying 88,02,167 (Eighty Eight Lakhs Two Thousand One Hundred and Sixty Seven) Transferor Company GDSs		
** Jindal Stainless Limited (JSL) shall also issue and allot such number of equity shares of JSL of face value of Rs.2/- each, the value of which shall aggregate up to an amount of Rs. 366,18,66,570/- in accordance with the provision of the Scheme (as set out in Clause No. 6.1 of Part C of Section II of the scheme), at a price to be determined in accordance with the provisions of the Scheme and under applicable laws, including Chapter VII of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended from time to time.		

20. The pre-arrangement and post arrangement (expected) share capital structure of the Petitioner/ Resulting Company/Transferee Company 1 is as follows :-

	Petitioner/Resulting Company/Transferee Company 1	
Share Capital	Pre-arrangement (as on March 20, 2015)	Post-arrangement (expected)
	In Rs.	In Rs.
Authorized Share Capital	5,00,000 (divided into 2,50,000 equity shares having face value of Rs.2/- each)	50,00,00,000 (divided into 24,00,00,000 equity shares and 1,00,00,000 preference shares having face value of Rs.2/- each)
Total	5,00,000	50,00,00,000
Issued, Subscribed & Paid Up Capital	5,00,000 (divided into 2,50,000 equity shares having face value of Rs.2/- each)	46,23,70,890 (divided into 22,63,75,005 equity shares having face value of Rs.2/- each*, 48,10,440 CCCPS having face value of Rs.2/- each)
Total	5,00,000	46,23,70,890
Outstanding Transferor Company GDSs		
*includes 1,76,04,334 (One Crore Seventy Six Lakh Four Thousand Three Hundred and Thirty Four) equity shares having face value Rs. 2 (Rupees Two) each, underlying 88,02,167 (Eighty Eight Lakhs Two Thousand One Hundred and Sixty Seven) Transferor Company GDSs		

21. The pre-arrangement and post arrangement (expected) share capital structure of the Petitioner/Transferee Company 2 is as follows :-

	Petitioner/Transferee Company 2	
Share Capital	Pre-arrangement (as on March 20, 2015)	Post-arrangement (expected)
	In Rs.	In Rs.
Authorized Share Capital	5,00,000 (divided into 50,000 equity shares having face value of Rs.10/- each)	265,05,00,000 (divided into 50,000 equity shares, 26,50,00,000 preference shares having face value of Rs.10/- each)
Total	5,00,000	265,05,00,000
Issued, Subscribed & Paid Up Capital	5,00,000 (divided into 50,000 equity shares having face value of Rs.10/- each)	2,62,72,33,110 (divided into 50,000 equity shares, 17,50,00,000 CCCPS and 8,76,73,311 Redeemable Preference Shares having face value of Rs.10/- each)
Total	5,00,000	2,62,72,33,110

22. The pre-arrangement and post arrangement (expected) share capital structure of the Petitioner/Transferee Company 3 is as follows :-

Share Capital	Petitioner/Transferee Company 3	
	Pre-arrangement (as on March 20, 2015)	Post-arrangement (expected)
	In Rs.	In Rs.
Authorized Share Capital	5,00,000 (divided into 50,000 equity shares having face value of Rs.10/- each)	117,75,00,000 (divided into 50,000 equity shares, 11,77,00,000 preference shares having face value of Rs.10/- each)
Total	5,00,000	117,75,00,000
Issued, Subscribed & Paid Up Capital	5,00,000 (divided into 50,000 equity shares having face value of Rs.10/- each)	1,17,69,70,730 (divided into 50,000 equity shares, 2,60,00,000 CCCPS and 9,16,47,073 Redeemable Preference Shares having face value of Rs.10/- each)
Total	5,00,000	1,17,69,70,730

23. The pre-arrangement and post arrangement (expected) equity shareholding pattern of the Petitioner/Transferor Company is as follows :-

Equity Shares of face value of Rs.2/- each

Category code	Category of shareholder	Pre-arrangement as on 20.3.2015			Post-arrangement (Projected)*		
		Number of shareholders	Total number of shares	% to total share capital	Number of shareholders	Total number of shares	% to total share capital
A	Shareholding of promoter & promoter group						
1	Indian						
(a)	Individuals /HUF	20	646,087	0.29	20	646,087	0.29
(b)	Central Govt/State Govt.	-	-	-	-	-	-
(c)	Bodies Corporates	22	52,141,410	23.03	22	52,141,410	23.03
(d)	Financial Institutions /Banks	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-
	Sub Total (A)(1)	42	52,787,497	23.32	42	52,787,497	23.32
2	Foreign						
(a)	Individuals (Non Resident Individuals/ Foreign Ind)	3	7,523,053	3.32	3	7,523,053	3.32
(b)	Bodies Corporates	2	49,450,000	21.84	2	49,450,000	21.84
(c)	Institutions	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-
	Sub Total (A)(2)	5	56,973,053	25.17	5	56,973,053	25.17
	Total shareholding of promoter and promoter group (A) = (A)(1)+(A)(2)	47	109,760,550	48.49	47	109,760,550	48.49
B	Public shareholding						
1	Institutions						
(a)	Mutual Funds /UTI	22	13,796,904	6.09	22	13,796,904	6.09
(b)	Financial institutions / Banks	29	262,848	0.12	29	262,848	0.12
(c)	Central Govt. /State Govt.	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-
(e)	Insurance Companies	3	2,424,934	1.07	3	2,424,934	1.07
(f)	Foreign Institutional Investors	15	30,739,567	13.58	15	30,739,567	13.58
(g)	Foreign Venture capital Investors	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-
(I)	Any other	-	-	-	-	-	-
	Foreign Portfolio Investors (Corporate)	1	10,301,711	4.55	1	10,301,711	4.55
	Sub Total (B) (1)	70	57,525,964	25.41	70	57,525,964	25.41
B2	Non Institutions						
(a)	Bodies Corporates	898	12,099,924	5.35	898	12,099,924	5.35

(b)	Individuals						
I	Individuals shareholders holding nominal share capital up to Rs. 1 lakh	45,909	16,935,816	7.48	45,909	16,935,816	7.48
II	Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	2	150,680	0.07	2	150,680	0.07
(c)	Qualified Foreign Investor	-	-	-	-	-	-
(d)	Any other						
	Trusts	14	16,760	0.01	14	16,760	0.01
	Non Resident Indians	1,436	11,400,795	5.04	1,436	11,400,795	5.04
	Overseas Corporate Bodies	2	1,690	0.00	2	1,690	0.00
	Foreign Nationals	1	4,175	0.00	1	4,175	0.00
	Clearing Members	119	266,865	0.12	119	266,865	0.12
	Hindu Undivided Families	937	607,452	0.27	937	607,452	0.27
	Sub Total (B) (2)	49,318	41,484,157	18.33	49,318	41,484,157	18.33
	Total Public Shareholding (B)= (B)(1)+(B)(2)	49,388	99,010,121	43.74	49,388	99,010,121	43.74
	Total (A)+(B)	49,435	208,770,671	92.22	49,435	208,770,671	92.22
(C)	Shares held by custodians and against which GDS have been issued	1	17,604,334	7.78	1	17,604,334	7.78
1	Promoter & promoter group		16,734,984	7.39		16,734,984	7.39
2	Public		869,350	0.38		869,350	0.38
	Grand Total (A)+(B)+(C)	49,436	226,375,005	100.00	49,436	226,375,005	100.00

***Note:**

Assuming that post - arrangement holding of all the other shareholders will remain same, as it was on the date, on which the pre-arrangement shareholding was prepared.

Jindal Stainless Limited (JSL) shall also issue and allot such number of equity shares of JSL of face value of Rs.2/- each, the value of which shall aggregate up to an amount of Rs. 366,18,66,570/- in accordance with the provision of the Scheme (as set out in clause 6.1 of Part C of Section II of the Scheme), at a price to be determined in accordance with the provisions of the Scheme and under applicable laws, including Chapter VII of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended from time to time.

CCCPS of face value of Rs.2/- each

Category	Cumulative Compulsory Convertible Preference Shares (CCCPS) of Rs.2/- each			
	Pre Scheme		Post Scheme	
	No. of CCCPS	% of holding	No. of CCCPS	% of holding
Promoters	4,810,440	100	4,810,440	100
Public	-	-	-	-
Custodian	-	-	-	-
Total	4,810,440	100	4,810,440	100

24. The pre-arrangement and post arrangement (expected) equity shareholding pattern of the Petitioner/Resulting Company/Transferee Company 1 is as follows :-

Equity Shares of face value of Rs.2/- each

Category code	Category of shareholder	Pre-arrangement as on 20.3.2015			Post-arrangement (Projected)		
		Number of shareholders	Total number of shares	% to total share capital	Number of shareholders	Total number of shares	% to total share capital
A	Shareholding of promoter & promoter group						
1	Indian						
(a)	Individuals /HUF*	6	1,500	0.60	20	646,087	0.29
(b)	Central Govt./State Govt.	-	-	-	-	-	-
(c)	Bodies Corporates	1	248,500	99.40	22	52,141,410	23.03
(d)	Financial Institutions / Banks	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-
	Sub Total (A)(1)	7	250,000	100.00	42	52,787,497	23.32
2	Foreign						
(a)	Individuals (Non Resident Individuals/ Foreign Ind)	-	-	-	3	7,523,053	3.32
(b)	Bodies Corporates	-	-	-	2	49,450,000	21.84
(c)	Institutions	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	0.00	5	56,973,053	25.17
	Total shareholding of promoter and promoter group (A) = (A)(1)+(A)(2)	7	250,000	100.00	47	109,760,550	48.49
B	Public shareholding						
1	Institutions						
(a)	Mutual Funds /UTI	-	-	-	22	13,796,904	6.09
(b)	Financial institutions / Banks	-	-	-	29	262,848	0.12
(c)	Central Govt. /State Govt.	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	3	2,424,934	1.07
(f)	Foreign Institutional Investors	-	-	-	15	30,739,567	13.58
(g)	Foreign Venture capital Investors	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-
(I)	Any other Foreign Portfolio Investors (Corporate)	-	-	-	1	10,301,711	4.55
	Sub Total (B) (1)	-	-	-	70	57,525,964	25.41
B2	Non Institutions						
(a)	Bodies Corporates	-	-	-	898	12,099,924	5.35

(b)	Individuals						
I	Individuals shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	45,909	16,935,816	7.48
II	Individuals shareholders holding nominal sharecapital in excess of Rs. 1 lakh	-	-	-	2	150,680	0.07
(c)	Qualified Foreign Investor	-	-	-	-	-	-
(d)	Any other						
	Trusts	-	-	-	14	16,760	0.01
	Non Resident Indians	-	-	-	1,436	11,400,795	5.04
	Overseas Corporate Bodies	-	-	-	2	1,690	0.00
	Foreign Nationals	-	-	-	1	4,175	0.00
	Clearing Members	-	-	-	119	266,865	0.12
	Hindu Undivided Families	-	-	-	937	607,452	0.27
	Sub Total (B) (2)	-	-	-	49,318	41,484,157	18.33
	Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	49,388	99,010,121	43.74
	Total (A)+(B)	7	250,000	100.00	49,435	208,770,671	92.22
(C)	Shares held by custodians and against which GDS have been issued	-	-	-	1	17,604,334	7.78
1	Promoter & promoter group					16,734,984	7.39
2	Public					869,350	0.38
	Grand Total (A)+(B)+(C)	7	250,000	100.00	49,436	226,375,005	100.00

**Nominees of Jindal Stainless Limited.*

CCCPS of face value of Rs.2/- each

Category	Cumulative Compulsory Convertible Preference Shares (CCCPS) of Rs.2/- each			
	Pre Scheme		Post Scheme	
	No. of CCCPS	% of holding	No. of CCCPS	% of holding
Promoters	-	-	4,810,440	100
Public	-	-	-	-
Custodian	-	-	-	-
Total	-	-	4,810,440	100

25. The pre-arrangement and post arrangement (expected) equity shareholding pattern of the Petitioner/Transferee Company 2 is as follows :-

Category	Equity shares of Rs.10/- each				Cumulative Compulsory Convertible Preference Shares of Rs.10/- each				Non Cumulative Redeemable Preference Shares of Rs.10/- each			
	Pre Scheme (as on March 20, 2015)		Post Scheme		Pre Scheme		Post Scheme		Pre Scheme		Post Scheme	
	No. of shares	%	No. of shares	%	No. of shares	% of holding	No. of shares	%	No. of shares	%	No. of shares	%
Promoters	50,000	100	50,000	100	-	-	175,000,000	100	-	-	87,673,311	100
Public	N.A.	N.A.	N.A.	N.A.	-	-	N.A.	N.A.	-	-	N.A.	N.A.
Custodian	N.A.	N.A.	N.A.	N.A.	-	-	N.A.	N.A.	-	-	N.A.	N.A.
Total	50,000	100	50,000	100	-	-	175,000,000	100	-	-	87,673,311	100

26. The pre-arrangement and post arrangement (expected) equity shareholding pattern of the Petitioner/Transferee Company 3 is as follows :-

Category	Equity shares of Rs.10/- each				Cumulative Compulsory Convertible Preference Shares of Rs.10/- each				Non Cumulative Redeemable Preference Shares of Rs.10/- each			
	Pre Scheme (as on March 20, 2015)		Post Scheme		Pre Scheme		Post Scheme		Pre Scheme		Post Scheme	
	No. of shares	%	No. of shares	%	No. of shares	% of holding	No. of shares	%	No. of shares	%	No. of shares	%
Promoters	50,000	100	50,000	100	-	-	26,000,000	100	-	-	91,647,073	100
Public	N.A.	N.A.	N.A.	N.A.	-	-	N.A.	N.A.	-	-	N.A.	N.A.
Custodian	N.A.	N.A.	N.A.	N.A.	-	-	N.A.	N.A.	-	-	N.A.	N.A.
Total	50,000	100	50,000	100	-	-	26,000,000	100	-	-	91,647,073	100

27. The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.
28. Upon the conclusion of the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner / Transferor Company, the Petitioner Companies will file Petition under Sections 391-394 and other applicable provisions of the Act with the Hon'ble High Court for sanction of the Scheme.
29. The Directors and Key Managerial Personnel (KMP) of the Petitioner/Transferor Company, Petitioner/Resulting Company/ Transferee Company 1, Petitioner/Transferee Company 2 and the Petitioner/ Transferee Company 3 may be deemed to be concerned and/or interested in the Scheme only to the extent to their shareholding in the respective companies, or to the extent of common directorship in the said companies or to the extent the said directors, KMP and relatives of directors and the KMP are the partners, directors, members of the companies, body corporate and/or beneficiary of trust that hold shares in any of the Petitioner Companies.

30. Under Section 391 of the Act, the proposed Scheme will have to be approved by a majority in number representing three-fourth in value of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner/Transferor Company, present and voting, either in person or proxy at the respective meetings. A Form of Proxy is enclosed.
31. It is in the interest of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner/Transferor Company that the said Scheme should be approved. Accordingly, at the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner/Transferor Company the following resolutions will be moved pursuant to the Notice :-
- “RESOLVED THAT** pursuant to the provisions of Sections 391-394 and other applicable provisions, if any of the Companies Act, 1956 and subject to the approval of the Hon'ble High Court of Punjab & Haryana at Chandigarh and subject to other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble High Court of Punjab & Haryana at Chandigarh, consent be and is hereby accorded (i) to the Composite Scheme of Arrangement among Jindal Stainless Limited (“the Company”) and Jindal Stainless (Hisar) Limited and Jindal United Steel Limited and Jindal Coke Limited and their respective Shareholders and Creditors [Scheme]; and (ii) the reduction of the Securities Premium Account of the Company from Rs.1,01,063 lacs to Rs.42,551 lacs in terms of Clause 5.4 of Part C of Section I of the Scheme.”
- RESOLVED FURTHER THAT** the Board of Directors, including duly constituted Committee thereof, of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary to have the Scheme approved by the Hon'ble High Court of Punjab and Haryana at Chandigarh and other relevant authorities (as may be required), to effectively implement the arrangement embodied in the Scheme and to accept such modifications and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court of Punjab and Haryana at Chandigarh and/or other relevant authorities, including to file relevant applications and make appropriate representations in respect thereof, and take all necessary steps in the matter as they may in their absolute discretion deem necessary, desirable or expedient to give effect to the above resolution, and to settle any questions, doubts and difficulties that may arise in this regard and incidental thereto.
- RESOLVED FURTHER THAT** the Board of Directors of the Company and/or a duly constituted Committee of Directors be and are hereby authorized to delegate all or any of their powers herein conferred, to any Director(s) or any other officer(s)/authorized representative(s) of the Company to give effect to the aforesaid resolution.”
32. An Equity Shareholder, Secured Creditor and Unsecured Creditor of the Petitioner/Transferor Company entitled to attend and vote at the respective meetings, is entitled to appoint a proxy to attend and vote. The instrument appointing the proxy should be deposited at the Registered Office of the Petitioner/Transferor Company not later than 48 (forty eight) hours prior to the time of commencement of the respective meetings.
33. Corporate Equity Shareholders, Corporate Secured Creditors and Corporate Unsecured Creditors of the Petitioner/Transferor Company intending to send their authorized representative to attend the respective meetings are requested to lodge a certified true copy of the Board Resolution/Power of Attorney/ Authority Letter authorizing such person to attend and vote on its behalf, not later than 48 (forty eight) hours before the time of commencement of the respective meetings, at the Registered Office of the Petitioner/Transferor Company.
34. The following documents will be open for inspection by the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner/Transferor Company upto one day prior to the date of the respective meetings at the Registered Office of the Petitioner/Transferor Company between 10.00 AM and 5.00 PM on all working days .

- a. Copy of Company Petition No.38 of 2015 filed by the Petitioner Companies;
- b. Copy of the orders dated March 31, 2015 of the Hon'ble High Court of Punjab & Haryana at Chandigarh in the above referred Company Petition;
- c. Copy of the Memorandum and Articles of Association of the Petitioner Companies;
- d. Copy of the audited accounts of the Petitioner/Transferor Company and the Petitioner /Resulting Company/Transferee Company 1 as on March 31, 2014;
- e. Unaudited provisional accounts of the Petitioner/Transferee Company 2 and Petitioner /Transferee Company 3 as on February 28, 2015;
- f. Copy of the Composite Scheme of Arrangement among Jindal Stainless Limited and Jindal Stainless (Hisar) Limited and Jindal United Steel Limited and Jindal Coke Limited and their respective Shareholders and Creditors;
- g. Copy of the Valuation Report dated December 27, 2014 of M/s BSR & Associates, Chartered Accountants;
- h. Copy of the Fairness Opinion dated December 27, 2014 of M/s SPA Capital Advisors Limited, independent merchant banker;
- i. Audit Committee Report dated December 29, 2014;
- j. Copy of the Board Resolution dated December 29, 2014 of the Petitioner/Transferor Company, Petitioner/Resulting Company/ Transferee Company 1, Petitioner/Transferee Company 2 and Petitioner/Transferee Company 3;
- k. Copy of the Board Resolution dated March 24, 2015 of each of the Petitioner/Transferor Company, Petitioner/Resulting Company/ Transferee Company 1, Petitioner/Transferee Company 2 and Petitioner/Transferee Company 3;
- l. Complaints Report dated January 30, 2015 submitted to the NSE and BSE;
- m. Copy of the Observation Letters dated March 20, 2015 issued by the NSE and BSE.

35. This Statement may be treated as the Statement under Section 393 of the Act. A copy of the Scheme and this Statement may also be obtained by any Equity Shareholder, Secured Creditor and Unsecured Creditor of the Petitioner/Transferor Company upto one day prior to the date of the respective meetings at the Registered Office of the Petitioner/Transferor Company between 10.00 AM and 5.00 PM on all working days .

For Jindal Stainless Limited

(Bhartendu Harit)
Authorized Signatory

Place : Hisar
Dated : April 8, 2015

COMPOSITE SCHEME OF ARRANGEMENT

AMONG

JINDAL STAINLESS LIMITED

AND

JINDAL STAINLESS (HISAR) LIMITED

AND

JINDAL UNITED STEEL LIMITED

AND

JINDAL COKE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS & CREDITORS

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INTRODUCTION

A. PREAMBLE

This composite scheme of arrangement is presented under the provisions of Sections 391 – 394 read with Sections 100-103 and other applicable provisions of the Companies Act, 1956 and/or Sections 230-233 (if applicable) and other relevant provisions of the Companies Act, 2013, as may be applicable, read with Sections 2(19AA) or 2(42C) of the Income Tax, 1961, as may be applicable, for the (i) demerger of the Demerged Undertakings (*as defined hereinafter*) of the Transferor Company (*as defined hereinafter*) and vesting of the same with the Resulting Company (*as defined hereinafter*); (ii) transfer of the Business Undertaking 1 (*as defined hereinafter*) of the Transferor Company and vesting of the same with the Resulting Company/Transferee Company 1 (*as defined hereinafter*) on a going concern basis by way of a Slump Sale (*as defined hereinafter*); (iii) transfer of the Business Undertaking 2 (*as defined hereinafter*) of the Transferor Company and vesting of the same with Transferee Company 2 (*as defined hereinafter*) on a going concern basis by way of a Slump Sale; and (iv) transfer of the Business Undertaking 3 (*as defined hereinafter*) of the Transferor Company and vesting of the same with Transferee Company 3 (*as defined hereinafter*) on a going concern basis by way of a Slump Sale. In addition, this composite scheme of arrangement also provides for various other matters consequential or otherwise integrally connected herewith.

B. RATIONALE FOR THE SCHEME

The Transferor Company, a leading stainless steel manufacturer in India, proposes to enter into this composite scheme of arrangement to enable its management to develop focussed business verticals.

The Transferor Company intends to demerge the Demerged Undertakings to and transfer and vest the same in the Resulting Company and transfer and vest, by way of a Slump Sale, the Business Undertaking 1 to the Resulting Company/Transferee Company 1 in order to unlock shareholder value in the Transferor Company, to increase its profitability and to improve serviceability of debt by it. The Transferor Company intends to transfer and vest, by way of a Slump Sale, the Business Undertaking 2 to Transferee Company 2 and the Business Undertaking 3 to the Transferee Company 3 to enable focused management of these business verticals. The Scheme will enable increased capacity utilization and enable the Transferee Company 2 and Transferee Company 3 to increase profitability and improve competitiveness. The transfer and vesting, by way of a Slump Sale, of Business Undertaking 2 and Business Undertaking 3 to the Transferee Company 2 and the Transferee Company 3 respectively will also facilitate the backward integration of the value chain at Odisha thereby resulting in increased efficiencies and profitability for the Transferor Company as well as the Transferee Company 2 and Transferee Company 3.

Currently, the Transferor Company is facing liquidity constraints due to the subdued economic environment adversely affecting demand in the stainless steel industry in India. External factors such as increase in imports (especially cheaper imports from China), increasing raw material prices, unfavourable duty structure vis-a-vis China and adverse foreign exchange fluctuations have also adversely affected the margins and consequently the cash accruals of the Transferor Company.

The Transferor Company had restructured its debt facilities by entering into a corporate debt restructuring scheme in 2009 (“**Original CDR Scheme**”). The Original CDR Scheme was reworked in 2012 in accordance with applicable CDR guidelines issued by the Reserve Bank of India. In connection with the reworking of the Original CDR Scheme, a letter of approval was issued on September 18, 2012 and the Transferor Company executed the Amended and Restated Master Restructuring Agreement (“**Amended MRA**”) on September 25, 2012 with its lenders.

The Transferor Company has, pursuant to the terms of the Amended MRA, taken concrete steps to monetise its assets and has been actively monitoring its business performance and making efforts to manage its liquidity. The Transferor Company intends to enter into the proposed composite scheme of arrangement as a comprehensive business reorganisation, which would, *inter alia*, entail the monetisation of the assets of the Transferor Company to reduce its debt. The proposed business reorganisation is critical for ensuring the long term stability of the Transferor Company, the Resulting Company, the Transferee Company 2 and the Transferee Company 3 as it will lead to unlocking of value for the stakeholders at large in each of the companies and allowing each of the Transferor Company, the Resulting Company, the Transferee Company 2 and the Transferee Company 3 to focus on their respective core competencies.

The composite scheme of arrangement would be in the best interests of the shareholders, creditors, employees and other stakeholders of the Transferor Company, Resulting Company, Transferee Company 2 and Transferee Company 3 respectively, as it would result in enhancement of shareholder value, operational efficiencies and greater focus and would enable the management of each of the aforesaid companies to vigorously pursue revenue growth and expansion opportunities. In view of the abovementioned reasons, it is considered desirable and expedient to implement the proposed composite scheme of arrangement.

C. PARTS OF THE SCHEME

This Scheme (*as defined hereinafter*) is divided into the following sections:

1. SECTION I

DEMERGER OF THE DEMERGED UNDERTAKINGS (AS DEFINED HEREINAFTER) AND VESTING OF THE SAME IN THE RESULTING COMPANY (AS DEFINED HEREINAFTER)

Part A deals with the Definitions and Share Capital.

Part B deals with demerger of the Demerged Undertakings of the Transferor Company (*as defined hereinafter*) and vesting of the same in the Resulting Company (*as defined hereinafter*), in accordance with Section 2 (19AA) of the IT Act (*as defined hereinafter*) and Sections 391 to 394 of the 1956 Act (*as defined hereinafter*) and/ or other relevant provisions of the Act (*as defined hereinafter*).

Part C deals with the payment of consideration, reorganization of share capital and the accounting treatment in the books of the Transferor Company and the Resulting Company and various other matters consequential or otherwise integrally connected herewith.

2. SECTION II

TRANSFER OF THE BUSINESS UNDERTAKING 1 (AS DEFINED HEREINAFTER) AND VESTING OF THE SAME IN THE RESULTING COMPANY BY WAY OF A SLUMP SALE

Part A deals with the Definitions and Share Capital.

Part B deals with the transfer of Business Undertaking 1 (*as defined hereinafter*) of the Transferor Company, and transfer and vesting of the same with Resulting Company on a going concern basis by way of a Slump Sale (*as defined hereinafter*) in accordance with Section 2 (42C) of the IT Act and under Sections 391 to 394 of the 1956 Act and/ or other relevant provisions of the Act.

Part C deals with the payment of consideration and the accounting treatment in the books of the Transferor Company and the Resulting Company and various other matters consequential or otherwise integrally connected herewith.

3. **SECTION III**

TRANSFER OF THE BUSINESS UNDERTAKING 2 (AS DEFINED HEREINAFTER) AND VESTING OF THE SAME IN THE TRANSFEREE COMPANY 2 (AS DEFINED HEREINAFTER) BY WAY OF A SLUMP SALE

Part A deals with the Definitions and Share Capital.

Part B deals with the transfer of Business Undertaking 2 (*as defined hereinafter*) of the Transferor Company, and transfer and vesting of the same with Transferee Company 2 (*as defined hereinafter*) on a going concern basis by way of a Slump Sale in accordance with Section 2 (42C) of the IT Act and under Sections 391 to 394 of the 1956 Act and/ or other relevant provisions of the Act.

Part C deals with the payment of the consideration and the accounting treatment in the books of the Transferor Company and Transferee Company 2 and various other matters consequential or otherwise integrally connected herewith.

4. **SECTION IV**

TRANSFER OF THE BUSINESS UNDERTAKING 3 (AS DEFINED HEREINAFTER) AND VESTING OF THE SAME IN THE TRANSFEREE COMPANY 3 (AS DEFINED HEREINAFTER) BY WAY OF A SLUMP SALE

Part A deals with the Definitions and Share Capital.

Part B deals with the transfer of Business Undertaking 3 (*as defined hereinafter*) of the Transferor Company and transfer and vesting of the same with Transferee Company 3 (*as defined hereinafter*) on a going concern basis by way of a Slump Sale in accordance with Section 2 (42C) of the IT Act and under Sections 391 to 394 of the 1956 Act and/ or other relevant provisions of the Act.

Part C deals with the payment of consideration and the accounting treatment in the books of the Transferor Company and Transferee Company 3 and various other matters consequential or otherwise integrally connected herewith.

5. **SECTION V**

Section V deals with the general terms and conditions applicable to the Scheme.

6. SCHEDULES

SCHEDULE 1 PART A –ASSETS AND LIABILITIES OF THE DEMERGED UNDERTAKING 1

PART B –ASSETS AND LIABILITES OF THE DEMERGED UNDERTAKING 2

SCHEDULE 2 PART A – LIST OF CERTAIN ASSETS OF THE HISAR UNIT

PART B – LIST OF INVESTMENTS OF THE TRANSFEROR COMPANY IN DOMESTIC SUBSIDIARIES COMPRISING PART OF THE BUSINESS UNDERTAKING 1

SCHEDULE 3 LIST OF CERTAIN ASSETS OF THE HSM PLANT

SCHEDULE 4 LIST OF CERTAIN ASSETS OF THE COKE PLANT

SECTION I

DEMERGER OF THE DEMERGED UNDERTAKINGS AND

VESTING OF THE SAME IN THE RESULTING COMPANY

PART A

WHEREAS:

- A. **Jindal Stainless Limited (“Transferor Company”)** is a company incorporated under the 1956 Act (*as defined hereinafter*), and has its registered office at O. P. Jindal Marg, Hisar 125005, Haryana. The Transferor Company is engaged in the business of manufacturing, distribution and sale of stainless steel in India and abroad.
- B. **Jindal Stainless (Hisar) Limited (“Resulting Company”)** is a company incorporated under the 1956 Act, and has its registered office at O. P. Jindal Marg, Hisar 125005, Haryana. The Resulting Company, a wholly owned subsidiary of the Transferor Company, proposes to engage in the business of manufacturing, distribution and sale of stainless steel including, *inter alia*, special steel, coin blanks and precision strips, in India and abroad.
- C. In terms of Section I of this Scheme (*as defined hereinafter*), it is now proposed, *inter alia*, to demerge the Demerged Undertakings (*as defined hereinafter*) of the Transferor Company, and vest the same with the Resulting Company pursuant to a court sanctioned composite scheme of arrangement under Sections 391 to 394 read with Sections 100 to 103 of the 1956 Act (*as defined hereinafter*) and/or Sections 230-233 read with Sections 66 and 52 of the 2013 Act (*as defined hereinafter*), if applicable, and/ or other relevant provisions of the Act (*as defined hereinafter*), in the manner provided for in Section I of the Scheme.
- D. The demerger of the Demerged Undertakings and vesting of the same in the Resulting Company pursuant to and in accordance with Section I of this Scheme will be in accordance with Section 2 (19AA) of the IT Act (*as defined hereinafter*).

1. DEFINITIONS

For the purposes of Section I of this Scheme, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as mentioned herein below:

- (a) **“1956 Act”** means the Companies Act, 1956 (Act No.1 of 1956) together with the rules and regulations, circulars, notifications, clarifications and orders issued thereunder and as amended from time to time and to the extent in force.
- (b) **“2013 Act”** means the Companies Act, 2013 (Act No.18 of 2013) together with the rules and regulations, circulars, notifications, clarifications and orders issued thereunder and as amended from time to time and to the extent in force.
- (c) **“Act”** means the 1956 Act or the 2013 Act, as may be applicable, as amended or substituted by any statutory modification / re-enactment thereof.
- (d) **“Appointed Date 1”** means the close of business hours before midnight of March 31, 2014, the date with effect from which Sections I and II of this Scheme will be deemed to be effective, in the manner described in Clause 1.3 of Section V of the Scheme.
- (e) **“Court”** means the Hon’ble High Court of Judicature of Punjab and Haryana at Chandigarh and will include, if applicable, a reference to the National Company Law Tribunal or such other forum or authority which may be vested with any of the powers of a High Court under the Act.

- (f) **“CCCPS”** means the cumulative compulsorily convertible preference shares having face value of Rs. 2 (Rupees Two) each in the Transferor Company, with a coupon rate of 0.10% (Zero point One Zero per cent.), each compulsorily convertible into 1 (One) equity share having face value of Rs. 2 (Rupees Two) each of the Transferor Company, on or before the expiry of 18 (Eighteen) calendar months from the date of allotment, and outstanding as on the Record Date, if any.
- (g) **“Chromite Mines”** means the chromite mines covering an area of 219.920 acres and located in Village Kaliapani and forest block number 27, Sukinda Tehsil, Jajpur District, Odisha.
- (h) **“DGFT”** means the Directorate General of Foreign Trade.
- (i) **“Demerged Undertaking 1”** means the business undertaking comprising of the FA Division (*as defined hereinafter*) of the Transferor Company, comprising of the assets and liabilities set out in **Part A of Schedule 1** hereto, on a going concern basis, inclusive of but not limited to:
- (i) all assets, whether moveable or immovable, whether leasehold or freehold, (including the right to use the land on which the FA Division is located but excluding the ownership or leasehold rights in such land) including all rights, title, interest, claims, covenants, undertakings of the Transferor Company pertaining to the FA Division;
 - (ii) all investments, receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Transferor Company pertaining to the FA Division;
 - (iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured of the Transferor Company pertaining to the FA Division;
 - (iv) all permits, rights, entitlements, licenses (including licenses issued by the DGFT under EPCG Scheme, Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT), approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax (including carry forward tax losses comprising of unabsorbed depreciation), tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax credit), privileges and benefits of all contracts, agreements, tenders, bids, experience and/or performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Transferor Company pertaining to the FA Division;
 - (v) all copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom of the Transferor Company relating to the FA Division, including without limitation, all rights to the brand names and logos “Jindal”, “Jindal Stainless” and “J” and all rights of the Transferor Company in any and all classes of the trademarks and logos, “JSL”, “JSL color”, “JINDAL Stainless”, “J JINDAL” and “J JINDAL Stainless” whether registered, unregistered or pending registration;
 - (vi) all employees of the Transferor Company employed in relation to the FA Division;
 - (vii) all legal, tax, regulatory, quasi judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated by or against the Transferor Company in connection with the FA Division; and
 - (viii) all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Transferor Company pertaining to the FA Division.

- (j) **“Demerged Undertaking 2”** means the business undertaking comprising of the Mining Division (*as defined hereinafter*) of the Transferor Company, comprising of the assets and liabilities set out in **Part B of Schedule 1** hereto, on a going concern basis, inclusive of but not limited to:
- (i) all assets, whether moveable or immovable, whether leasehold or freehold, including all rights, title, interest, claims, covenants, undertakings of the Transferor Company pertaining to the Mining Division;
 - (ii) all investments, receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Transferor Company pertaining to the Mining Division;
 - (iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured of the Transferor Company pertaining to the Mining Division;
 - (iv) all permits, rights, entitlements, licenses (including licenses issued by the DGFT under EPCG Scheme, Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT), approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax (including carry forward tax losses comprising of unabsorbed depreciation), tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax credit), privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Transferor Company pertaining to the Mining Division;
 - (v) all copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom of the Transferor Company pertaining to the Mining Division, whether registered, unregistered or pending registration;
 - (vi) all employees of the Transferor Company employed in relation to the Mining Division;
 - (vii) all legal, tax, regulatory, quasi judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated by or against the Transferor Company in connection with the Mining Division,; and
 - (viii) all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Transferor Company pertaining to the Mining Division.
- (k) **“Demerged Undertakings”** means the Demerged Undertaking 1 and the Demerged Undertaking 2, collectively.
- (l) **“Depository”** means Citibank N.A., being the depository for the Transferor Company GDSs.
- (m) **“Effective Date 1”** means the date on which the last of the approvals in Clause 1.5(a) of Section V of the Scheme are obtained and Sections I and II of the Scheme are made effective with effect from the Appointed Date 1.

- (n) **"EPCG Scheme"** means Export Promotion Capital Goods Scheme.
- (o) **"ESOP Scheme"** means the Employee Stock Option Scheme 2010 instituted by the Transferor Company, as amended, modified or replaced from time to time.
- (p) **"FA Division"** means the division of the Transferor Company comprising of the ferro alloy manufacturing facility of the Transferor Company located at Jindal Nagar, Kothavalasa 535 183, District Vizianagaram, Andhra Pradesh, India, together with associated liabilities thereto.
- (q) **"GDSs"** means the global depository shares issued under the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 or the Depository Receipts Scheme 2014, and other applicable laws, and where relevant, shall include the underlying equity shares relating thereto.
- (r) **"ICDR"** means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time or any statutory modification / re-enactment thereof.
- (s) **"IT Act"** means the Income Tax Act, 1961, as amended from time to time or any statutory modification / re-enactment thereof together with the rules, regulations, circulars, notifications, clarifications and orders issued thereunder.
- (t) **"Mining Division"** means the Chromite Mines in respect of which the Transferor Company has leasehold rights together with the associated liabilities thereto.
- (u) **"Record Date"** has the meaning ascribed to it in Clause 4.1 of Section I of this Scheme.
- (v) **"Resulting Company"** has the meaning assigned to it in Recital B hereto.
- (w) **"Resulting Company CCCPS"** means cumulative compulsorily convertible preference shares having face value of Rs. 2 (Rupees Two) each in the Resulting Company, with a coupon rate of 0.10% (Zero point One Zero per cent.), each compulsorily convertible into 1 (One) equity shares having face value of Rs. 2 (Rupees Two) each of the Resulting Company, by September 30, 2015.
- (x) **"Resulting Company Depository"** has the meaning ascribed to it in Clause 7 of Section I of this Scheme.
- (y) **"Resulting Company Deposit Agreement"** has the meaning ascribed to it in Clause 7 of Section I of this Scheme.
- (z) **"Resulting Company GDSs"** has the meaning ascribed to it in Clause 7 of Section I of this Scheme.
- (aa) **"RoC"** means the Registrar of Companies, National Capital Territory of Delhi and Haryana.
- (bb) **"Scheme"** means this composite scheme of arrangement among the Transferor Company, the Resulting Company, the Transferee Company 2 and the Transferee Company 3 and their respective shareholders and creditors in accordance with the provisions hereof pursuant to the provisions of Sections 391 – 394 of 1956 Act and/or other relevant provisions of the Act.
- (cc) **"Securities Act"** has the meaning ascribed to it in Clause 7 of Section I of this Scheme.
- (dd) **"Stock Exchanges"** means the stock exchanges where the equity shares of the Transferor Company are listed and are admitted to trading, viz, BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**").

- (ee) **“Transferor Company GDSs”** means the GDSs outstanding on the Record Date and issued by the Transferor Company pursuant to the Regulation S Deposit Agreement dated September 16, 2005 executed between the Transferor Company and the Depository and the beneficial holders of the said GDS.

The expressions, which are used in this Section I of the Scheme and not defined in Section I shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Sections II, III and IV or V of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

2. SHARE CAPITAL

- 2.1. The share capital of the Transferor Company as on December 26, 2014, is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorized share capital	
44,50,00,000 (Forty Four Crore and Fifty Lakh) equity shares having face value of Rs. 2 (Rupees Two) each	89,00,00,000
3,00,00,000 (Three Crore) preference shares having face value of Rs. 2 (Rupees Two) each	6,00,00,000
Total	95,00,00,000
Issued and paid-up share capital	
22,63,75,005 (Twenty Two Crore Sixty Three Lakh Seventy Five Thousand and Five) equity shares having face value of Rs. 2 (Rupees Two) each*	45,27,50,010
48,10,440 (Forty Eight Lakh Ten Thousand Four Hundred and Forty) CCCPS having face value of Rs. 2 (Rupees Two) each	96,20,880
Total	46,23,70,890
<u>Outstanding Transferor Company GDSs</u>	
*includes 1,76,04,334 (One Crore Seventy Six Lakh Four Thousand Three Hundred and Thirty Four) equity shares having face value Rs. 2 (Rupees Two) each, underlying 88,02,167 (Eighty Eight Lakhs Two Thousand One Hundred and Sixty Seven) Transferor Company GDSs	

- 2.2. The share capital of the Resulting Company as on December 26, 2014, is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorized share capital	
2,50,000 (Two Lakh Fifty Thousand) equity shares having face value of Rs. 2 (Rupees Two) each	5,00,000
Total	5,00,000
Issued and paid-up share capital	
2,50,000 (Two Lakh Fifty Thousand) equity shares having face value of Rs. 2 each (Rupees Two)	5,00,000
Total	5,00,000

2.3. The main objects of the Transferor Company and the Resulting Company are as follows:

(a) Transferor Company:

- “1. To set up Steel and non-ferrous melting furnaces, converters. AP Lines and casting facilities to produce stainless steel, Ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, bloom, rounds billets of various cross-sections, alloys and special steel, to make a deal in ferrous. non ferrous and special alloy and steel including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for and for other applications.
2. To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shaftings and blank-coins.
3. To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulates, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metallingerous ore, manganese ore, chrome ore, nickel ore, coal lignite, limestone, quartz, zinc ore, copper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities.
4. To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchases dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.
5. To manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferros silicon, ferro chrome, ferro manganese and other ferros substances and metals of every description and grades and to manufacture, deal, import and export all kinds and varieties of non-ferros raw metals such as aluminum, copper, tin, lead etc. and the by-products obtained in processing and manufacturing these raw metals.
6. To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use transmit, accumulate, employ. Distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants bases on any source of energy as may be developed or invented in future.
7. To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carbolic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gasses, substances or any compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and thing or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”

(b) Resulting Company:

1. *“To set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, blooms, rounds billets of various cross-sections, alloys and special steel, to make and deal in ferrous/non-ferrous and special alloys & steels including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for other applications.*
2. *To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shafting and blank-coins.”*
3. *To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulate, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metalliferous ore, manganese ore, chrome ore, nickel ore, coal, lignite, limestone, quartz, zinc ore, copper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities.*
4. *To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchase dealers, import and export agents, representatives, Contractors, and dealers of and in forging, Casting of Steel, Stainless and Special Steels, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*
5. *To manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferro silicon, ferro chrome, ferro manganese and other ferrous substances and metals of every description and grades and to manufacture, deal, import, and export all kinds and varieties of non-ferrous raw metals such as aluminum, copper, tin, lead etc. and the by products obtained in processing and manufacturing these raw metals.*
6. *To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy as may be developed or invented in future.*
7. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carbolic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gases, substances and compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and things or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”*

PART B

3. DEMERGER OF THE DEMERGED UNDERTAKINGS AND VESTING OF THE SAME IN THE RESULTING COMPANY

3.1. Subject to the provisions of Section I of the Scheme in relation to the modalities of demerger and vesting, upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Demerged Undertakings, together with all their respective properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall demerge from the Transferor Company and be transferred to, and stand vested in, the Resulting Company, and shall become the property of and an integral part of the Resulting Company, subject to existing encumbrances (unless otherwise agreed to by the encumbrance holders), without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, the Demerged Undertakings shall stand transferred and vested in the Resulting Company, in the manner described in sub-paragraphs (a) – (n) below:

- (a) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all immovable property pertaining to the Demerged Undertakings, whether freehold or leasehold (including the right to use the land on which the FA Division is located but excluding the ownership or leasehold rights in such land) and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company, and without any approval or acknowledgement of any third party. Upon Section I of the Scheme coming into effect on the Effective Date 1, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Resulting Company, by the appropriate authorities pursuant to the sanction of the Scheme by the Court and Section I of the Scheme becoming effective on the Effective Date 1 in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the Demerged Undertakings is given to the Resulting Company in accordance with the terms hereof.
- (b) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all the assets of the Demerged Undertakings as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by transfer or by vesting and recordal pursuant to the Scheme, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-Clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being transferred and vested, and the title to such property shall be deemed to have transferred and vested accordingly.
- (c) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts and receivables (including without limitation, receivables amounting to Rs. 575,98,18,450 (rounded off) (Rupees Five Hundred and Seventy Five Crore Ninety Eight Lakh Eighteen Thousand Four Hundred and Fifty) as of Appointed Date 1 due to the Resulting Company from the Transferor Company as a result of the implementation of Section I of the Scheme), outstanding loans and advances, if any, relating to the Demerged Undertakings, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons shall, without any act, instrument or deed required by either the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party become the property of the Resulting Company.
- (d) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Demerged Undertakings, whether provided for or not in the books of

accounts of the Transferor Company or disclosed in the balance sheet of such Demerged Undertakings, including general and multipurpose borrowings, if any, dealt with in accordance with Section 2(19AA) of the IT Act, shall become and be deemed to be, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company. The Resulting Company undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause. However, the Transferor Company and the Resulting Company shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Court or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to the Resulting Company as part of the Demerged Undertakings and/or in relation to the assets remaining in the Transferor Company after the demerger and vesting of the Demerged Undertakings in the Resulting Company pursuant to Section I of this Scheme becoming effective in accordance with the terms hereof. Where any of the loans, liabilities and obligations attributed to the Demerged Undertakings have been discharged by the Transferor Company on behalf of the Demerged Undertakings after the Appointed Date 1 but before the Effective Date 1, such discharge shall be deemed to have been done by the Transferor Company for and on behalf of the Resulting Company.

- (e) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all incorporeal or intangible property of or in relation to the Demerged Undertakings shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed required by either the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.
- (f) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all letters of intent, memoranda of understanding, memoranda of agreements, tenders, bids, experience and/or performance statements, contracts, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of whatsoever nature or description, in relation to the Demerged Undertakings to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be in full force and effect against or in favour of the Resulting Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.
- (g) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all rights, entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered, unregistered or pending registration, and the goodwill arising therefrom, relating to the Demerged Undertakings, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or entitled (including without limitation, all rights to the brand names and logos "Jindal", "Jindal Stainless" and "J" and all rights of the Transferor Company in any and all classes of the trademarks and logos, "JSL", "JSL color", "JINDAL Stainless", "J JINDAL", "J JINDAL Stainless"), shall become the rights, entitlement or property of the Resulting Company and shall be enforceable by or against the Resulting Company, as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.
- (h) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations, approvals, clearances, tenancies, privileges, powers, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax (including carry forward tax losses comprising of unabsorbed depreciation), sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax credit), facilities of every kind and description of whatsoever nature, in

relation to the Demerged Undertakings to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be enforceable by or against the Resulting Company, as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.

- (i) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, any statutory or regulatory licenses (including mining license/ lease and the licenses issued by the DGFT under the EPCG Scheme, Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT), grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Demerged Undertakings or granted to the Transferor Company in relation to the Demerged Undertakings shall stand transferred and vested in the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. The benefit of, and the obligations under, all such statutory and regulatory licences, permissions, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights (including environmental approvals and consents) required to carry on the operations of the Demerged Undertakings shall also stand transferred and vested in and become available to the Resulting Company pursuant to Section I of this Scheme without any further act, instrument or deed required by either the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. If the consent or recordal of any licensor or authority is required to give effect to the provisions of this sub-clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to Section I of the Scheme becoming effective in accordance with the terms hereof.
- (j) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Resulting Company shall bear the burden and the benefits of any legal, tax, quasi judicial, administrative, regulatory or other proceedings initiated by or against the Transferor Company in connection with the Demerged Undertakings. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company in connection with the Demerged Undertakings be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the demerger of such Demerged Undertakings and transfer and vesting of the same in the Resulting Company or of anything contained in Section I of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if Section I of this Scheme had not been made effective. Upon Section I of the Scheme becoming effective, the Resulting Company undertakes to have such legal or other proceedings initiated by or against the Transferor Company in relation to the Demerged Undertakings transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Transferor Company. The Resulting Company also undertakes to handle all legal or other proceedings which may be initiated against the Transferor Company in connection with the Demerged Undertakings after the Effective Date 1 in its own name and account and further undertakes to pay all amounts including interest, penalties, damages etc., pursuant to such legal/ other proceedings.
- (k) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all persons that were employed in the Transferor Company in connection with the Demerged Undertakings immediately before such date shall become employees of the Resulting Company, with the benefit of continuity of service on the terms and conditions no less favourable than those applicable to such employees immediately prior to such transfer and vesting and without any break or interruption in service. It is clarified that such employees of the Transferor Company that become employees of the Resulting Company by virtue of Section I of this Scheme coming into effect, shall continue to be governed by the terms of employment as were applicable to them immediately before such transfer (including in relation to stock options except to the extent modified by this Scheme) and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Resulting Company, unless and otherwise so stated by the Resulting Company in writing in respect of all employees, class of employees or any particular employee. The

Resulting Company undertakes to continue to abide by any agreement/ settlement, if any, entered into by the Transferor Company, in relation to the Demerged Undertakings, in respect of such employees with their respective employees/ employee unions, if any. With regard to the provident fund, gratuity fund, superannuation fund, contributions required to be made under the Employees State Insurance Act, 1948, or any other special fund or obligation created or existing for the benefit of such employees of the Transferor Company, upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Resulting Company shall stand substituted for the Transferor Company for all purposes whatsoever including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident benefits, gratuity benefits and superannuation benefits, contributions made under the Employees State Insurance Act, 1948, or any other special benefits or obligation, if any, created by the Transferor Company for the employees of the Demerged Undertakings shall be continued by the Resulting Company for the benefit of such employees on the same terms and conditions. It is the aim and intent of Section I of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or benefits shall become those of the Resulting Company. Further, upon Section I of the Scheme coming into effect, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Transferor Company in relation to the Demerged Undertakings shall be continued/ continue to operate against the relevant employee and shall be enforced effectively by the Resulting Company.

- (l) (i) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Demerged Undertakings who are proposed to be transferred as part of the Scheme to the Resulting Company, which have been granted and vested but have not been exercised as on the Record Date, such options shall continue to vest in the employees of the Demerged Undertakings being transferred to the Resulting Company. Upon exercise of the aforesaid options by the said employees from time to time in accordance with the ESOP Scheme, the Transferor Company shall continue to honour its obligations under the ESOP Scheme with respect to such employees in accordance with the provisions of the ESOP Scheme and shall issue and allot fully paid-up equity shares of the Transferor Company in respect of such exercised options in accordance with the ESOP Scheme. The Resulting Company shall have no obligation to issue any stock options or shares to such employees of the Demerged Undertaking in lieu of the stock options granted by the Transferor Company under the ESOP Scheme.
- (ii) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Demerged Undertakings who are proposed to be transferred as part of the Scheme to the Resulting Company, which have been granted but have not been vested as of the Effective Date 1, such options would lapse automatically without any further act, instrument or deed required by either of the Transferor Company or the employee or the Resulting Company and without any approval or acknowledgement of any third party.
- (iii) The exercise price of the stock options granted (whether vested or not) under the ESOP Scheme shall be reduced in the same proportion as the assets of the Demerged Undertakings bear to the total assets of the Transferor Company immediately prior to the Appointed Date 1.
- (iv) The ESOP Scheme shall, pursuant to this Scheme, be modified by the Transferor Company, as considered appropriate by its Compensation Committee, to give effect to the above clauses and the consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be their consent and approval in relation to all matters pertaining to the ESOP Scheme as described in this Scheme, including without limitation, for the purposes of effecting necessary modifications to the ESOP Scheme and all related matters. All actions taken in accordance with this sub-clause (l) of Section I of this Scheme shall be deemed to be in full compliance of Sections 62 and/or 42 of the 2013 Act, any other applicable provisions of the Act and the guidelines/regulations issued by SEBI and no further approval of the shareholders of the Transferor Company or other resolution, action or compliance under Sections 62 and/or 42 of the 2013 Act and/or any other applicable provisions of the Act and/or under the guidelines/regulations issued by SEBI would be required to be separately passed or undertaken by the Transferor Company or the Resulting Company.

- (v) The Boards of Directors of the Transferor Company and the Resulting Company may take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this sub-clause (l).
 - (m) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all taxes paid or payable by the Transferor Company in relation to the Demerged Undertakings including all carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, tax deducted at source, tax liabilities or any refunds and claims (including unutilized input credits of the Demerged Undertakings) shall be treated as the carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, tax deducted at source, tax liabilities or refunds/ claims (including unutilized input credits) as the case may be, of the Resulting Company. Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat/ Cenvat), customs, value added tax, sales tax, service tax to which the Transferor Company is entitled in relation to the Demerged Undertakings shall be available to and shall stand transferred and vested in the Resulting Company without any further act, instrument or deed required by either the Resulting Company or the Transferor Company and without any approval or acknowledgement of any third party. Upon Section I of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, any tax deducted at source deducted by or on behalf of the Transferor Company until the Effective Date 1 shall be deemed to have been deducted on behalf of the Resulting Company to the extent of the income attributable to the Demerged Undertakings during such period.
 - (n) Upon Section I of the Scheme coming into effect on the Effective Date 1, the Transferor Company and the Resulting Company shall be entitled to file/ revise/reopen their respective financial statements (including balance sheet and profit and loss statement) and its statutory/tax returns and related tax payment certificates and to claim refunds/credits and advance tax/ TDS/minimum alternate tax credits as may be required consequent to the implementation of Section I of the Scheme.
- 3.2. The Transferor Company and/ or the Resulting Company, as the case may be, shall at any time upon Section I of the Scheme coming into effect and with effect from the Appointed Date 1 and in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertakings to which the Transferor Company has been a party, in order to give formal effect to the above provisions. The Resulting Company shall, under the provisions of Section I of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 3.3. Upon Section I of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, the Resulting Company shall be entitled to the benefit of the past experience and/or performance of the Transferor Company in relation to Demerged Undertakings for all purposes without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Resulting Company, the Transferor Company shall duly execute the same and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to Section I of the Scheme becoming effective in accordance with the terms hereof. The Resulting Company shall, under the provisions of Section I of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on behalf of the Transferor Company.
- 3.4. Conduct of Business
- (a) With effect from the Appointed Date 1 and up to and including the Effective Date 1:
 - (i) The Transferor Company shall carry on and be deemed to have been carrying on all the business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the contracts, liabilities or property or assets or the benefit or obligations thereof or thereunder pertaining to the Demerged Undertakings for and on behalf of and in trust for the Resulting Company.

- (ii) All profits/benefits accruing to the Transferor Company in relation to the Demerged Undertakings and all taxes thereof or losses and/ or interest arising or incurred by it shall, for all purposes, be treated as the profits, benefits, taxes or losses and/ or interest, as the case may be, of the Resulting Company.
- (b) Subject to the provisions of Clause 3.4(a)(i) hereinabove, in the event any asset, contract, document, liability or property or the rights, interest, obligations and benefits thereof or thereunder (including without limitation, shipping documents, bills of entry, foreign inward remittance certificates and bank realization certificates), which is a part of the Demerged Undertakings does not get automatically transferred to the Resulting Company upon Section I of the Scheme coming into effect on the Effective Date 1, the Transferor Company shall take all necessary steps and execute all necessary documents, to ensure the transfer of such asset, contract, document, liability and property or the rights, interest, obligations and benefits thereof and thereunder to the Resulting Company forthwith after the Effective Date 1 without any further consideration and until the transfer of any such asset, the Resulting Company will have the right to use the same without payment of any additional consideration. It is clarified that even after Section I of the Scheme comes into effect on the Effective Date 1, the Transferor Company shall, with the written consent of the Resulting Company, be entitled to realize or pay all monies and to complete, enforce or discharge all pending contracts, arrangements or obligations in relation to the Demerged Undertakings in trust and at the sole cost and expense of the Resulting Company in so far as may be necessary until all rights and obligations of the Transferor Company in respect of such pending contracts, arrangements or obligations stand fully devolved to and in favour of the Resulting Company.

PART C

4. CONSIDERATION

- 4.1. Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, and upon the transfer of the Demerged Undertakings and vesting of the same in the Resulting Company, the board of directors of the Resulting Company shall determine a record date, being a date subsequent to the filing of the order of the Court sanctioning the Scheme with the RoC ("**Record Date**") for the allotment of (i) equity shares having face value of Rs. 2 (Rupees Two) each of Resulting Company, credited as fully paid up; and (ii) Resulting Company CCCPS having face value of Rs. 2 (Rupees Two) each, credited as fully paid up, to the equity shareholders and holders of CCCPS respectively, of the Transferor Company as on the Record Date, in consideration for the demerger of the Demerged Undertakings.
- 4.2. The boards of directors of the Resulting Company and the Transferor Company, respectively have determined the share entitlement ratio, such that: (a) for every 1 (One) equity share having face value of Rs. 2 (Rupees Two) each held in the Transferor Company as on the Record Date, the equity shareholders of the Transferor Company shall be issued 1 (One) equity share having face value of Rs. 2 (Rupees Two) each, credited as fully paid-up, in the Resulting Company; and (b) for every 1 (One) CCCPS having face value of Rs. 2 (Rupees Two) each held in the Transferor Company as on the Record Date, the holders of CCCPS of the Transferor Company shall be issued 1 (One) Resulting Company CCCPS having face value of Rs. 2 (Rupees Two) each, credited as fully paid-up, in the Resulting Company.

Accordingly, based on the issued and paid up share capital of the Transferor Company as on December 26, 2014, a total of 22,63,75,005 (Twenty Two Crore Sixty Three Lakh Seventy Five Thousand and Five) fresh equity shares of the Resulting Company having a face value of Rs. 2 (Rupees Two) each, credited as fully paid-up and 48,10,440 (Forty Eight Lakh Ten Thousand Four Hundred and Forty) Resulting Company CCCPS, credited as fully paid-up, shall be issued by the Resulting Company to, the equity shareholders and holders of CCCPS, respectively, of the Transferor Company, provided however, that the number of equity shares and Resulting Company CCCPS actually issued by the Resulting Company to the equity shareholders and holders of CCCPS of the Transferor Company shall depend on the issued and paid-up share capital of the Transferor Company as on the Record Date.

- 4.3. The Resulting Company shall, without any further act or deed, issue and allot to every shareholder of the Transferor Company on the Record Date, the requisite number of equity shares of the Resulting Company and/or the Resulting Company CCCPS, as the case may be. The said equity shares of the Resulting Company to be issued to the shareholders of the Transferor Company pursuant to Clause 4.2 of Section I above shall rank *pari passu* in all respects with the existing equity shares of the Resulting Company.
- 4.4. It is hereby clarified that no equity shares or Resulting Company CCCPS shall be issued by the Resulting Company to any equity shareholder or holder of CCCPS of the Transferor Company in respect of fractional entitlements, if any, as on the Record Date, of such equity shareholder or holder of CCCPS and the fractional entitlements, if any, of such equity shareholders and holders of CCCPS of the Transferor Company shall be ignored at the time of issue and allotment of such equity shares or Resulting Company CCCPS by the Resulting Company.
- 4.5. The share entitlement ratio stated in Clause 4.2 of Section I above has been determined and agreed upon by the respective boards of directors of each of the Transferor Company and the Resulting Company based on their independent judgment after taking into consideration the recommendation of the share entitlement ratio provided by independent chartered accountants, B S R and Associates and the fairness opinion provided by independent merchant bankers, SPA Capital Advisors Limited, as presented before the audit committee of the board of directors of the Transferor Company.
- 4.6. On the approval of Section I of the Scheme by the members of the Resulting Company pursuant to Section 391 of the 1956 Act and/ or the relevant provisions of the 2013 Act, if applicable, it shall be deemed that the members of the Resulting Company have also accorded their consent under Sections 42, 55 and 62 of the 2013 Act and/or other provisions of the Act as may be applicable for the aforesaid issuance of equity shares of the Resulting Company and Resulting Company CCCPS, as the case may be, to the shareholders of the Transferor Company, and all actions taken in accordance with this Clause 4 of Section I of this Scheme shall be deemed to be in full compliance of Sections 42, 55 and 62 of the 2013 Act and other applicable provisions of the Act and that no further resolution or actions under Sections 42, 55 and 62 of the 2013 Act and/or any other applicable provisions of the Act, including, *inter alia*, issuance of a letter of offer by the Resulting Company shall be required to be passed or undertaken.

5. REDUCTION IN SHARE CAPITAL OF THE RESULTING COMPANY AND REDUCTION IN THE SECURITIES PREMIUM ACCOUNT OF THE TRANSFEROR COMPANY

- 5.1 Upon Section I of the Scheme coming into effect on the Effective Date 1 and immediately after issuance of the equity shares of the Resulting Company and the Resulting Company CCCPS to the equity shareholders and holders of CCCPS of the Transferor Company, respectively, the 2,50,000 (Two Lakh Fifty Thousand) equity shares of the Resulting Company having face value of Rs. 2 (Rupees Two) each held by the Transferor Company comprising 100% (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date 1 shall stand cancelled without any further act or deed on the part of the Resulting Company. The reduction in the share capital of the Resulting Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the Act without any further act or deed on the part of the Resulting Company and without any approval or acknowledgement of any third party. The order of the Court sanctioning the Scheme shall be deemed to also be the order passed by the Court under Section 102 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the 1956 Act (and Section 66(1)(a) of the 2013 Act, if in force) shall not be applicable. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.
- 5.2 It is expressly clarified that for the purposes of this Clause 5 of Section I of the Scheme, the consent of the shareholders and the creditors of the Resulting Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reorganization in the share capital of the Resulting Company resulting in a reduction in the equity share capital of the Resulting Company, and no further resolution or action under Section 100 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/or any other applicable provisions of the Act would be required to be separately passed or taken.

- 5.3 The reduction of the share capital of the Resulting Company as contemplated in this Clause 5 shall become effective, in accordance with the provisions of Section 103 of the 1956 Act (or Section 66(5) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act and rules and regulations framed thereunder, pursuant to the filing of the order of the Court sanctioning the aforesaid capital reduction by the Resulting Company with the RoC and upon registration by the RoC of such order of the Court and of the minute approved by the Court, if any, showing, with respect to the share capital of the Resulting Company as altered by the order, (a) the amount of share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each share at the date of registration of the aforesaid minute and order by the RoC. Such reduction in the share capital of the Resulting Company as contemplated in this Clause 5 of Section 1 of the Scheme shall be conditional upon Section 1 of this Scheme becoming effective on the Effective Date 1. If this Scheme is, for any reason whatsoever, not sanctioned by the Court, such reduction of share capital as set out in this Clause 5 of Section I of the Scheme shall not become effective and shall be deemed to be redundant.
- 5.4 Upon Section I of the Scheme coming into effect on the Effective Date 1, in accordance with Clause 8.2 of Section I of this Scheme, the difference between the amount of assets and liabilities pertaining to the Demerged Undertakings being transferred by the Transferor Company pursuant to Section I of the Scheme shall be partially adjusted against the Securities Premium Account of the Transferor Company and to the extent of such adjustment, the Securities Premium Account of the Transferor Company shall stand reduced without any further act or deed on the part of the Transferor Company. The reduction in the Securities Premium Account of the Transferor Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 of the 2013 Act read with Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the Act without any further act or deed on the part of the Transferor Company and without any approval or acknowledgement of any third party. The order of the Court sanctioning the Scheme shall be deemed to also be the order passed by the Court under Section 52 of the 2013 Act read with Section 102 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the 1956 Act (and Section 66(1)(a) of the 2013 Act, if in force) shall not be applicable. Notwithstanding the reduction in the share capital of the Transferor Company, the Transferor Company shall not be required to add "And Reduced" as suffix to its name.
- 5.5 It is expressly clarified that for the purposes of this Clause 5 of Section I of the Scheme, the consent of the shareholders and the creditors of the Transferor Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reduction of the Securities Premium Account of the Transferor Company and no further resolution or action under Section 52 of the 2013 Act read with Section 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/or any other applicable provisions of the Act would be required to be separately passed or taken.
- 5.6 The reduction of the Securities Premium Account of the Transferor Company as contemplated in this Clause 5 shall become effective, in accordance with the provisions of Section 52 of the 2013 Act read with Section 103 of the 1956 Act (or Section 66(5) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act, pursuant to the filing of the order of the Court sanctioning the aforesaid reduction by the Transferor Company with the RoC and upon registration by the RoC of such order of the Court and of the minute approved by the Court. Such reduction of the Securities Premium Account of the Transferor Company as contemplated in this Clause 5 of Section 1 of the Scheme shall be conditional upon Section 1 of this Scheme becoming effective on the Effective Date 1. If this Scheme is, for any reason whatsoever, not sanctioned by the Court, such reduction of the Securities Premium Account of the Transferor Company as set out in this Clause 5 of Section I of the Scheme shall not become effective and shall be deemed to be redundant.

6. INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY

- 6.1 Upon Section I of the Scheme coming into effect on the Effective Date 1, the authorized share capital of Resulting Company of Rs.5,00,000 (Rupees Five Lakhs) divided into 2,50,000 (Two Lakh Fifty Thousand) equity shares having face value of Rs.2 (Rupees Two) each, in terms of Clause V of its Memorandum of Association and Clause 4(i) of its Articles of Association shall stand enhanced to Rs. 50,00,00,000 (Rupees Fifty Crore) divided into 24,00,00,000 (Twenty Four Crore) equity shares having face value of Rs. 2 (Two) each and 1,00,00,000 (One Crore) preference shares having face value of Rs. 2 (Rupees Two) each, without any further act or deed by the Resulting Company for purpose of such enhancement of the authorized share capital of the Resulting Company.

- 6.2 Subsequent to enhancement of the authorized share capital of the Resulting Company as contemplated in Clause 6 of Section I above, the authorized share capital clause of the Memorandum of Association (Clause V) of the Resulting Company and Clause 4(i) of the Articles of Association of the Resulting Company shall stand modified and read as follows:

“The authorized share capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crore) divided into 24,00,00,000 (Twenty Four Crore) equity shares having face value of Rs. 2 (Rupees Two) each and 1,00,00,000 (One Crore) preference shares having face value of Rs. 2 (Rupees Two) each.”

- 6.3 Pursuant to the effectiveness of Section 1 of this Scheme, the Resulting Company shall make the requisite filings with the RoC for the increase in its authorised share capital in the manner set out in this Clause 6.
- 6.4 It is hereby clarified that for the purposes of Clauses 6.1 and 6.2 of Section I above, the consent of the shareholders of the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in the authorized share capital of the Resulting Company and consequential amendments in Clause V of its Memorandum of Association and Clause 4(i) of its Articles of Association, and all actions taken in accordance with this Clause 6 of Section I of this Scheme shall be deemed to be in full compliance of Sections 13, 14, 61 and 64 of the 2013 Act and other applicable provisions of the Act and that no further resolutions or actions under Sections 13, 14, 61 and 64 of the 2013 Act and/or any other applicable provisions of the Act, would be required to be separately passed or undertaken by the Resulting Company.

7. DISTRIBUTION OF RESULTING COMPANY GDSs TO THE HOLDERS OF THE TRANSFEROR COMPANY GDSs

- 7.1 Upon Section I of the Scheme coming into effect on the Effective Date 1 and the issuance of equity shares by the Resulting Company in the share entitlement ratio set out in Clause 4.2 above:

- (a) The Resulting Company shall appoint a depository (“**Resulting Company Depository**”) pursuant to a deposit agreement with the Resulting Company Depository (“**Resulting Company Deposit Agreement**”) to establish a means for the issuance of GDSs (“**Resulting Company GDSs**”) representing the equity shares of the Resulting Company. The Resulting Company shall issue an appropriate number of underlying equity shares of the Resulting Company, in accordance with the share entitlement ratio, to the Resulting Company Depository or its custodian in India. The Resulting Company shall enter into appropriate arrangements with the Depository, Resulting Company Depository and other agents, including the custodians for the issuance, by the Resulting Company Depository of the Resulting Company GDSs, in accordance with the existing GDS to equity share ratio of the Transferor Company GDSs, and the distribution by the Depository of such Resulting Company GDSs to the holders of the Transferor Company GDSs.
- (b) The Resulting Company, the Resulting Company Depository, the Transferor Company and/or the Depository shall enter into such further documents and take such further actions as may be deemed necessary or appropriate by the Resulting Company and/or the Transferor Company and/ or the Resulting Company Depository and/ or the Depository, including, but not limited to, disseminating to existing holders of the Transferor Company GDSs certain notices and information containing details of the Scheme, the issuance and distribution of the Resulting Company GDSs and/or certain information relating to the Resulting Company, and providing to the Resulting Company and the Resulting Company Depository, certain information relating to the existing Transferor Company GDS holders.

- 7.2 The Resulting Company GDSs issued pursuant to Clause 7.1 above shall be listed on the Luxemburg Stock Exchange in accordance with applicable laws and the Resulting Company shall take such additional steps and do all such acts, deeds and things as may be necessary for the purposes of listing the Resulting Company GDSs.

- 7.3 The Resulting Company GDSs and the equity shares underlying the Resulting Company GDSs may not be registered under the United States Securities Act of 1933 as amended from time to time (“**Securities Act**”) and the Resulting Company may elect, at its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under section 3(a)(10) thereof or any other exemption that the Resulting Company may elect to rely upon. In the event that the Resulting Company elects to rely upon an exemption from the registration requirements of the Securities Act under section 3(a)(10) thereof, the sanction of the High Court to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the

Resulting Company GDSs and the equity shares of the Resulting Company, including, without limitation, the equity shares underlying the Resulting Company GDSs for such exemption from the registration requirements of the Securities Act under section 3(a)(10) thereof.

8. ACCOUNTING TREATMENT

8.1 *Treatment in the books of Resulting Company*

Pursuant to Section I of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, the Resulting Company shall account for the demerger and transfer and vesting of the Demerged Undertakings with the Resulting Company, in its books of accounts in accordance with the Indian Generally Accepted Accounting Principles, in the following manner:

- (a) All assets and liabilities in relation to the Demerged Undertakings shall be recorded in its books of accounts by the Resulting Company at the respective book values as appearing in the books of accounts of the Transferor Company as at the Appointed Date 1.
- (b) The aggregate face value of the equity shares of the Resulting Company and of the Resulting Company CCCPS, if any, issued to the shareholders of the Transferor Company shall stand credited to the share capital of the Resulting Company in its books of accounts.
- (c) The amount representing the surplus of assets over, the sum of (i) liabilities of the Demerged Undertakings (as recorded in the books of accounts of the Transferor Company); and (ii) the paid up face value of the equity shares and Resulting Company CCCPS, if any, issued by the Resulting Company to the shareholders of the Transferor Company, shall be correspondingly allocated and credited to the Securities Premium Account of the Resulting Company to the extent it has been debited in the Securities Premium Account of the Transferor Company, and the balance amount, if any, shall be credited to the Capital Reserve Account of the Resulting Company.
- (d) Immediately after the issuance of shares by the Resulting Company to the shareholders of the Transferor Company, the 2,50,000 (Two Lakh Fifty Thousand) equity shares of the Resulting Company having face value of Rs.2 (Rupees Two) each held by the Transferor Company comprising 100% (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date 1 shall stand cancelled, without any further act or deed on part of the Resulting Company and the same shall be adjusted against the Capital Reserves Account of the Resulting Company.
- (e) Any matter not dealt with in this Clause 8.1 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles.

8.2 *Treatment in the books of Transferor Company*

Pursuant to Section I of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, the Transferor Company shall account for the demerger and vesting of the Demerged Undertakings with the Resulting Company, in its books of accounts in accordance with Indian Generally Accepted Accounting Principles in the following manner:

- (a) The Transferor Company shall reduce from its books of accounts, the book values appearing as at that Appointed Date 1 of all assets and liabilities pertaining to the Demerged Undertakings.
- (b) The difference between the amount of assets and liabilities pertaining to the Demerged Undertakings being transferred by the Transferor Company pursuant to Section I of the Scheme shall be adjusted in the following order:

- (i) firstly, against the Securities Premium Account of the Transferor Company to the extent available; and
 - (ii) the balance, if any, shall be adjusted against the balance of the profit and loss account of the Transferor Company in the balance sheet of the Transferor Company.
- (c) Immediately after the issuance of the shares by the Resulting Company to the shareholders of the Transferor Company, the existing issued and paid up share capital of the Resulting Company comprising of 2,50,000 (Two Lakhs Fifty Thousand) equity shares having face value of Rs. 2 (Rupees Two) each, held by the Transferor Company comprising 100 % (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date 1, shall stand cancelled without any further act or deed on part of the Resulting Company. This amount will be debited to the Statement of Profit and Loss Account of the Transferor Company.
- (d) Any matter not dealt with in this Clause 8.2 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles.

9. LISTING OF THE RESULTING COMPANY

- 9.1 The equity shares of Resulting Company shall be listed and admitted to trading on the Stock Exchanges, where the equity shares of the Transferor Company are listed and are admitted to trading.
- 9.2 The Stock Exchanges, shall list the equity shares of the Resulting Company, in accordance with applicable laws, rules, circulars and notifications, including, *inter alia*, the applicable provisions of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013, as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 as amended from time to time.
- 9.3 New equity shares allotted to the shareholders of the Transferor Company in the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system until listing/ trading permission is granted by the Stock Exchanges. Between the date of allotment of the equity shares of the Resulting Company to the shareholders of the Transferor Company and the date of listing of the equity shares of the Resulting Company with the Stock Exchanges, except as provided for in Clause 5 of Section I of this Scheme in relation to the reduction of the existing share capital of Rs. 5,00,000 (Rupees Five Lakh) held by the Transferor Company in the Resulting Company there shall be no change in the shareholding pattern or control of the Resulting Company.
- 9.4 The equity shares of the Resulting Company, issued to a shareholder in lieu of the locked-in equity shares of the Transferor Company, shall remain locked-in for the remainder of the lock-in period applicable to such shareholder for the equity shares of the Transferor Company under applicable laws.

SECTION II

TRANSFER OF THE BUSINESS UNDERTAKING 1 AND VESTING OF THE SAME IN THE RESULTING COMPANY BY WAY OF A SLUMP SALE

PART A

WHEREAS:

- A. **Jindal Stainless Limited** (“**Transferor Company**”) is a company incorporated under the 1956 Act, and has its registered office at O. P. Jindal Marg, Hisar 125005, Haryana. The Transferor Company is engaged in the business of manufacturing, distribution and sale of stainless steel in India and other countries.
- B. **Jindal Stainless (Hisar) Limited** (“**Resulting Company**” or “**Transferee Company 1**”) is a company incorporated under the 1956 Act, and has its registered office at O. P. Jindal Marg, Hisar 125005, Haryana. The Resulting Company, a wholly owned subsidiary of the Transferor Company, proposes to engage in the business of manufacturing, distribution and sale of stainless steel, including, *inter alia*, special steel, coin blanks and precision strips, in India and other countries.
- C. In terms of Section II of this Scheme, it is now proposed, *inter alia*, to transfer Business Undertaking 1 (as defined hereinafter) of the Transferor Company and vest the same in the Resulting Company as a going concern by way of a Slump Sale (as defined hereinafter) for a lump-sum consideration pursuant to a court sanctioned composite scheme of arrangement under Sections 391 to 394 of the 1956 Act and/or Sections 230-233, if applicable, and other relevant provisions of the Act, in the manner provided for in Section II of the Scheme.
- D. The transfer of the Business Undertaking 1 (as defined hereinafter) of the Transferor Company and vesting of the same in the Resulting Company as a going concern by way of a Slump Sale (as defined hereinafter) for lump sum consideration, pursuant to and in accordance with Section II of this Scheme shall be in accordance with Section 2 (42C) of the IT Act.

1. DEFINITIONS

For the purposes of Section II of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:-

- (a) “**Business Undertaking 1**” means the business undertaking relating to the Hisar Unit of the Transferor Company having a net book value in the books of the Transferor Company of Rs. 1649.58 Crore (Rupees One Thousand Six Hundred Forty Nine point Five Eight Crore) as at Appointed Date 1, on a going concern basis, which shall be inclusive of, but not limited to:-
- (i) all assets, whether moveable or immovable, whether freehold or leasehold, including all rights, title, interest, covenants, undertakings of the Transferor Company pertaining to the Hisar Unit, including without limitation, the assets listed in **Part A of Schedule 2**;
 - (ii) all investments, receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Transferor Company pertaining to the Hisar Unit;
 - (iii) all debts, borrowings and liabilities (except for the secured term borrowings), whether present or future, whether secured or unsecured of the Transferor Company pertaining to the Hisar Unit;
 - (iv) all permits, rights, entitlements, licenses (including licenses issued by the DGFT under EPCG Scheme, Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme,

Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT), approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax), privileges and benefits of all contracts, agreements, tenders, bids, experience and/or performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Transferor Company pertaining to the Hisar Unit;

- (v) all copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom of the Transferor Company pertaining to the Hisar Unit (including without limitation all rights in relation to trademarks, brand names and logos, "Krome 16+" and "Krome 16+ (logo)"), whether registered, unregistered or pending registration;
 - (vi) all employees of the Transferor Company employed in relation to the Hisar Unit; all legal, tax, regulatory, quasi judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated by or against the Transferor Company in connection with the Hisar Unit; and
 - (vii) all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Transferor Company pertaining to the Hisar unit.
- (b) **"Hisar Unit"** means (i) all the manufacturing facilities of the Transferor Company located at O.P. Jindal Marg, Hisar 125 005, Haryana, India, including, without limitation, the stainless steel manufacturing facility, the special steel facility and the coin blank facility of the Transferor Company and the operations thereat; and (ii) the investments of the Transferor Company in the domestic subsidiaries listed in **Part B of Schedule 2** hereto, and inter-corporate loans and advances made by the Transferor Company to the companies referred to Part B of Schedule 2 hereto.
- (c) **"Resulting Company"** or **"Transferee Company 1"** shall have the meaning assigned to it in Recital B hereto.
- (d) **"Slump Sale"** means sale of an undertaking on a going concern basis as defined under Section 2(42C) of the IT Act, for a lump sum consideration without values being assigned to the individual assets and liabilities.
- (e) **"Transferor Company"** shall have the meaning assigned to it in Recital A hereto.

The expressions, which are used in this Section II of the Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Section I, III, IV or V of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

2. SHARE CAPITAL

2.1. The share capital of the Transferor Company as on December 26, 2014, is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorized share capital	
44,50,00,000 (Forty Four Crore and Fifty Lakh) equity shares having face value of Rs. 2 (Rupees Two) each	89,00,00,000
3,00,00,000 (Three Crore) preference shares having face value of Rs. 2 (Rupees Two) each	6,00,00,000
Total	95,00,00,000
Issued and paid-up share capital	
22,63,75,005 (Twenty Two Crore Sixty Three Lakh Seventy Five Thousand and Five) equity shares having face value of Rs. 2 (Rupees Two) each*	45,27,50,010
48,10,440 (Forty Eight Lakh Ten Thousand Four Hundred and Forty) CCCPS having face value of Rs. 2 (Rupees Two) each	96,20,880
Total	46,23,70,890
<u>Outstanding Transferor Company GDSs</u>	
*includes 1,76,04,334 (One Crore Seventy Six Lakh Four Thousand Three Hundred and Thirty Four) equity shares having face value Rs. 2 (Rupees Two) each, underlying 88,02,167 (Eighty Eight Lakhs Two Thousand One Hundred and Sixty Seven) Transferor Company GDSs	

2.2. The share capital of the Resulting Company as on December 26, 2014, is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorised share capital	
2,50,000 (Two Lakh Fifty Thousand) equity shares having face value of Rs. 2 (Rupees Two) each	5,00,000
Total	5,00,000
Issued and paid-up share capital	
2,50,000 (Two Lakh Fifty Thousand) equity shares having face value of Rs. 2 each (Rupees Two)	5,00,000
Total	5,00,000

2.3. The main objects of the Transferor Company and the Resulting Company are as follows:

(a) Transferor Company:

"1. To set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, Ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, bloom, rounds billets of various cross-sections, alloys and special steel, to make a deal in ferrous. non ferrous and special alloy and steel including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for and for other applications.

2. *To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shaftings and blank-coins.*
3. *To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulates, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metalliferous ore, manganese ore, chrome ore, nickel ore, coal lignite, limestone, quartz, zinc ore, copper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities.*
4. *To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchases dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*
5. *To manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferros silicon, ferro chrome, ferro manganese and other ferros substances and metals of every description and grades and to manufacture, deal, import and export all kinds and varieties of non-ferros raw metals such as aluminum, copper, tin, lead etc. and the by-products obtained in processing and manufacturing these raw metals.*
6. *To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use transmit, accumulate, employ. Distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants bases on any source of energy as may be developed or invented in future.*
7. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carbollic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gasses, substances or any compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and thing or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business."*

(b) Resulting Company:

1. *"To set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, ferrous and non-ferrous metals, ally steels, steel and non-ferrous ingots, continuous cast slabs, blooms, rounds billets of various cross-sections, alloys and special steel, to make and deal in ferrous/non-ferrous and special alloys & steels including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for other applications.*
2. *To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shafting and blank-coins.*
3. *To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulate, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metalliferous ore, manganese ore, chrome ore, nickel ore, coal, lignite, limestone, quartz, zinc ore, copper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities.*
4. *To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers,*

repairers, hire purchase dealers, import and export agents, representatives, Contractors, and dealers of and in forging, Casting of Steel, Stainless and Special Steels, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.

5. *To manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferro silicon, ferro chrome, ferro manganese and other ferrous substances and metals of every description and grades and to manufacture, deal, import, and export all kinds and varieties of non-ferrous raw metals such as aluminum, copper, tin, lead etc. and the by products obtained in processing and manufacturing these raw metals.*
6. *To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy as may be developed or invented in future.*
7. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carbolic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gases, substances and compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and things or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”*

PART B

3. TRANSFER OF THE BUSINESS UNDERTAKING 1 AND VESTING OF THE SAME IN THE RESULTING COMPANY BY WAY OF A SLUMP SALE

- 3.1. Subject to the provisions of Section II of the Scheme in relation to the modalities of a Slump Sale, upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Business Undertaking 1, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations, shall be transferred from the Transferor Company and stand vested in the Resulting Company and shall become the property and an integral part of the Resulting Company, subject to the existing encumbrances (unless otherwise agreed to by the encumbrance holders), as a going concern by way of a Slump Sale, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, Business Undertaking 1 shall stand transferred and vested in the Resulting Company in the manner described in sub-paragraphs (a) – (n) below:
 - (a) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all immovable property of the Business Undertaking 1, whether freehold or leasehold (including the right to use such property) and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company, and without any approval or acknowledgement of any third party. Upon Section II of the Scheme coming into effect on the Effective Date 1, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation / substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Resulting Company, by the appropriate authorities pursuant to the sanction of the Scheme by the Court and Section II of the Scheme becoming effective on the Effective Date 1 in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the Business Undertaking 1 is given to the Resulting Company in accordance with the terms hereof.

- (b) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all the assets of the Business Undertaking 1 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by transfer or by vesting and recordal pursuant to the Scheme, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company, and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-Clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being transferred and vested, and the title to such property shall be deemed to have transferred and vested accordingly.
- (c) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts, receivables, outstanding loans and advances, if any, relating to the Business Undertaking 1, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons shall, without any act, instrument or deed required by either the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party become the property of the Resulting Company.
- (d) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all debts, liabilities, contingent liabilities, duties and obligations (excluding the secured term borrowings of the Transferor Company), secured or unsecured, relating to the Business Undertaking 1, whether provided for or not in the books of accounts of the Transferor Company or disclosed in the balance sheet of the Business Undertaking 1, shall become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company. The Resulting Company undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause. However, the Transferor Company and the Resulting Company shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Court or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to the Resulting Company as part of the Business Undertaking 1 and/or in relation to the assets remaining in the Transferor Company after the demerger and vesting of the Business Undertaking 1 in the Resulting Company pursuant to Section II of this Scheme becoming effective in accordance with the terms hereof. Where any of the loans, liabilities and obligations attributed to the Business Undertaking 1 have been discharged by the Transferor Company on behalf of the Business Undertaking 1 after the Appointed Date 1 but before the Effective Date 1, such discharge shall be deemed to have been done by the Transferor Company for and on behalf of the Resulting Company.
- (e) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all incorporeal or intangible property of or relating to the Business Undertaking 1 shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed required by either the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.
- (f) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all letters of intent, memoranda of understanding, memoranda of agreements, contracts, tenders, bids, experience and/or performance statements, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of whatsoever nature or description, in relation to the Business Undertaking 1 to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be in full force and effect against or in favour of the Resulting Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.

- (g) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all rights, entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description (including without limitation all rights in relation to trademarks, brand names and logos, "Krome 16+" and "Krome 16+ (logo)"), whether registered, unregistered or pending registration, and the goodwill arising therefrom, in relation to Business Undertaking 1, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or entitled, shall become the rights, entitlement or property of the Resulting Company and shall be enforceable by or against the Resulting Company, as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.
- (h) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations, approvals, clearances, tenancies, privileges, powers, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax,), facilities of every kind and description of whatsoever nature, in relation to the Business Undertaking 1 to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be enforceable by or against the Resulting Company as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.
- (i) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, any statutory or regulatory licenses (including licenses issued by the DGFT under the EPCG Scheme, Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT), grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Business Undertaking 1 or granted to the Transferor Company in relation to the Business Undertaking 1 shall stand transferred and vested in the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. The benefit of, and the obligations under, all such statutory and regulatory licences, permissions, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights (including environmental approvals and consents) required to carry on the operations of the Business Undertaking 1 shall also stand transferred and vested in and become available to the Resulting Company pursuant to Section II of this Scheme coming into effect, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company. If the consent or recordal of any licensor or authority is required to give effect to the provisions of this sub-clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to Section II of the Scheme becoming effective in accordance with the terms hereof.
- (j) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Resulting Company shall bear the burden and the benefits of any legal, tax, quasi judicial, administrative, regulatory or other proceedings initiated by or against the Transferor Company in connection with the Business Undertaking 1. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company in connection with the Business Undertaking 1 (or any part thereof) be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer and vesting of such Business Undertaking 1 to the Resulting Company or of anything contained in Section II of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if Section II of this Scheme had not been made effective. Upon Section II of the Scheme becoming effective, the Resulting Company undertakes to have such legal or other proceedings initiated by or against the Transferor Company in relation to the Business Undertaking 1 transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Transferor Company. The Resulting

Company also undertakes to handle all legal or other proceedings which may be initiated against the Transferor Company in connection with the Business Undertaking 1 after the Effective Date 1, in its own name and account and further undertakes to pay all amounts including interest, penalties and damages, pursuant to such legal / other proceedings.

- (k) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all persons that were employed in the Transferor Company, in connection with the Business Undertaking 1, immediately before such date shall become employees of the Resulting Company, with the benefit of continuity of service on the terms and conditions no less favourable than those applicable to such employees immediately prior to such transfer and vesting and without any break or interruption in service. It is clarified that such employees of the Transferor Company that become employees of the Resulting Company by virtue of Section II of this Scheme coming into effect, shall continue to be governed by the terms of employment as were applicable to them immediately before such transfer (including in relation to stock options except to the extent modified by this Scheme) and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Resulting Company, unless and otherwise so stated by such Resulting Company in writing in respect of all employees, class of employees or any particular employee. The Resulting Company undertakes to continue to abide by any agreement/ settlement if any, entered into by the Transferor Company in relation to the Business Undertaking 1 in respect of such employees with their respective employees/ employee unions, if any. With regard to provident fund, gratuity fund, superannuation fund, contributions required to be made under the Employees State Insurance Act, 1948, or any other special fund or obligation created or existing for the benefit of such employees of the Transferor Company, upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Resulting Company shall stand substituted for the Transferor Company for all purposes whatsoever including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident benefits, gratuity benefits and superannuation benefits, contributions made under the Employees State Insurance Act, 1948, or any other special benefits or obligation, if any, created by the Transferor Company for the employees of the Business Undertaking 1 shall be continued by the Resulting Company for the benefit of such employees on the same terms and conditions. It is the aim and intent of Section II of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or benefits shall become those of the Resulting Company. Further, upon Section II of the Scheme coming into effect in accordance with the terms hereof, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Transferor Company in relation to the Business Undertaking 1 shall be continued/continue to operate against the relevant employee and shall be enforced effectively by the Resulting Company.
- (l) (i) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Business Undertaking 1 who are proposed to be transferred as part of the Scheme to the Resulting Company, which have been granted and vested but have not been exercised as on the Record Date, such options shall continue to vest in the employees of the Business Undertaking 1 being transferred to the Resulting Company. Upon exercise of the aforesaid options by the said employees from time to time in accordance with the ESOP Scheme, the Transferor Company shall continue to honour its obligations under the ESOP Scheme with respect to such employees in accordance with the provisions of the ESOP Scheme and shall issue and allot fully paid-up equity shares of the Transferor Company in respect of such exercised options in accordance with the ESOP Scheme. The Resulting Company shall have no obligation to issue any stock options or shares to such employees of the Business Undertaking 1 in lieu of the stock options granted by the Transferor Company under the ESOP Scheme.
- (ii) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Business Undertaking 1 who are proposed to be transferred as part of the Scheme to the Resulting Company, which have been granted but have not been vested as of the Effective Date 1, such options would lapse automatically without any further act, instrument or deed required by any of, the Transferor Company, the employee or the Resulting Company and without any approval or acknowledgement of any third party.

- (iii) The ESOP Scheme shall, pursuant to this Scheme, be modified by the Transferor Company, as considered appropriate by its Compensation Committee, to give effect to the above clauses and the consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be their consent and approval in relation to all matters pertaining to the ESOP Scheme as described in this Scheme, including without limitation, for the purposes of effecting necessary modifications to the ESOP Scheme and all related matters. All actions taken in accordance with this sub-clause (i) of Section II of this Scheme shall be deemed to be in full compliance of Sections 62 and/or 42 of the 2013 Act, any other applicable provisions of the Act and the guidelines/regulations issued by SEBI and no further approval of the shareholders of the Transferor Company or resolution, action or compliance under Sections 62 and/or 42 of the 2013 Act and/or any other applicable provisions of the Act and/or under the guidelines/regulations issued by the SEBI would be required to be separately passed or undertaken by the Transferor Company or the Resulting Company.
 - (iv) The Boards of Directors of the Transferor Company and the Resulting Company may take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this sub-clause (i).
 - (m) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all taxes paid or payable by the Transferor Company in relation to the Business Undertaking 1 including all, advance tax payments, tax deducted at source, tax liabilities or any refunds and claims (including unutilized input credits of Business Undertaking 1) shall be treated as the advance tax payments, tax deducted at source, tax liabilities or refunds/ claims (including unutilized input credits), as the case may be, of the Resulting Company. Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all existing and future incentives, un-availed credits and exemptions, statutory benefits, including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat/ Cenvat), customs, value added tax, sales tax, service tax, to which the Transferor Company is entitled in relation to the Business Undertaking 1 shall be available to and shall stand transferred to and vested in the Resulting Company without any further act, instrument or deed required by either the Resulting Company or the Transferor Company and without any approval or acknowledgement of any third party. Upon Section II of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, any tax deducted at source deducted by or on behalf of the Transferor Company until the Effective Date 1 shall be deemed to have been deducted on behalf of the Resulting Company to the extent of the income attributable to the Business Undertaking 1 during such period.
 - (n) Upon Section II of the Scheme coming into effect on the Effective Date 1, the Transferor Company and the Resulting Company shall be entitled to file/ revise/reopen their respective financial statements (including balance sheet and profit and loss statement) and statutory/tax returns and related tax payment certificates and to claim refunds/credits and advance tax/ TDS/minimum alternate tax credits as may be required consequent to the implementation of Section II of the Scheme.
- 3.2. The Transferor Company and/or the Resulting Company, as the case may be, shall at any time upon Section II of the Scheme coming into effect and with effect from the Appointed Date 1 and in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Business Undertaking 1 to which the Transferor Company has been a party, in order to give formal effect to the above provisions. The Resulting Company shall, under the provisions of Section II of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 3.3. Upon Section II of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, the Resulting Company shall be entitled to the benefit of the past experience and performance of the Transferor Company in relation to Business Undertaking 1 for all purposes without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Resulting Company, the Transferor Company shall duly execute the same and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to Section II of the Scheme becoming effective in accordance with the terms hereof. The Resulting Company shall, under the provisions of Section II of the Scheme, be

deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.

3.4. Conduct of Business

- (a) With effect from the Appointed Date 1 and up to and including the Effective Date 1:
- (i) The Transferor Company shall carry on and be deemed to have been carrying on all the business and activities of the Business Undertaking 1 and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the contracts, liabilities or property or assets or the benefit or obligations thereof or thereunder pertaining to the Business Undertaking 1 for and on behalf of and in trust for the Resulting Company.
 - (ii) All profits/benefits accruing to the Transferor Company in relation to the Business Undertaking 1 and all taxes thereof or losses and/or interest arising or incurred by it shall, for all purposes, be treated as the profits, benefits, taxes or losses and/or interest, as the case may be, of the Resulting Company.
- (b) Subject to the provisions of Clause 3.4(a)(i) hereinabove, in the event any asset, contract, document, liability or property or the rights, interest, obligations and benefits thereof or thereunder (including without limitation, shipping documents, bills of entry, foreign inward remittance certificates and bank realization certificates), which is a part of the Business Undertaking 1 does not get automatically transferred to the Resulting Company upon Section II of the Scheme coming into effect on the Effective Date 1, the Transferor Company shall take all necessary steps, and execute all necessary documents, to ensure the transfer of such asset, contract, document, liability and property or the rights, interest, obligations and benefits thereof and thereunder to the Resulting Company forthwith after the Effective Date 1 without any further consideration and until the transfer of any such asset, the Resulting Company will have the right to use the same without payment of any additional consideration. It is clarified that even after Section II of the Scheme comes into effect on the Effective Date 1, the Transferor Company shall, with the written consent of the Resulting Company, be entitled to realize or pay all monies and to complete, enforce or discharge all pending contracts, arrangements or obligations in relation to the Business Undertaking 1 in trust and at the sole cost and expense of the Resulting Company in so far as may be necessary until all rights and obligations of the Transferor Company in respect of such pending contracts, arrangements or obligations stand fully devolved to and in favour of the Resulting Company.

PART C

4. CONSIDERATION

- 4.1. Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, and upon the transfer of the Business Undertaking 1 and vesting of the same in the Resulting Company by way of a Slump Sale, the Resulting Company shall discharge the lump sum consideration of Rs. 2809,79,51,880 (rounded off) (Rupees Two Thousand Eight Hundred Nine Crore Seventy Nine Lakh Fifty One Thousand Eight Hundred and Eighty) to the Transferor Company in the following manner:
- (a) An amount of Rs. 2600,00,00,000 (Rupees Two Thousand Six Hundred Crore) shall be paid in cash to the Transferor Company; and
 - (b) The balance amount of Rs. 209,79,51,880 (Rupees Two Hundred Nine Crore Seventy Nine Lakh Fifty One Thousand Eight Hundred and Eighty) out of the total lumpsum consideration of Rs. 2809,79,51,880 (rounded off) (Rupees Two Thousand Eight Hundred Nine Crore Seventy Nine Lakh Fifty One Thousand Eight Hundred and Eighty) after adjustment of the amount paid to the Transferor Company in accordance with sub-clause (a) hereinabove, shall be set off against an equivalent

amount out of Rs. 575,98,18,450 (Rupees Five Hundred Seventy Five Crore Ninety Eight Lakh Eighteen Thousand Four Hundred and Fifty) being the amount due and payable by the Transferor Company to the Resulting Company as receivables due to the Resulting Company from the Transferor Company as of Appointed Date 1 as a result of the implementation of Section I of the Scheme as mentioned in sub-Clause 3.1(c) of Section I of the Scheme, upon Section II of the Scheme coming into effect on the Effective Date 1.

- 4.2 The lump-sum consideration for the transfer and vesting of the Business Undertaking 1 to the Resulting Company by way of Slump Sale as stated in Clauses 4.1 of this Section II herein above has been determined and agreed upon by the respective boards of directors of each of the Transferor Company and the Resulting Company based on their independent judgment after taking into consideration the valuation of the Business Undertaking 1 and/or the assets of the Transferor Company and the Resulting Company conducted by independent chartered accountants, B S R and Associates and the fairness opinion provided by independent merchant bankers, SPA Capital Advisors Limited, as presented before the audit committee of the board of directors of the Transferor Company.

5. ACCOUNTING TREATMENT

Treatment in the books of Resulting Company

- 5.1 Pursuant to Section II of the Scheme, the Resulting Company shall account for the transfer and vesting of the assets and liabilities acquired under the Business Undertaking 1 in accordance with an allocation report to be prepared in accordance with Accounting Standard 10 issued by the Institute of Chartered Accountants of India.

Treatment in the books of Transferor Company

- 5.2 The statement of the profit & loss account of the Transferor Company shall be debited / credited with the difference between the book values of the assets and liabilities transferred to the Resulting Company and the lump sum consideration received by the Transferor Company.

6. ADJUSTMENT OF OUTSTANDING RECEIVABLES FROM THE TRANSFEROR COMPANY

- 6.1 The amount of Rs. 575,98,18,450 (Rupees Five Hundred and Seventy Five Crores Ninety Eight Lakhs Eighteen Thousand Four Hundred and Fifty) being the amount due and payable by the Transferor Company to the Resulting Company as receivables due to the Resulting Company from the Transferor Company as of Appointed Date 1 as a result of the implementation of Section I of the Scheme as mentioned in sub-Clause 3.1(c) of Section I of the Scheme, shall, stand discharged by the Transferor Company to the extent of Rs. 209,79,51,880 (Rupees Two Hundred Nine Crore Seventy Nine Lakh Fifty One Thousand Eight Hundred and Eighty) pursuant to sub-Clause 4.1 (b) of Section II hereinabove, and the balance outstanding amount of Rs. 366,18,66,570 (Rupees Three Hundred and Sixty Six Crore Eighteen Lakh Sixty Six Thousand Five Hundred and Seventy) shall stand discharged by the Transferor Company by way of issue and allotment of equity shares having face value of Rs. 2 (Rupees two) each of the Transferor Company, to the Resulting Company, on the record date being a date subsequent to the filing of the order of the Court sanctioning the Scheme with the RoC and jointly decided by the boards of directors of the Transferor Company and the Resulting Company. The said equity shares in the Transferor Company to be issued to the Resulting Company pursuant to this Clause 6.1 of Section II above shall rank *pari passu* in all respects with the existing equity shares of the Transferor Company.

- 6.2 The number of equity shares to be issued by the Transferor Company to the Resulting Company pursuant to Clause 6.1 of Section II above against the outstanding amount of Rs. 366,18,66,570 (Rupees Three Hundred and Sixty Six Crore Eighteen Lakh Sixty Six Thousand Five Hundred and Seventy) will depend upon the price at which such equity shares are issued to the Resulting Company. The price at which such equity shares of the Transferor Company shall be issued to the Resulting Company shall be determined in accordance with Chapter VII of the ICDR with the record date decided in accordance with Clause 6.1 being considered as the relevant date for the issue of the aforesaid equity shares of the Transferor Company to the Resulting Company.

- 6.3 On the approval of the Scheme by the members of the Transferor Company pursuant to Section 391 of the 1956 Act and/ or the relevant provisions of the 2013 Act, if applicable, it shall be deemed that the members of the Transferor Company have also accorded their consent under Sections 42 and 62 of the 2013 Act and/or other provisions of the Act as may be applicable for the aforesaid issuance of equity shares of the Transferor Company, to the Resulting Company, and all actions taken in accordance with this Clause 6 of Section II of this Scheme shall be deemed to be in full compliance of Sections 42 and 62 of the 2013 Act and other applicable provisions of the Act and that no further resolution or actions under Sections 42 and 62 of the 2013 Act and/or any other applicable provisions of the Act, including, *inter alia*, issuance of a letter of offer by the Transferor Company shall be required to be passed or undertaken.

7. PAYMENT OF INTEREST TO THE TRANSFEROR COMPANY

- 7.1 As specified in Clause 3.1 of Section II above, subject to the provisions of Section II of the Scheme in relation to the modalities of a Slump Sale, upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Business Undertaking 1 shall stand transferred and vested in the Resulting Company and shall become the property and an integral part of the Resulting Company, as going concern by way of a Slump Sale, without any further act or deed required by either of the Transferor Company or the Resulting Company and without the approval or acknowledgement of any third party.
- 7.2 The Transferor Company has secured term borrowings obtained from banks / financial institutions which would have stood repaid as on the Appointed Date 1 had the cash consideration been discharged as on the Appointed Date 1. Although the Resulting Company becomes entitled to all the benefits of the Business Undertaking 1 from the Appointed Date 1, it is not required to invest its funds (to the extent of Rs. 2600 crores (Rupees Two Thousand Six Hundred Crore)) in relation to Business Undertaking 1 by borrowing from external parties until the date of actual payment of consideration to the Transferor Company. Due to the time lag between the Appointed Date 1 and the date of payment of consideration and the consequent business advantage accruing to the Resulting Company, the Resulting Company has agreed to reimburse to the Transferor Company, the interest paid by the Transferor Company on its secured term borrowings to the extent of the cash component of the lump sum consideration for the slump sale of the Business Undertaking 1 from the Appointed Date 1 upto and including the close of the business day immediately preceding the date of payment of consideration by the Resulting Company.

SECTION III

TRANSFER OF THE BUSINESS UNDERTAKING 2 AND VESTING OF THE SAME IN THE TRANSFEREE COMPANY 2 BY WAY OF A SLUMP SALE

PART A

WHEREAS:

- A. **Jindal Stainless Limited** (“**Transferor Company**”) is a company incorporated under the 1956 Act, and has its registered office at O. P. Jindal Marg, Hisar 125005, Haryana. The Transferor Company is engaged in the business of manufacturing, distribution and sale of stainless steel in India and other countries.
- B. **Jindal United Steel Limited** (“**Transferee Company 2**”) is a company incorporated under the 2013 Act, and has its registered office at O. P. Jindal Marg, Hisar 125005, Haryana. The Transferee Company 2, a wholly owned subsidiary of the Transferor Company, proposes to engage in the business of manufacturing, processing, refining, smelting, importing, exporting, marketing and distribution of all kinds and forms of iron and steel including tools and alloy steels, stainless and all other special steels.
- C. In terms of Section III of this Scheme, it is now proposed, *inter alia*, to transfer Business Undertaking 2 (as defined hereinafter) of the Transferor Company and vest the same in the Transferee Company 2 as a going concern by way of a Slump Sale for a lump-sum consideration pursuant to a court sanctioned composite scheme of arrangement under Sections 391 to 394 of the 1956 Act and/or Sections 230-233 of the 2013 Act, if applicable, and/ or other relevant provisions of the Act, in the manner provided for in Section III of the Scheme.
- D. The transfer of the Business Undertaking 2 (as defined hereinafter) of the Transferor Company to the Transferee Company 2 (as defined hereinafter) as a going concern by way of a Slump Sale for lump sum consideration, pursuant to and in accordance with Section III of this Scheme shall be in accordance with Section 2 (42C) of the IT Act.

1. DEFINITIONS

For the purposes of Section III of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:-

- (a) “**Appointed Date 2**” means the close of business hours before midnight of March 31, 2015, the date with effect from which Sections III and IV of this Scheme will be deemed to be effective, in the manner described in Clause 1.3 of Section V of the Scheme.
- (b) “**Business Undertaking 2**” means the business undertaking relating to the HSM Plant, on a going concern basis with a net book value in the books of the Transferor Company of Rs. 2262.43 Crore (Rupees Two Thousand Two Hundred Sixty Two point Four Three Crore) as on March 31, 2014, which shall be inclusive of, but not limited to:
- (i) all assets, whether moveable or immovable, whether freehold or leasehold (including the right to use the land on which the HSM Plant is located but excluding the ownership or leasehold rights in such land), including all rights, title, interest, claims, covenants, undertakings of the Transferor Company pertaining to the HSM Plant including without limitation, the assets listed in **Schedule 3** hereto;

- (ii) all investments, receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Transferor Company pertaining to the HSM Plant;
 - (iii) all debts, borrowings and liabilities (except for the secured term borrowings), whether present or future, whether secured or unsecured, of the Transferor Company pertaining to the HSM Plant;
 - (iv) all permits, rights, entitlements, licenses (including licenses issued by the DGFT under the Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT except the EPCG license and the export obligations thereunder), approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax), privileges and benefits of all contracts, agreements, tenders, bids, experience and/or performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Transferor Company pertaining to the HSM Plant;
 - (v) all copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom of the Transferor Company pertaining to the HSM Plant, whether registered, unregistered or pending registration;
 - (vi) all employees of the Transferor Company employed in relation to the HSM Plant;
 - (vii) all legal, tax, regulatory, quasi judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated by or against the Transferor Company in connection with the HSM Plant; and
 - (viii) all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Transferor Company pertaining to the HSM Plant.
- (c) **"Effective Date 2"** means the date on which the last of the approvals listed out in Clause 1.5 (b) of Section V of the Scheme are obtained and Sections III and IV of the Scheme are made effective with effect from the Appointed Date 2.
- (d) **"HSM Plant"** means the hot strip mill, plate finishing facility, bell annealing facility and other allied facilities of the Transferor Company located at Kalinga Nagar Industrial Complex, Duburi 755 026, District Jajpur, Odisha, India, and the operations thereat.
- (e) **"Transferor Company"** shall have the meaning assigned to it in Recital A hereto.
- (f) **"Transferee Company 2"** shall have the meaning assigned to it in Recital B hereto.

The expressions, which are used in this Section III of the Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Sections I, II, IV or V of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

2. SHARE CAPITAL

2.1. The share capital of the Transferor Company as on December 26, 2014, is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorised share capital	
44,50,00,000 (Forty Four Crore and Fifty Lakh) equity shares having face value of Rs. 2 (Rupees Two) each	89,00,00,000
3,00,00,000 (Three Crore) preference shares having face value of Rs. 2 (Rupees Two) each	6,00,00,000
Total	95,00,00,000
Issued and paid-up share capital	
22,63,75,005 (Twenty Two Crore Sixty Three Lakh Seventy Five Thousand and Five) equity shares having face value of Rs. 2 (Rupees Two) each*	45,27,50,010
48,10,440 (Forty Eight Lakh Ten Thousand Four Hundred and Forty) CCCPS having face value of Rs. 2 (Rupees Two) each	96,20,880
Total	46,23,70,890
Outstanding Transferor Company GDSs	
*includes 1,76,04,334 (One Crore Seventy Six Lakh Four Thousand Three Hundred and Thirty Four) equity shares having face value Rs. 2 (Rupees Two) each, underlying 88,02,167 (Eighty Eight Lakhs Two Thousand One Hundred and Sixty Seven) Transferor Company GDSs	

2.2. The share capital of the Transferee Company 2 as on December 26, 2014, is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorised share Capital	
50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each	5,00,000
Total	5,00,000
Issued and paid-up share capital	
50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each	5,00,000
Total	5,00,000

2.3. The main objects of the Transferor Company and the Transferee Company 2 are as follows:

(a) Transferor Company

"1. To set up Steel and non-ferrous melting furnaces, converters. AP Lines and casting facilities to produce stainless steel, Ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, bloom, rounds billets of various cross-sections, alloys and special steel, to make a deal in ferrous. non ferrous and special alloy and steel including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for and for other applications.

2. To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shaftings and blank-coins.

3. *To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulates, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metalliferous ore, manganese ore, chrome ore, nickel ore, coal lignite, limestone, quartz, zinc ore, copper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities.*
4. *To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchase dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*
5. *To manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferros silicon, ferro chrome, ferro manganese and other ferros substances and metals of every description and grades and to manufacture, deal, import and export all kinds and varieties of non-ferros raw metals such as aluminum, copper, tin, lead etc. and the by-products obtained in processing and manufacturing these raw metals.*
6. *To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use transmit, accumulate, employ. Distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants bases on any source of energy as may be developed or invented in future.*
7. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carbolic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gasses, substances or any compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and thing or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”*

(b) Transferee Company 2

1. *“To carry on the business of manufactures, processors, refiners, smelters, makers, converts, finishers, importers, exporters, agents, merchants, buyers, sellers and dealers in all kinds and forms of steels including tools and alloy steels, stainless and all other special steels, iron and other metals and alloys, all kinds of goods, products, articles or merchandise whatsoever manufactured wholly or partly from steels and other metals and alloys; and also the business and iron masters, steel and metal converters, colliary proprietors, coke manufacturers, ferroalloy manufactures , miners, smelters and engineers in all their respective branches and to search for, get , work, raise, make, merchantable , manufacture , process, buy , sell and otherwise deal in iron , Pig Iron, Granulated slag, Iron Ore Fines, steel and other metal, coal , coke, brick-carth, fire-clay , bricks, ores, minerals and mineral substances, gases, alloy. Metal, metal scrap, chemicals and chemical substances of all kinds and to set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, blooms, rounds, billets of various cross-sections, alloys and special steel.*
2. *To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shaftings and blank-coins and to carry on all or any of the business of manufacturing, developing, assemblers, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchase dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, Carbon Steel and Mild Steel ,alloys and ferrous and non-ferrous metals, auto*

parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.

3. *To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulate, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metalliferous ore, manganese ore, chrome ore, nickel ore, coal, lignite, limestone, quartz, zinc ore, copper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities and to manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferro silicon, ferro chrome, ferro manganese and other ferrous substances and metals of every description and grades and to manufacture, deal, import, and export all kinds and varieties of non-ferrous raw metals such as aluminum, copper, tin, lead etc. and the byproducts obtained in processing and manufacturing these raw metals and to deal in to make and deal in ferrous/non-ferrous and special alloys & steels including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for other applications.*
4. *To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy as may be developed or invented in future.*
5. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carbolic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gases, substances and compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and things or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”*

PART B

3. TRANSFER OF THE BUSINESS UNDERTAKING 2 AND VESTING OF THE SAME IN TRANSFeree COMPANY 2 BY WAY OF A SLUMP SALE

- 3.1 Subject to the provisions of Section III of the Scheme in relation to the modalities of a Slump Sale, upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, Business Undertaking 2, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations, shall be transferred from the Transferor and stand vested in the Transferee Company 2 and shall become the property and an integral part of Transferee Company 2, subject to the existing encumbrances (unless otherwise agreed to by the encumbrance holders), as a going concern by way of a Slump Sale, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, Business Undertaking 2 shall stand transferred and vested in the Transferee Company 2 in the manner described in sub-paragraphs (a) – (n) below:

- (a) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all immovable property of the Business Undertaking 2, whether freehold or leasehold (including the right to use the land on which the HSM Plant is located but excluding the ownership or leasehold rights in such land) and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in Transferee Company 2, and shall become the property and an integral part of the Transferee Company 2, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 2, and without any approval or acknowledgement of any third party. Upon Section III of the Scheme coming into effect on the Effective Date 2, the Transferee Company 2 shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or

applicable to such immovable properties. The mutation / substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Transferee Company 2 by the appropriate authorities pursuant to the sanction of the Scheme by the Court and Section III of the Scheme becoming effective on Effective Date 2 in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the Business Undertaking 2 is given to the Transferee Company 2 in accordance with the terms hereof.

- (b) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all the assets of the Business Undertaking 2 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by transfer or by vesting and recordal pursuant to the Scheme, shall stand transferred and vested in the Transferee Company 2, and shall become the property and an integral part of the Transferee Company 2, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-Clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being transferred and vested, and the title to such property shall be deemed to have transferred and vested accordingly.
- (c) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts, receivables, outstanding loans and advances, if any, relating to the Business Undertaking 2, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons shall, without any act, instrument or deed required by either the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party become the property of the Transferee Company 2.
- (d) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all debts, liabilities, contingent liabilities, duties and obligations (excluding the secured term borrowings of the Transferor Company), secured or unsecured, relating to the Business Undertaking 2, whether provided for or not in the books of accounts of the Transferor Company or disclosed in the balance sheet of the Business Undertaking 2, if any, shall become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company 2, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 2. The Transferee Company 2 undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-Clause. However, the Transferor Company and the Transferee Company 2 shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Court or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to the Transferee Company 2 as part of the Business Undertaking 2 and/or in relation to the assets remaining in the Transferor Company after the transfer and vesting of the Business Undertaking 2 in the Transferee Company 2 pursuant to Section III of this Scheme becoming effective in accordance with the terms hereof. Where any of the loans, liabilities and obligations attributed to the Business Undertaking 2 have been discharged by the Transferor Company on behalf of the Business Undertaking 2 after the Appointed Date 2 but before the Effective Date 2, such discharge shall be deemed to have been done by the Transferor Company for and on behalf of the Transferee Company 2.
- (e) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all incorporeal or intangible property of or relating to the Business Undertaking 2 shall stand transferred and vested in the Transferee Company 2, and shall become the property and an integral part of the Transferee Company 2 without any further act, instrument or deed required by either the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party.

- (f) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all letters of intent, memoranda of understanding, memoranda of agreements, contracts, tenders, bids, experience and/or performance statements, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of whatsoever nature or description, in relation to the Business Undertaking 2 to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be in full force and effect against or in favour of the Transferee Company 2 and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company 2 had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party.
- (g) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all rights, entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered, unregistered or pending registration, and the goodwill arising therefrom, in relation to Business Undertaking 2, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or entitled, shall become the rights, entitlement or property of the Transferee Company 2 and shall be enforceable by or against the Transferee Company 2, as fully and effectually as if, instead of the Transferor Company, the Transferee Company 2 had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party.
- (h) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations, approvals, clearances, tenancies, privileges, powers, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax), facilities of every kind and description of whatsoever nature, in relation to the Business Undertaking 2 to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be enforceable by or against the Transferee Company 2 as fully and effectually as if, instead of the Transferor Company, the Transferee Company 2 had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party.
- (i) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, any statutory or regulatory licenses (including licenses issued by the DGFT under the Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT except the EPCG license and the export obligations thereunder), grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Business Undertaking 2 or granted to the Transferor Company in relation to the Business Undertaking 2 shall stand transferred and vested in or transferred to Transferee Company 2, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party. The benefit of, and the obligations under, all such statutory and regulatory licences, permissions, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights (including environmental approvals and consents) required to carry on the operations of the Business Undertaking 2 shall also stand transferred and vested in and become available to Transferee Company 2 pursuant to Section III of this Scheme coming into effect, without any further act, instrument or deed required by either the Transferor Company or the Transferee Company 2. If the consent or recordal of any licensor or authority is required to give effect to the provisions of this sub-clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company 2 pursuant to Section III of the Scheme becoming effective in accordance with the terms hereof.

- (j) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date, the Transferee Company 2 shall bear the burden and the benefits of any legal, tax, quasi judicial, administrative, regulatory or other proceedings initiated by or against the Transferor Company in connection with the Business Undertaking 2. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company in connection with the Business Undertaking 2 (or any part thereof) be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer and vesting of such Business Undertaking 2 in the Transferee Company 2 or of anything contained in Section III of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company 2 in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if Section III of this Scheme had not been made effective. Upon Section III of the Scheme becoming effective, the Transferee Company 2 undertakes to have such legal or other proceedings initiated by or against the Transferor Company in relation to the Business Undertaking 2 transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company 2 to the exclusion of the Transferor Company. The Transferee Company 2 also undertakes to handle all legal or other proceedings which may be initiated against the Transferor Company in connection with the Business Undertaking 2 after the Effective Date 2, in its own name and account and further undertakes to pay all amounts including interest, penalties and damages pursuant to such legal / other proceedings.
- (k) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all persons that were employed in the Transferor Company, in connection with the Business Undertaking 2, immediately before such date shall become employees of the Transferee Company 2, with the benefit of continuity of service on the terms and conditions no less favourable than those applicable to such employees immediately prior to such transfer and vesting and without any break or interruption in service. It is clarified that such employees of the Transferor Company that become employees of the Transferee Company 2 by virtue of Section III of this Scheme coming into effect, shall continue to be governed by the terms of employment as were applicable to them immediately before such transfer (including in relation to stock options except to the extent modified by this Scheme) and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Transferee Company 2, unless and otherwise so stated by such Transferee Company 2 in writing in respect of all employees, class of employees or any particular employee. The Transferee Company 2 undertakes to continue to abide by any agreement/ settlement, if any, entered into by the Transferor Company in relation to the Business Undertaking 2 in respect of such employees with their respective employees/ employee unions, if any. With regard to provident fund, gratuity fund, superannuation fund, contributions required to be made under the Employees State Insurance Act, 1948 or any other special fund or obligation created or existing for the benefit of such employees of the Transferor Company, upon Section III of the Scheme coming into effect on, the Effective Date 2 and with effect from the Appointed Date 2, the Transferee Company 2 shall stand substituted for the Transferor Company for all purposes whatsoever including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident benefits, gratuity benefits and superannuation benefits contributions made under the Employees State Insurance Act, 1948 or any other special benefits or obligation, if any, created by the Transferor Company for the employees of the Business Undertaking 2 shall be continued by the Transferee Company 2 for the benefit of such employees on the same terms and conditions. It is the aim and intent of Section III of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or benefits shall become those of the Transferee Company 2. Further, upon Section III of the Scheme coming into effect in accordance with the terms hereof, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Transferor Company in relation to the Business Undertaking 2 shall be continued/continue to operate against the relevant employee and shall be enforced effectively by the Transferee Company 2.

- (l) (i) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Business Undertaking 2 who are proposed to be transferred as part of the Scheme to the Transferee Company 2, which have been granted and vested but have not been exercised as on the Record Date, such options shall continue to vest in the employees of the Business Undertaking 2 being transferred to the Transferee Company 2. Upon exercise of the aforesaid options by the said employees from time to time in accordance with the ESOP Scheme, the Transferor Company shall continue to honour its obligations under the ESOP Scheme with respect to such employees in accordance with the provisions of the ESOP Scheme and shall issue and allot fully paid-up equity shares of the Transferor Company in respect of such exercised options in accordance with the ESOP Scheme. The Transferee Company 2 shall have no obligation to issue any stock options or shares to such employees of the Business Undertaking 2 in lieu of the stock options granted by the Transferor Company under the ESOP Scheme.
- (ii) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Business Undertaking 2 who are proposed to be transferred as part of the Scheme to the Transferee Company 2, which have been granted but have not been vested as of the Effective Date 2, such options would lapse automatically without any further act, instrument or deed required by any of the Transferor Company, the employee or the Transferee Company 2 and without any approval or acknowledgement of any third party.
- (iii) The ESOP Scheme shall, pursuant to this Scheme, be modified by the Transferor Company, as considered appropriate by its Compensation Committee, to give effect to the above clauses and the consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be their consent and approval in relation to all matters pertaining to the ESOP Scheme as described in this Scheme, including without limitation, for the purposes of effecting necessary modifications to the ESOP Scheme and all related matters. All actions taken in accordance with this sub-clause (l) of Section III of this Scheme shall be deemed to be in full compliance of Sections 62 and/or 42 of the 2013 Act, any other applicable provisions of the Act and the guidelines/regulations issued by SEBI and no further approval of the shareholders of the Transferor Company or resolution, action or compliance under Sections 62 and/or 42 of the 2013 Act and/or any other applicable provisions of the Act and/or under the guidelines/regulations issued by the SEBI would be required to be separately passed or undertaken by the Transferor Company or the Transferee Company 2.
- (iv) The Boards of Directors of the Transferor Company and the Transferee Company 2 may take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this sub-clause (l).
- (m) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all taxes paid or payable by the Transferor Company in relation to the Business Undertaking 2 including all, advance tax payments, tax deducted at source, tax liabilities or any refunds and claims (including unutilized input credits) shall be treated as the advance tax payments, tax deducted at source, tax liabilities or refunds/ claims (including unutilized input credits) as the case may be of the Transferee Company 2. Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all existing and future incentives, un-availed credits and exemptions, statutory benefits, including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat/ Cenvat), customs, value added tax, sales tax, service tax, to which the Transferor Company is entitled in relation to the Business Undertaking 2 shall be available to and shall stand transferred to and vested in the Transferee Company 2 without any further act, instrument or deed required by either the Transferee Company 2 or the Transferor Company and without any approval or acknowledgement of any third party. Upon Section III of the Scheme coming into effect on the Effective Date 2 with effect from the Appointed Date 2, any tax deducted at source deducted by or on behalf of the Transferor Company until the Effective Date 2 shall be deemed to have been deducted on behalf of the Transferee Company 2 to the extent of the income attributable to the Business Undertaking 2 during such period.
- (n) Upon Section III of the Scheme coming into effect on the Effective Date 2, the Transferor Company and the Transferee Company 2 shall be entitled to file/ revise/reopen their respective financial

statements (including balance sheet and profit and loss statement) and statutory/tax returns and related tax payment certificates and to claim refunds/credits and advance tax/TDS/minimum alternate tax credits as may be required consequent to the implementation of Section III of the Scheme.

- 3.2 The Transferor Company and/or the Transferee Company 2, as the case may be, shall at any time upon Section III of the Scheme coming into effect and with effect from the Appointed Date 2 and in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Business Undertaking 2 to which the Transferor Company has been a party, in order to give formal effect to the above provisions. The Transferee Company 2 shall, under the provisions of Section III of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 3.3 Upon Section III of the Scheme coming into effect on the Effective Date 2 with effect from the Appointed Date 2, the Transferee Company 2 shall be entitled to the benefit of the past experience and performance of the Transferor Company in relation to Business Undertaking 2 for all purposes without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Transferee Company 2, the Transferor Company shall duly execute the same and duly record the necessary substitution/endorsement in the name of the Transferee Company 2 pursuant to Section III of the Scheme becoming effective in accordance with the terms hereof. The Transferee Company 2 shall, under the provisions of Section III of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 3.4 Conduct of Business
- (a) With effect from the Appointed Date 2 and up to and including the Effective Date 2:
- (i) The Transferor Company shall carry on and be deemed to have been carrying on all the business and activities of the Business Undertaking 2 and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the contracts, liabilities or property or assets or the benefit or obligations thereof or thereunder pertaining to the Business Undertaking 2 for and on behalf of and in trust for the Transferee Company 2.
- (ii) All profits/benefits accruing to the Transferor Company in relation to the Business Undertaking 2 and all taxes thereof or losses and/or interest arising or incurred by it shall, for all purposes, be treated as the profits, benefits, taxes or losses and/or interest, as the case may be, of the Transferee Company 2.
- (b) Subject to the provisions of Clause 3.4(a)(i) hereinabove, in the event any asset, contract, document, liability or property or the rights, interest, obligations and benefits thereof or thereunder (including without limitation, shipping documents, bills of entry, foreign inward remittance certificates and bank realization certificates), which is a part of the Business Undertaking 2 does not get automatically transferred to the Transferee Company 2 upon Section III of the Scheme coming into effect on the Effective Date 2, the Transferor Company shall take all necessary steps, and execute all necessary documents, to ensure the transfer of such asset, contract, document, liability and property or the rights, interest, obligations and benefits thereof and thereunder to the Transferee Company 2 forthwith after the Effective Date 2 and until the transfer of any asset, the Transferee Company 2 will have the right to use the same without any further consideration. It is clarified that even after Section III of the Scheme comes into effect on the Effective Date 2, the Transferor Company shall, with the written consent of the Transferee Company 2, be entitled to realize or pay all monies and to complete, enforce or discharge all pending contracts, arrangements or obligations in relation to the Business Undertaking 2 in trust and at the sole cost and expense of the Transferee Company 2 in so far as may be necessary until all rights and obligations of the Transferor Company in respect of such pending contracts, arrangements and obligations stand fully devolved to and in favour of the Transferee Company 2.

PART C

4 CONSIDERATION

4.1 Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, and upon the transfer of the Business Undertaking 2 and vesting of the same in Transferee Company 2 by way of a Slump Sale, the Transferee Company 2 shall discharge the lump sum consideration of Rs. 2412,67,33,110 (rounded off) (Rupees Two Thousand Four Hundred and Twelve Crore Sixty Seven Lakh Thirty Three Thousand One Hundred and Ten) to the Transferor Company in the following manner:

- (a) An amount of Rs. 2150,00,00,000 (Rupees Two Thousand One Hundred and Fifty Crore) shall be paid in cash to the Transferor Company; and
- (b) The Transferee Company 2 shall, without any further act or deed, issue and allot, to the Transferor Company, by way of discharge of the remainder of the lump-sum consideration payable by the Transferee Company 2 to the Transferor Company after adjustment of the amount paid to the Transferor Company in accordance with sub-clause (a) hereinabove:-
 - (i) 17,50,00,000 (Seventeen Crore Fifty Lakh) non-cumulative compulsorily convertible preference shares each (a) having face value of Rs. 10 (Rupees Ten), (b) a coupon payable annually at the rate of 0.01% (Zero point zero one percent.) per annum, and (c) compulsorily convertible into 1 (one) equity share of face value Rs. 10 (Rupees Ten) each of Transferee Company 2 at the end of 10 (Ten) years from the date of allotment or at any time prior to the expiry of 10 (Ten) years from the date of allotment at the option of Transferee Company 2; and
 - (ii) 8,76,73,311 (Eight Crore Seventy Six Lakh Seventy Three Thousand Three Hundred and Eleven) non-cumulative non-convertible redeemable preference shares each (a) having face value of Rs. 10 (Rupees Ten), (b) a coupon payable annually at the rate of 10% (Ten percent.) per annum, and (c) redeemable at the end of 20 (Twenty) years from the date of allotment or at any time prior to the expiry of 20 (Twenty) years from the date of allotment at the option of Transferee Company 2.

4.2 The lump-sum consideration for the transfer and vesting of the Business Undertaking 2 in the Transferee Company 2 by way of Slump Sale as stated in Clauses 4.1 of this Section III herein above has been determined and agreed upon by the respective boards of directors of each of the Transferor Company and the Transferee Company 2 based on their independent judgment after taking into consideration the valuation of the Business Undertaking 2 and/or the assets of the Transferor Company and the Transferee Company 2 conducted by independent chartered accountants B S R and Associates and the fairness opinion provided by independent merchant bankers, SPA Capital Advisors Limited, as presented before the audit committee of the board of directors of the Transferor Company.

4.3 On the approval of the Scheme by the members of the Transferee Company 2 pursuant to Section 391 of the 1956 Act and/or the relevant provisions of the 2013 Act, if applicable, it shall be deemed that the members of the Transferee Company 2 have also accorded their consent under Sections 42, 55 and 62 of the 2013 Act and/or other provisions of the Act as may be applicable for the aforesaid issuance of non-cumulative compulsorily convertible preference shares and non-cumulative non-convertible redeemable preference shares of the Transferee Company 2, to the Transferor Company, and all actions taken in accordance with this Clause 4 of Section III of this Scheme shall be deemed to be in full compliance of Sections 42, 55 and 62 of the 2013 Act and other applicable provisions of the Act and that no further resolution or actions under Sections 42, 55 and 62 of the 2013 Act and/or any other applicable provisions of the Act, including, *inter alia*, issuance of a letter of offer by the Transferee Company 2 shall be required to be passed or undertaken.

5. INCREASE IN THE AUTHORISED SHARE CAPITAL OF TRANSFEE COMPANY 2

5.1 Upon Section III of the Scheme coming into effect on the Effective Date 2, the authorized share capital of Transferee Company 2 of Rs.5,00,000 (Rupees Five Lakh) divided into 50,000 (Fifty Thousand) equity shares having face value of Rs.10 (Rupees Ten) each, in terms of Clause V of its Memorandum of Association shall stand enhanced to Rs. 265,05,00,000 (Rupees Two Hundred Sixty Five Crore and Five Lakh) divided into 50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each and 26,50,00,000 (Twenty Six Crore Fifty Lakh) preference shares having face value of Rs. 10 (Rupees Ten) each, without any further act or deed by the Transferee Company 2 for purpose of such enhancement of the authorized share capital of the Transferee Company 2.

- 5.2 Subsequent to enhancement of the authorized share capital of the Transferee Company 2 as contemplated in Clause 5 of Section III above, the authorized share capital clause of the Memorandum of Association (Clause V) of the Transferee Company 2 shall stand modified and read as follows:

“The authorized share capital of the Company is Rs. 265,05,00,000 (Rupees Two Hundred Sixty Five Crore and Five Lakh) divided into 50,000 (Fifty Thousand) equity shares having face value of Rs.10 (Rupees Ten) each and 26,50,00,000 (Twenty Six Crore and Fifty Lakh) preference shares having face value of Rs. 10 (Rupees Ten) each.”

- 5.3 Pursuant to the effectiveness of Section III of this Scheme, the Transferee Company 2 shall make the requisite filings with the RoC for the increase in its authorised share capital in the manner set out in this Clause 5.
- 5.4 It is hereby clarified that for the purposes of Clauses 5.1 and 5.2 of Section III above, the consent of the shareholders of the Transferee Company 2 to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in the authorized share capital of the Transferee Company 2 and consequential amendments in Clause V of its Memorandum of Association and all actions taken in accordance with this Clause 5 of Section III of this Scheme shall be deemed to be in full compliance of Sections 13, 61 and 64 of the 2013 Act and other applicable provisions of the Act and that no further resolutions or actions under Sections 13, 61 and 64 of the 2013 Act and/or any other applicable provisions of the Act, would be required to be separately passed or undertaken by the Transferee Company 2.

6. ACCOUNTING TREATMENT

6.1 *Treatment in the books of Transferee Company 2*

Pursuant to Section III of the Scheme, the Transferee Company 2 shall account for the transfer and vesting of the assets and liabilities acquired under the Business Undertaking 2 in accordance with an allocation report to be prepared in accordance with Accounting Standard 10 issued by the Institute of Chartered Accountants of India.

6.2 *Treatment in the books of Transferor Company*

The statement of the profit & loss account of the Transferor Company shall be debited / credited with the difference between the book values of the assets and liabilities transferred to the Transferee Company 2 and the lump sum consideration received by the Transferor Company.

SECTION IV

TRANSFER OF THE BUSINESS UNDERTAKING 3 AND VESTING OF THE SAME IN THE TRANSFEREE COMPANY 3 BY WAY OF A SLUMP SALE

PART A

WHEREAS:

- A. **Jindal Stainless Limited** (“**Transferor Company**”) is a company incorporated under the 1956 Act, and has its registered office at O. P. Jindal Marg, Hisar 125005, Haryana. The Transferor Company is engaged in the business of manufacturing, distribution and sale of stainless steel in India and other countries.
- B. **Jindal Coke Limited** (“**Transferee Company 3**”) is a company incorporated under the 2013 Act, and has its registered office at O.P. Jindal Marg, Hisar 125005, Haryana. Transferee Company 3, a wholly owned subsidiary of the Transferor Company proposes to engage in the business of manufacturing, processing, finishing and dealing in all kinds and forms of coke and coke products.
- C. In terms of Section IV of this Scheme, it is now proposed, *inter alia*, to transfer Business Undertaking 3 (as defined hereinafter) of the Transferor Company and vest the same in the Transferee Company 3 as a going concern by way of a Slump Sale for a lump-sum consideration pursuant to a court sanctioned composite scheme of arrangement under Sections 391 to 394 of the 1956 Act and/or Sections 230-233 of the 2013 Act, if applicable, and/ or other relevant provisions of the Act, in the manner provided for in Section IV of the Scheme.
- D. The transfer of the Business Undertaking 3 (as defined hereinafter) of the Transferor Company and vesting of the same in the Transferee Company 3 (as defined hereinafter) as a going concern by way of a Slump Sale for lump sum consideration, pursuant to and in accordance with Section IV of this Scheme shall be in accordance with Section 2 (42C) of the IT Act.

1. DEFINITIONS

For the purposes of Section IV of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:-

- (a) “**Business Undertaking 3**” means the business undertaking relating to the Coke Plant, on a going concern basis with a net book value in the books of the Transferor Company of Rs. 373.69 Crore (Rupees Three Hundred Seventy Three point Six Nine Crore) as on March 31, 2014, which shall be inclusive of, but not limited to:-
- (i) all assets, whether moveable or immovable, whether freehold or leasehold (including the right to use the land on which the Coke Plant is located but excluding the ownership or leasehold rights in such land), including all rights, title, interest, claims, covenants, undertakings of the Transferor Company pertaining to the Coke Plant, including without limitation, the assets listed in **Schedule 4** hereto;
 - (ii) all investments, receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Transferor Company pertaining to the Coke Plant;
 - (iii) all debts, borrowings and liabilities (except for the secured term borrowings), whether present or future, whether secured or unsecured of the Transferor Company pertaining to the Coke Plant;
 - (iv) all permits, rights, entitlements, licenses (including licenses issued by the DGFT under the Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT except the EPCG license and the export obligations thereunder), approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service

tax), privileges and benefits of all contracts, agreements, tenders, bids, experience and/or performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Transferor Company pertaining to the Coke Plant;

- (v) all copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom of the Transferor Company pertaining to the Coke Plant, whether registered, unregistered or pending registration;
 - (vi) all employees of the Transferor Company employed in relation to the Coke Plant;
 - (vii) all legal, tax, regulatory, quasi judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated by or against the Transferor Company in connection with the Coke Plant; and
 - (viii) all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Transferor Company pertaining to the Coke Plant.
- (b) **“Coke Plant”** means the coke oven plant and other allied facilities of the Transferor Company located at Kalinga Nagar Industrial Complex, Duburi 755 026, District Jajpur, Odisha, India, and the operations thereat.
- (c) **“Transferor Company”** shall have the meaning assigned to it in Recital A hereto.
- (d) **“Transferee Company 3”** shall have the meaning assigned to it in Recital B hereto.

The expressions, which are used in this Section IV of the Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Sections I, II, III, or V of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

2. SHARE CAPITAL

2.1. The share capital of the Transferor Company as on December 26, 2014, is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorised share capital	
44,50,00,000 (Forty Four Crore and Fifty Lakh) equity shares having face value of Rs. 2 (Rupees Two) each	89,00,00,000
3,00,00,000 (Three Crore) preference shares having face value of Rs. 2 (Rupees Two) each	6,00,00,000
Total	95,00,00,000
Issued and paid-up share capital	
22,63,75,005 (Twenty Two Crore Sixty Three Lakh Seventy Five Thousand and Five) equity shares having face value of Rs. 2 (Rupees Two) each*	45, 27,50,010
48,10,440 (Forty Eight Lakh Ten Thousand Four Hundred and Forty) CCCPS having face value of Rs. 2 (Rupees Two) each	96,20,880
Total	46,23,70,890

Outstanding Transferor Company GDSs

*includes 1,76,04,334 (One Crore Seventy Six Lakh Four Thousand Three Hundred and Thirty Four) equity shares having face value Rs. 2 (Rupees Two) each, underlying 88,02,167 (Eighty Eight Lakhs Two Thousand One Hundred and Sixty Seven) Transferor Company GDSs

2.2. The share capital of the Transferee Company 3 as on December 26, 2014, is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorised share Capital	
50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each	5,00,000
Total	5,00,000
Issued and paid-up share capital	
50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each	5,00,000
Total	5,00,000

2.3. The main objects of the Transferor Company and the Transferee Company 3 are as follows:

(a) Transferor Company

- “1. To set up Steel and non-ferrous melting furnaces, converters. AP Lines and casting facilities to produce stainless steel, Ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, bloom, rounds billets of various cross-sections, alloys and special steel, to make a deal in ferrous. non ferrous and special alloy and steel including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for and for other applications.
2. To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shaftings and blank-coins.
3. To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulates, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metallingerous ore, manganese ore, chrome ore, nickel ore, coal lignite, limestone, quartz, zinc ore, copper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities.
4. To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchases dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.
5. To manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferros silicon, ferro chrome, ferro manganese and other ferros substances and metals of every description and grades and to manufacture, deal, import and export all kinds and varieties of non-ferros raw metals such as aluminum, copper, tin, lead etc. and the by-products obtained in processing and manufacturing these raw metals.
6. To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use transmit, accumulate, employ. Distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power

in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants bases on any source of energy as may be developed or invented in future.

7. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carboic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gasses, substances or any compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and thing or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”*

(b) Transferee Company 3

1. *“To carry on the business of purchase, sale, manufacture, process, import, export, buyers, sellers, traders, merchants, distribution, deal in, to act as indent or agent, commission agent, distributors, whole sellers, retailers, broker, contractor, or otherwise deal with raw and process materials, semi products and end products of Low ash Metallurgical Coke, carbon, Chemicals, Coal, Coke, Petroleum Coke products, Calcined Petroleum Coke, Ferro Alloys, Electrodes, Petro Products and Petro Products of all kinds & specification and other allied items and industrial raw materials.*
2. *To manufacture, purchase, sell, deal in soft coke, Special Smokeless Fuel(SSF) with coal tar recovered by CMPDIL Technology, industrial coke, coke as substitute to Charcoal, processing and distillation of coal tar coal tar chemicals, any other type of coke and organic chemicals based on carbon and tar derivatives, charcoal, bone charcoal, activated charcoal, activated carbon, black or any other carbon products, dyes, dye intermediaries, coal mining, use of waste heat for processing or production of any article etc.*
3. *To carry on in all its branches the business of manufacturers and dealers in carbon black of all types, gas black, ebony black, jet black, hydrocarbon black, satin black and silicate of carbon either from natural and/or artificial gas or from any other source.*
4. *To carry on the business of manufactures, processors, refiners, smelters, makers, converts, finishers, importers, exporters, agents, merchants, buyers, sellers and dealers in all kinds and forms of steels including tools and alloy steels, stainless and all other special steels, iron and other metals and alloys, all kinds of goods, products, articles or merchandise whatsoever manufactured wholly or partly from steels and other metals and alloys; and also the business and iron masters, steel and metal converters, colliary proprietors, coke manufacturers, ferroalloy manufactures, miners, smelters and engineers in all their respective branches and to search for, get, work, raise, make, merchantable, manufacture, process, buy, sell and otherwise deal in iron, Pig Iron, Granulated slag, Iron Ore Fines, steel and other metal, coal, coke, brick-carth, fireclay, bricks, ores, minerals and mineral substances, gases, alloy. Metal, metal scrap, chemicals and chemical substances of all kinds.*
5. *To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchase dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, Carbon Steel and Mild Steel ,alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*
6. *To set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, blooms, rounds, billets of various cross-sections, alloys and special steel, to make and deal in ferrous/non-ferrous and special alloys & steels including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for other applications.”*

PART B

3. TRANSFER OF THE BUSINESS UNDERTAKING 3 AND VESTING OF THE SAME IN TRANSFEEE COMPANY 3 BY WAY OF A SLUMP SALE

3.1. Subject to the provisions of Section IV of the Scheme in relation to the modalities of a Slump Sale, upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, Business Undertaking 3, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations, shall be transferred from the Transferor and stand vested in the Transferee Company 3 and shall become the property and an integral part of Transferee Company 3 subject to existing encumbrances (unless otherwise agreed to by the encumbrance holders), as a going concern by way of a Slump Sale, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, Business Undertaking 3 shall stand transferred and vested in Transferee Company 3 in the manner described in sub-paragraphs (a) – (n) below:

- (a) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all immovable property of the Business Undertaking 3, whether freehold or leasehold (including the right to use the land on which the Coke Plant is located but excluding the ownership or leasehold rights in such land) and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in Transferee Company 3, and shall become the property and an integral part of the Transferee Company 3, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 3, and without any approval or acknowledgement of any third party. Upon Section IV of the Scheme coming into effect on the Effective Date 2, the Transferee Company 3 shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation / substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Transferee Company 3, by the appropriate authorities pursuant to the sanction of the Scheme by the Court and Section IV of the Scheme becoming effective on the Effective Date 2, in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the Business Undertaking 3 is given to the Transferee Company 3 in accordance with the terms hereof.
- (b) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all the assets of the Business Undertaking 3 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by transfer or by vesting and recordal pursuant to the Scheme, shall stand transferred and vested in the Transferee Company 3, and shall become the property and an integral part of the Transferee Company 3, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 3, and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-Clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being transferred and vested, and the title to such property shall be deemed to have transferred and vested accordingly.
- (c) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts, receivables, outstanding loans and advances, if any, relating to the Business Undertaking 3, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons shall, without any act, instrument or deed required by either the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement of any third party become the property of the Transferee Company 3.
- (d) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all debts, liabilities, contingent liabilities, duties and obligations (excluding the secured term borrowings of the Transferor Company), secured or unsecured, relating to the Business Undertaking 3, whether provided for or not in the books of accounts of the Transferor Company or disclosed in the balance sheet of the Business Undertaking 3, shall become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company 3, without any further act, instrument or deed required by either of the Transferor Company or the Transferee

Company 3. The Transferee Company 3 undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-Clause. However, the Transferor Company and the Transferee Company 3 shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Court or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to the Transferee Company 3 as part of the Business Undertaking 3 and/or in relation to the assets remaining in the Transferor Company after the transfer and vesting of the Business Undertaking 3 in the Transferee Company 3 pursuant to Section IV of this Scheme becoming effective in accordance with the terms hereof. Where any of the loans, liabilities and obligations attributed to the Business Undertaking 3 have been discharged by the Transferor Company on behalf of the Business Undertaking 3 after the Appointed Date 2 but before the Effective Date 2, such discharge shall be deemed to have been done by the Transferor Company for and on behalf of the Transferee Company 3.

- (e) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all incorporeal or intangible property of or relating to the Business Undertaking 3 shall stand transferred and vested in the Transferee Company 3, and shall become the property and an integral part of the Transferee Company 3 without any further act, instrument or deed required by either the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement of any third party.
- (f) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all letters of intent, memoranda of understanding, memoranda of agreements, contracts, tenders, bids, experience and/or performance statements, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of whatsoever nature or description, in relation to the Business Undertaking 3 to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be in full force and effect against or in favour of the Transferee Company 3 and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company 3 had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement of any third party.
- (g) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all rights, entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered, unregistered or pending registration, and the goodwill arising therefrom, in relation to Business Undertaking 3, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or entitled, shall become the rights, entitlement or property of the Transferee Company 3 and shall be enforceable by or against the Transferee Company 3, as fully and effectually as if, instead of the Transferor Company, the Transferee Company 3 had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement of any third party.
- (h) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations, approvals, clearances, tenancies, privileges, powers, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax), facilities of every kind and description of whatsoever nature, in relation to the Business Undertaking 3 to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be enforceable by or against the Transferee Company 3 as fully and effectually as if, instead of the Transferor Company, the Transferee Company 3 had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement of any third party.

- (i) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, any statutory or regulatory licenses (including licenses issued by the DGFT under the Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT except the EPCG license and the export obligations thereunder), grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Business Undertaking 3 or granted to the Transferor Company in relation to the Business Undertaking 3 shall stand transferred and vested in or transferred to Transferee Company 3, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement of any third party. The benefit of, and the obligations under, all statutory and regulatory licences, permissions, grants, allotments, recommendations, no-objection certificates, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights (including environmental approvals and consents) required to carry on the operations of the Business Undertaking 3 shall also stand transferred and vested in and become available to Transferee Company 3 pursuant to Section IV of this Scheme coming into effect, without any further act, instrument or deed required by either the Transferor Company or the Transferee Company 3. If the consent or recordal of any licensor or authority is required to give effect to the provisions of this sub-clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company 3 pursuant to Section IV of the Scheme becoming effective in accordance with the terms hereof.
- (j) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, the Transferee Company 3 shall bear the burden and the benefits of any legal, tax, quasi judicial, administrative, regulatory or other proceedings initiated by or against the Transferor Company in connection with the Business Undertaking 3. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company in connection with the Business Undertaking 3 (or any part thereof) be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer and vesting of such Business Undertaking 3 in the Transferee Company 3 or of anything contained in Section IV of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company 3 in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if Section IV of this Scheme had not been made effective. Upon Section IV of the Scheme becoming effective, the Transferee Company 3 undertakes to have such legal or other proceedings initiated by or against the Transferor Company in relation to the Business Undertaking 3 transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company 3 to the exclusion of the Transferor Company. The Transferee Company 3 also undertakes to handle all legal or other proceedings which may be initiated against the Transferor Company in connection with the Business Undertaking 3 after the Effective Date 2 in its own name and account and further undertakes to pay all amounts including interest, penalties and damages etc. pursuant to such legal / other proceedings.
- (k) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all persons that were employed in the Transferor Company, in connection with the Business Undertaking 3, immediately before such date shall become employees of the Transferee Company 3, with the benefit of continuity of service on the terms and conditions no less favourable than those applicable to such employees immediately prior to such transfer and vesting and without any break or interruption in service. It is clarified that such employees of the Transferor Company that become employees of the Transferee Company 3 by virtue of Section IV of this Scheme coming into effect, shall continue to be governed by the terms of employment as were applicable to them immediately before such transfer (including in relation to stock options except to the extent modified by this Scheme) and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Transferee Company 3, unless and otherwise so stated by such Transferee Company 3 in writing in respect of all employees, class of employees or any particular employee. The Transferee Company 3 undertakes to continue to abide by any agreement/settlement if any, entered into by the Transferor Company in relation to the Business Undertaking 3 in respect of such employees with their respective employees/ employee unions, if any. With regard to provident fund, gratuity fund, superannuation fund, contributions required to be made under the Employees State Insurance Act, 1948, or any other special fund or obligation created or existing for the benefit of such employees of the Transferor Company, upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, the Transferee Company

3 shall stand substituted for the Transferor Company for all purposes whatsoever including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident benefits, gratuity benefits and superannuation benefits, contributions made under the Employees State Insurance Act, 1948, or any other special benefits or obligation, if any, created by the Transferor Company for the employees of the Business Undertaking 3 shall be continued by the Transferee Company 3 for the benefit of such employees on the same terms and conditions. It is the aim and intent of Section IV of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or benefits shall become those of the Transferee Company 3. Further, upon Section IV of the Scheme coming into effect in accordance with the terms hereof, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Transferor Company in relation to the Business Undertaking 3 shall be continued/continue to operate against the relevant employee and shall be enforced effectively by the Transferee Company 3.

- (l)
 - (i) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Business Undertaking 3 who are proposed to be transferred as part of the Scheme to the Transferee Company 3, which have been granted and vested but have not been exercised as on the Record Date, such options shall continue to vest in the employees of the Business Undertaking 3 being transferred to the Transferee Company 3. Upon exercise of the aforesaid options by the said employees from time to time in accordance with the ESOP Scheme, the Transferor Company shall continue to honour its obligations under the ESOP Scheme with respect to such employees in accordance with the provisions of the ESOP Scheme and shall issue and allot fully paid-up equity shares of the Transferor Company in respect of such exercised options in accordance with the ESOP Scheme. The Transferee Company 3 shall have no obligation to issue any stock options or shares to such employees of the Business Undertaking 3 in lieu of the stock options granted by the Transferor Company under the ESOP Scheme.
 - (ii) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Business Undertaking 3 and proposed to be transferred as part of the Scheme to the Transferee Company 3, which have been granted but have not been vested as of the Effective Date 2, such options would lapse automatically without any further act, instrument or deed required by any of the Transferor Company, the employee or the Transferee Company 3 and without any approval or acknowledgement of any third party.
 - (iii) The ESOP Scheme shall, pursuant to this Scheme, be modified by the Transferor Company, as considered appropriate by its Compensation Committee, to give effect to the above clauses and the consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be their consent and approval in relation to all matters pertaining to the ESOP Scheme as described in this Scheme, including without limitation, for the purposes of effecting necessary modifications to the ESOP Scheme and all related matters. All actions taken in accordance with this sub-clause (l) of Section IV of this Scheme shall be deemed to be in full compliance of Sections 62 and/or 42 of the 2013 Act, any other applicable provisions of the Act and the guidelines/regulations issued by SEBI and no further approval of the shareholders of the Transferor Company or resolution, action or compliance under Sections 62 and/or 42 of the 2013 Act and/or any other applicable provisions of the Act and/or under the guidelines/regulations issued by the SEBI would be required to be separately passed or undertaken by the Transferor Company or the Transferee Company 3.
 - (iv) The Boards of Directors of the Transferor Company and the Transferee Company 3 may take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this sub-clause (l).
- (m) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all taxes paid or payable by the Transferor Company in relation to the Business Undertaking 3 including all, advance tax payments, tax deducted at source, tax liabilities or any refunds and claims (including unutilized input credits) shall be treated as the advance tax payments, tax deducted at source, tax liabilities or refunds/ claims (including unutilized input credits) as the case may be of the Transferee Company 3. Upon Section IV of the Scheme coming into effect on the

Effective Date 2 and with effect from the Appointed Date 2, all existing and future incentives, un-availed credits and exemptions, statutory benefits, including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat / Cenvat), customs, value added tax, sales tax, service tax etc. to which the Transferor Company is entitled in relation to the Business Undertaking 3 shall be available to and stand transferred and vested in the Transferee Company 3 without any further act, instrument or deed required by either the Transferee Company 3 or the Transferor Company and without any approval or acknowledgement of any third party. Upon Section IV of the Scheme coming into effect on the Effective Date 2 with effect from the Appointed Date 2, any tax deducted at source deducted by or on behalf of the Transferor Company until the Effective Date 2 shall be deemed to have been deducted on behalf of the Transferee Company 3 to the extent of the income attributable to the Business Undertaking 3 during such period.

- (n) Upon Section IV of the Scheme coming into effect on the Effective Date 2, the Transferor Company and the Transferee Company 3 shall be entitled to file/ revise/reopen their respective financial statements (including balance sheet and profit and loss statement) statutory/tax returns and related tax payment certificates and to claim refunds/credits and advance tax/TDS/minimum alternate tax credits as may be required consequent to the implementation of Section IV of the Scheme.
- 3.2. The Transferor Company and/or the Transferee Company 3, as the case may be, shall at any time upon Section IV of the Scheme coming into effect and with effect from the Appointed Date 2 and in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Business Undertaking 3 to which the Transferor Company has been a party, in order to give formal effect to the above provisions. The Transferee Company 3 shall, under the provisions of Section IV of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 3.3. Upon Section IV of the Scheme coming into effect on the Effective Date 2 with effect from the Appointed Date 2, the Transferee Company 3 shall be entitled to the benefit of the past experience and performance of the Transferor Company in relation to Business Undertaking 3 for all purposes without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Transferee Company 3, the Transferor Company shall duly execute the same and duly record the necessary substitution/endorsement in the name of the Transferee Company 3 pursuant to Section IV of the Scheme becoming effective in accordance with the terms hereof. The Transferee Company 3 shall, under the provisions of Section IV of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 3.4. Conduct of Business
- (a) With effect from the Appointed Date 2 and up to and including the Effective Date 2:
 - (i) The Transferor Company shall carry on and be deemed to have been carrying on all the business and activities of the Business Undertaking 3 and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the contracts, liabilities or property or assets or the benefit or obligations thereof or thereunder pertaining to the Business Undertaking 3 for and on behalf of and in trust for the Transferee Company 3.
 - (ii) All profits/benefits accruing to the Transferor Company in relation to the Business Undertaking 3 and all taxes thereof or losses and/or interest arising or incurred by it shall, for all purposes, be treated as the profits, taxes or losses and/or interest, as the case may be, of the Transferee Company 3.
 - (b) Subject to the provisions of Clause 3.4(a)(i) hereinabove, in the event any asset, contract, document, liability or property or the rights, interest, obligations and benefits thereof or thereunder (including without limitation, shipping documents, bills of entry, foreign inward remittance certificates and bank realization certificates), which is a part of the Business Undertaking 3 does not get automatically transferred to the Transferee Company 3 upon Section IV of the Scheme coming into effect on the Effective Date 2, the Transferor Company shall take all necessary steps, and execute all necessary documents, to ensure the transfer of such asset, contract, document, liability and property or the

rights, interest, obligations and benefits thereof and thereunder to the Transferee Company 3 forthwith after the Effective Date 2 and until the transfer of any such asset, the Transferee Company 3 will have the right to use the same without any further consideration. It is clarified that even after Section IV of the Scheme comes into effect on the Effective Date 2, the Transferor Company shall, with the written consent of the Transferee Company 2, be entitled to realize or pay all monies and to complete, enforce or discharge all pending contracts, arrangements or obligations in relation to the Business Undertaking 3 in trust and at the sole cost and expense of the Transferee Company 3 in so far as may be necessary until all rights and obligations of the Transferor Company in respect of such pending contracts, arrangements and obligations stand fully devolved to and in favour of the Transferee Company 3.

PART C

4. CONSIDERATION

- 4.1 Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, and upon the transfer of the Business Undertaking 3 and vesting of the same in Transferee Company 3 by way of a Slump Sale, the Transferee Company 3 shall discharge the lump sum consideration of Rs. 492,64,70,730 (rounded off) (Rupees Four Hundred Ninety Two Crore Sixty Four Lakh Seventy Thousand Seven Hundred and Thirty) to the Transferor Company for such transfer in the following manner:
- (a) An amount of Rs. 375,00,00,000 (Rupees Three Hundred and Seventy Five Crore) shall be paid in cash to the Transferor Company; and
 - (b) The Transferee Company 3 shall, without any further act or deed, issue and allot, to the Transferor Company, by way of discharge of the remainder of the lump-sum consideration payable by the Transferee Company 3 to the Transferor Company after adjustment of the amount paid to the Transferor Company in accordance with sub-clause (a) hereinabove:-
 - (i) 2,60,00,000 (Two Crore and Sixty Lakhs) non-cumulative compulsorily convertible preference shares each (a) having face value of Rs. 10 (Rupees Ten), (b) a coupon payable annually at the rate of 0.01% (Zero point zero one percent.) per annum, and (c) compulsorily convertible into one equity share of face value Rs. 10 (Rupees Ten) each of Transferee Company 3 at the end of 10 (Ten) years from the date of allotment or at any time prior to the expiry of 10 (Ten) years from the date of allotment at the option of Transferee Company 3; and
 - (ii) 9,16,47,073 (Nine Crore Sixteen Lakh Forty Seven Thousand and Seventy Three) non-cumulative non-convertible redeemable preference shares each (a) having face value of Rs. 10 (Rupees Ten), (b) coupon payable annually at the rate of 10% (Ten percent.) per annum, and (c) redeemable at the end of 20 (Twenty) years from the date of allotment or at any time prior to the expiry of 20 (Twenty) years from the date of allotment at the option of Transferee Company 3.
- 4.2. The lump-sum consideration for the vesting of the Business Undertaking 3 in the Transferee Company 3 by way of Slump Sale as stated in Clauses 4.1 of this Section IV above has been determined and agreed upon by the respective boards of directors of each of the Transferor Company and the Transferee Company 3 based on their independent judgment after taking into consideration the valuation of the Business Undertaking 3 and/or the assets of the Transferor Company and the Transferee Company 3 conducted by independent chartered accountants B S R and Associates and the fairness opinion provided by independent merchant bankers, SPA Capital Advisors Limited, as presented before the audit committee of the board of directors of the Transferor Company.
- 4.3. On the approval of the Scheme by the members of the Transferee Company 3 pursuant to Section 391 of the 1956 Act and/or the relevant provisions of the 2013 Act, if applicable, it shall be deemed that the members of the Transferee Company 3 have also accorded their consent under Sections 42, 55 and 62 of the 2013 Act and/or other provisions of the Act as may be applicable for the aforesaid issuance of non-cumulative compulsorily convertible preference shares and non-cumulative non-convertible redeemable preference shares of the Transferee Company 3, to the Transferor Company, and all actions taken in accordance with

this Clause 4 of Section IV of this Scheme shall be deemed to be in full compliance of Sections 42, 55 and 62 of the 2013 Act and other applicable provisions of the Act and that no further resolution or actions under Sections 42, 55 and 62 of the 2013 Act and/or any other applicable provisions of the Act, including, *inter alia*, issuance of a letter of offer by the Transferee Company 3 shall be required to be passed or undertaken.

5. INCREASE IN THE AUTHORISED SHARE CAPITAL OF TRANSFEREE COMPANY 3

5.1. Upon Section IV of the Scheme coming into effect on the Effective Date 2, the authorized share capital of Transferee Company 3 of Rs.5,00,000 (Rupees Five Lakh) divided into 50,000 (Fifty Thousand) equity shares having face value of Rs.10 (Rupees Ten) each, in terms of Clause V of its Memorandum of Association shall stand enhanced to Rs. 117,75,00,000 (Rupees One Hundred and Seventeen Crore and Seventy Five Lakh) divided into 50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Ten) each and 11,77,00,000 (Eleven Crore Seventy Seven Lakh) preference shares of face value of Rs. 10 (Rupees Ten) each, without any further act or deed by the Transferee Company 3 for purpose of such enhancement of the authorized share capital of the Transferee Company 3.

5.2. Subsequent to enhancement of the authorized share capital of the Transferee Company 3 as contemplated in Clause 5 of Section IV above, the authorized share capital clause of the Memorandum of Association (Clause V) of the Transferee Company 3 shall stand modified and read as follows:

"The Authorized Share Capital of the Company is Rs 117,75,00,000 (Rupees One Hundred and Seventeen Crores and Seventy Five Lakhs) divided into 50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each and 11,77,00,000 (Eleven Crores Seventy Seven Lakhs) preference shares having face value of Rs. 10 (Rupees Ten) each."

5.3. Pursuant to the effectiveness of Section IV of this Scheme, the Transferee Company 3 shall make the requisite filings with the RoC for the increase in its authorised share capital in the manner set out in this Clause 5.

5.4. It is hereby clarified that for the purposes of Clauses 5.1 and 5.2 of Section IV above, the consent of the shareholders of the Transferee Company 3 to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in the authorized share capital of the Transferee Company 3 and consequential amendments in Clause V of its Memorandum of Association and all actions taken in accordance with this Clause 5 of Section IV of this Scheme shall be deemed to be in full compliance of Sections 13, 61 and 64 of the 2013 Act and other applicable provisions of the Act and that no further resolutions or actions under Sections 13, 61 and 64 of the 2013 Act and/or any other applicable provisions of the Act, would be required to be separately passed or undertaken by the Transferee Company 3.

6. ACCOUNTING TREATMENT

6.1 *Treatment in the Books of Transferee Company 3*

Pursuant to Section IV of the Scheme, the Transferee Company 3 shall account for the transfer and vesting of the assets and liabilities acquired under the Business Undertaking 3 in accordance with an allocation report to be prepared in accordance with Accounting Standard 10 issued by the Institute of Chartered Accountants of India.

6.2 *Treatment in the Books of Transferor Company*

The statement of the profit & loss account of the Transferor Company shall be debited / credited with the difference between the book values of the assets and liabilities transferred to the Transferee Company 3 and the lump sum consideration received by the Transferor Company.

SECTION V

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

1.1 DEFINITIONS

The terms used in this Section V of the Scheme, but not defined herein shall have the meaning ascribed to them, in Sections I, II, III or IV of this Scheme, as the context may require. For the purposes of Section V of this Scheme, unless repugnant to the meaning or context thereof, the following expression shall have the meaning as mentioned herein below:

“**Transferee Companies**” means the Transferee Company 2 and the Transferee Company 3 collectively.

1.2 APPLICATION TO COURT

Each of the Transferor Company, the Transferee Companies and the Resulting Company shall, as may be required, make applications and/or petitions under Sections 391 through 394 of the 1956 Act and/ or other applicable provisions of the Act to the Court for sanction of this Scheme and all matters ancillary or incidental thereto. For the purpose of effecting the reduction in the share capital of the Resulting Company as set out in Clause 5 of Section I of the Scheme, separate applications under Section 100 of the 1956 Act and/ or any other applicable provisions of the Act and the rules and regulations framed thereunder may, if required, be filed by the Resulting Company and/or the Transferor Company before the Court.

1.3 EFFECTIVENESS OF THE SCHEME

Upon the sanction of the Scheme and after the Scheme has become effective upon completion of the conditions listed in Clause 1.5 of this Section V, in the following sequence:

- (a) with effect from the Appointed Date 1, the demerger of the Demerged Undertakings of the Transferor Company, and the vesting of the same in the Resulting Company shall be deemed to have occurred, pursuant to Section I of this Scheme, in accordance with Section 2 (19AA) of the IT Act;
- (b) with effect from the Appointed Date 1, the transfer of Business Undertaking 1 of the Transferor Company and the vesting of the same in the Resulting Company by way of a Slump Sale shall be deemed to have occurred, pursuant to Section II of this Scheme, in accordance with Section 2 (42C) of the IT Act;
- (c) with effect from the Appointed Date 2, the transfer of Business Undertaking 2 of the Transferor Company and the vesting of the same in Transferee Company 2 by way of a Slump Sale shall be deemed to have occurred, pursuant to Section III of this Scheme, in accordance with Section 2 (42C) of the IT Act; and
- (d) with effect from the Appointed Date 2, the transfer of Business Undertaking 3 of the Transferor Company, and the vesting of the same in Transferee Company 3 by way of a Slump Sale shall be deemed to have occurred, pursuant to Section IV of this Scheme, in accordance with Section 2 (42C) of the IT Act.

1.4 MODIFICATIONS OR AMENDMENTS TO THE SCHEME

- (a) Each of the Transferor Company, the Transferee Companies and the Resulting Company, through their respective boards of directors (which shall include any committee constituted by the respective boards) may assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Court and/ or any other authority may deem fit to direct or impose or which may be otherwise considered necessary, desirable or appropriate by them.
- (b) Each of the Transferor Company, the Transferee Companies and the Resulting Company, acting through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any authority or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

1.5 CONDITIONALITY OF THE SCHEME

- (a) The effectiveness of Sections I and II of this Scheme is and shall be conditional upon and subject to:
- (i) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the shareholders and/or creditors of each of the Transferor Company and the Resulting Company as may be required under applicable laws;
 - (ii) The Scheme being approved by the “*public*” shareholders of the Transferor Company through postal ballot/e-voting with the votes cast by “*public*” shareholders in favour of the Scheme being more than the votes cast against it, as required under Para 5.16(a) of the SEBI Circular CIR/CFD/DIL/5/2013 dated February 04, 2013, as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. For the purposes of this sub-clause, the term ‘*public*’ shall have the meaning ascribed to such term under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
 - (iii) The Stock Exchanges issuing their observation/ no-objection letters and SEBI issuing its comments on the Scheme, as required under applicable laws.
 - (iv) The Scheme being sanctioned by the Court under Sections 391-394 of the 1956 Act and/or other applicable provisions of the Act.
 - (v) Certified copies of the orders of the Court sanctioning this Scheme being filed with the RoC, by each of the Transferor Company and the Resulting Company.
- (b) The effectiveness of Sections III and IV of this Scheme is and shall be conditional upon and subject to:
- (i) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the shareholders and/or creditors of each of the Transferor Company and the Transferee Companies as may be required under applicable laws.
 - (ii) The Scheme being approved by the “*public*” shareholders of the Transferor Company through postal ballot/e-voting with the votes cast by “*public*” shareholders in favour of the Scheme being more than the votes cast against it, as required under Para 5.16(a) of the SEBI Circular CIR/CFD/DIL/5/2013 dated February 04, 2013, as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. For the purposes of this sub-clause, the term ‘*public*’ shall have the meaning ascribed to such term under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
 - (iii) The Stock Exchanges issuing their observation/no-objection letters and SEBI issuing its comments on the Scheme, as required under applicable laws.
 - (iv) The Scheme being sanctioned by the Court under Sections 391-394 of the 1956 Act and/or other applicable provisions of the Act.
 - (v) Certified copies of the orders of the Court sanctioning this Scheme being filed with the RoC, by each of the Transferor Company and the Transferee Companies.
 - (vi) Receipt of approval from the Orissa Industrial Infrastructure Development Corporation (or any other concerned authority authorized in this connection), for the transfer/grant of the right to use in the land on which the HSM Plant is located to Transferee Company 2 and on which the Coke Plant is located to Transferee Company 3, respectively, by the Transferor Company.

1.6 EFFECT OF NON-RECEIPT OF APPROVALS

In the event any of the sanctions, consents or approvals referred to in the Clause 1.5 of Section V above is not obtained or received and/or the Scheme, or any part thereof, has not been sanctioned by the Court, the board of directors of each of the Transferor Company, the Resulting Company and the Transferee Companies, shall, by mutual agreement, determine whether:

- (a) this Scheme shall stand revoked and cancelled in entirety and shall be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or under applicable law and in such event, each party shall bear and pay its respective costs, charges and expenses for and in connection with the Scheme; or
- (b) such part shall be severable from the remainder of the Scheme (or any Section thereof) and the Scheme (or any Section thereof) shall not be affected thereby, unless the deletion of such part shall cause the Scheme (or any Section thereof) to become materially adverse to any party, in which case each of the Transferor Company, the Resulting Company and the Transferee Companies, (acting through their respective boards of directors) shall attempt to bring about a modification in the Scheme (or any Section thereof), as will best preserve for the parties, the benefits and obligations of this Scheme (or any Section thereof), including but not limited to such part.

For the avoidance of doubt, it is clarified that notwithstanding the above, the non-receipt of any sanctions, consents or approvals in connection with Sections III and IV of the Scheme, either individually or collectively, shall not affect the effectiveness of the Sections I and II of the Scheme.

1.7 COSTS, CHARGES & EXPENSES

- (a) Each of the Transferor Company and the Resulting Company shall bear its own costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing Sections I, II and V of this Scheme and matters incidental thereto.
- (b) Each of the Transferor Company and the Transferee Company 2 shall bear its own costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing Sections III and V of this Scheme and matters incidental thereto.
- (c) Each of the Transferor Company and the Transferee Company 3 shall bear its own costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing Sections IV and V of this Scheme and matters incidental thereto.

1.8 FILING / AMENDMENT OF RETURNS, ETC.

- (a) Each of the Transferor Company, the Resulting Company and the relevant Transferee Companies is expressly permitted to file/revise/reopen their financial statements (including their balance sheet and profit and loss statement) and income tax, wealth tax, service tax, value added tax, minimum alternate tax and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/ revising such statements/returns may have lapsed, in order to give full effect to the Scheme, without requiring/ seeking any additional consent or approval under any applicable laws/rules and regulations. Each of the Transferor Company, the Transferee Companies and the Resulting Company is expressly permitted to amend tax deduction at source and other statutory certificates and shall have the right to claim refunds, advance tax credits, minimum alternate tax, set offs and adjustments relating to their respective incomes/ transactions from the Appointed Date 1 or the Appointed Date 2, as the case may be.

- (b) It is specifically declared that the taxes/ duties paid by the Transferor Company in relation to the business of each of its Demerged Undertakings or the Business Undertaking 1 or the Business Undertaking 2 or the Business Undertaking 3, as the case may be, shall be deemed to be the taxes/ duties paid by the Resulting Company or the relevant Transferee Company, as the case may be, and the Resulting Company or the relevant Transferee Company, as the case may be, shall be entitled to claim credit for such taxes deducted/ paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes/duties are in the name of the Transferor Company.

1.9 STAMP DUTY

No stamp duty shall be payable in respect of the Scheme for the following reasons:

- (a) The registered office of each of the Transferor Company, the Resulting Company and each of the Transferee Companies is located in Haryana, where the Indian Stamp Act, 1899, as applicable to the State of Haryana ("**Haryana Stamp Act**"), would be applicable. The Haryana Stamp Act does not include any specific entry for stamp duty payable in respect of a court's order sanctioning a composite scheme of arrangement pursuant to Sections 391 through 394 of the 1956 Act. Therefore, no stamp duty would be payable in respect of order of the Court sanctioning this Scheme.
- (b) Further, in relation to the transfer of interest of the Transferor Company in properties located in the state of Odisha being transferred, to the Resulting Company, the Transferee Company 2 and the Transferee Company 3, pursuant to Sections I, III and IV, respectively, of the Scheme, notification S.R.O No. 333/2007 issued under the Indian Stamp Act, 1899 issued by the Government of Odisha ("**2007 Notification**"), provides a specific exemption from payment of stamp duty in case of deeds executed for reconstruction and amalgamation of companies when sanctioned by the High Court under section 394 of the Companies Act, 1956, provided that:
- (i) at least 90% of the issued share capital of the transferee company is in the beneficial ownership of the transferor company; or
 - (ii) where the transfer takes place between a parent company and a subsidiary company one of which is the beneficial owner of not less than 90% of the issued share capital of the other; or
 - (iii) where the transfer takes place between two subsidiary companies of each of which not less than 90% of the share capital is in the beneficial ownership of a common parent company.

Since Sections I, III and IV of the Scheme relate to a transfer of properties between a parent company and its wholly owned subsidiaries, pursuant to a composite scheme of arrangement and reconstruction sanctioned by the Court under Section 394 of the 1956 Act, the benefit of the 2007 Notification will be available to each of, the Transferor Company, the Resulting Company and the Transferee Companies and hence, no stamp duty shall be payable in respect of transfer of properties located in Odisha, pursuant to Sections I, III and IV of this Scheme.

1.10 SEVERABILITY OF ANY PART OF THE SCHEME

- (a) If any part of the Scheme (or any part of a Section thereof) is ruled invalid or illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that at the discretion of the parties, such part shall be severable from the remainder of the Scheme (or any Section thereof) and the Scheme (or any Section thereof) shall not be affected thereby, unless the deletion of such part shall cause the Scheme (or any Section thereof) to become materially adverse to any party, in which case each of the Transferor Company, the Resulting Company and the Transferee Companies, (acting through their respective boards of directors) shall attempt to bring about a modification in the Scheme (or any Section thereof), as will best preserve for the parties, the benefits and obligations of this Scheme (or any Section thereof), including but not limited to such part.

- (b) Notwithstanding the above, any revocation, cancellation or ineffectiveness of Sections III and IV of the Scheme, either individually or collectively, shall not affect the effectiveness of the Sections I and II of the Scheme.

1.11 REPEALS AND SAVINGS

Any direction or order given by the Court under the provisions of the 1956 Act and any act done by any of the Transferor Company, the Resulting Company or the Transferee Companies based on such directions or order shall be deemed to be in accordance with and consistent with the provisions of the 2013 Act. Accordingly, the provisions of the 2013 Act shall not be required to be separately complied with, in relation to acts done by the Transferor Company, the Resulting Company or the Transferee Companies as per direction or order of the Court sanctioning the Scheme under the 1956 Act.

SCHEDULES TO THE SCHEME

SCHEDULE 1

PART A

ASSETS AND LIABILITIES OF THE DEMERGED UNDERTAKING 1

Assets relating to the Demerged Undertaking 1 (as at Appointed Date 1)

PARTICULARS	(Rs. in Lakhs) Amount
<u>ASSETS :</u>	
NON CURRENT ASSETS	
Fixed Assets (Net Block)	856
Non Current Investment	1
Long Term Loan & Advances	605
Other Non Current Assets	0
CURRENT ASSETS	
Inventories	4,264
Cash & Bank Balances	7
Short Term Loans & Advances	1,752
Other Current Assets	20,252
TOTAL ASSETS	27,738

Liabilities relating to Demerged Undertaking 1 (as at Appointed Date 1)

		(Rs. in Lakhs)
PARTICULARS		Amount
<u>LIABILITIES:</u>		
NON CURRENT LIABILITIES		
Long Term Provisions		25
CURRENT LIABILITIES		
Short Term Borrowings		4,955
Trade Payables		1,300
Other Current Liabilities		1,506
Short Term Provisions		1
TOTAL LIABILITIES		7,788

PART B

ASSETS AND LIABILITIES OF THE DEMERGED UNDERTAKING 2

Assets relating to Demerged Undertaking 2 (as at Appointed Date 1)

		(Rs. in Lakhs)
PARTICULARS		Amount
<u>ASSETS :</u>		
NON CURRENT ASSETS		
Fixed Assets (Net Block)		712
Capital Work in Progress		512
Long Term Loan & Advances		74
Other Non Current Assets		1,211
CURRENT ASSETS		
Inventories		3,857
Trade Receivable		891
Cash & Bank Balances		0
Short Term Loans & Advances		95
Other Current Assets		37,657
TOTAL ASSETS		45,010

Liabilities relating to Demerged Undertaking 2 (as at Appointed Date 1)

		(Rs. in Lakhs)
PARTICULARS		Amount
<u>LIABILITIES:</u>		
NON CURRENT LIABILITIES		
Long Term Provisions		5
CURRENT LIABILITIES		
Short Term Borrowings		3,671
Trade Payables		1,016
Other Current Liabilities		1,752
Short Term Provisions		3
TOTAL LIABILITIES		6,447

SCHEDULE 2

PART A

LIST OF CERTAIN ASSETS OF THE HISAR UNIT AS OF THE APPOINTED DATE 1

Details of land:

Location	Khasra No.	Kila No.	Location	Khasra No.	Kila No.	Location	Khasra No.	Kila No.
Satrod Khas/ Khurd	117	18/2	Satrod Khas/ Khurd	139	4	Satrod Khas/ Khurd	139	12/2 Min.
	117	19		139	7		139	13/2
	117	20		147	1		167	3/1(7-2)Share of 5/9
	117	21		147	2		139	23/1
	117	22		147	3		167	3/1(7/2)(4/9)
	117	23		147	8		167	2/2/2
	118	7		147	9/1		167	7/2/1
	118	6/2		147	9/2		167	7/1
	118	13		147	10/1		139	14
	118	14		147	12/2		139	17
	118	15/2		147	13		139	18
	118	16		148	6/1		92	7/2/2
	118	17		148	7/1		92	8
	118	18		148	8/1		92	9
	118	23		161	1/1		92	12
	118	24		146	23		92	13
	118	25		160	5/2		91	10/2
	122	3/1		146	24		91	11
	118	8		146	25		91	12/2
	123	1		140	21/2/2		91	19
	123	2/1		140	22		91	20
	122	4		165	6/1		92	6
	122	5		165	6/2		92	7/1
	123	2/2		166	1/2		92	14
	122	3/2		166	2		92	15
	122	8/2		166	9/1		92	16
	122	13		166	10		92	17
	122	17		194	6		92	18
	122	18		194	15		92	19
	122	23/1		194	16		92	20
	123	17		194	17		92	21
	123	15		194	24/2		92	22
	123	16/2		194	25		92	23
123	6/2	213	4	92	24			
339	1	219	16/2	93	1			

	124	983/ 1
	124	984
	124	985
	123	10
	123	11
	123	12
	123	18
	123	19
	123	20
	123	21
	123	22
	123	23
	122	6
	122	7
	122	8/1
	122	14
	122	15/1
	122	15/2
	122	16
	122	23/2/ 1
	122	24
	122	25
	123	13
	123	14
	123	3
	123	4
	123	5/2
	123	8
	123	6/1
	123	7
	123	9
	117	24
	117	25
	123	5/1
	117	17
	292	2/1.
	146	1
	146	3 min
	146	2
	116	21
	123	16/1.
	124	1
	124	2
	124	8/2.

	219	17
	219	18
	219	19
	219	20
	219	22
	219	23
	219	24
	219	25
	220	21
	231	3
	231	4/1
	165	15/2
	166	11
	166	12
	166	20/1
	166	9/2
	147	18
	147	19/1/2
	147	22
	147	23/2
	147	19/1/1
	147	23/2
	145	14/2
	145	15
	144	1
	144	20/1
	145	13/2
	145	14/1
	145	8
	145	9
	145	12
	145	13/1
	124	7
	124	8/1
	124	14
	124	15
	124	16
	124	17
	124	24
	124	25/1
	145	1
	145	2
	145	3
	146	4/2

	93	2
	93	3
	93	9
	93	12/1/2
	66	18
	66	19/2
	66	20/2
	66	22/2
	66	23/2
	92	3/2
	92	4/1/2
	66	2/1/2
	67	20
	67	21
	67	22
	67	23
	91	1
	91	2
	91	3
	91	9/1
	91	10/1
	92	5/2
	66	19/1
	66	20/1
	66	22/1
	66	23/1
	92	3/1
	92	4/1/1
	93	14/2/2
	93	15/2
	93	16/1
	93	17/1/1
	93	17/2/1
	93	18/1/2
	93	18/2/1
	93	19/2
	94	11/1/2
	94	20/2/1
	94	21/1/1
	329	2/1
	66	16/1
	66	24/2
	66	25
	92	5/1

	124	9
	124	10
	124	11
	124	12
	124	13
	124	18
	124	19
	124	20
	124	21
	124	22
	124	23
	123	24
	123	25
	146	3/2
	147	4
	147	5
	194	3/2
	124	3
	147	6
	147	7
	147	14
	147	15/1
	145	10
	146	6
	146	7
	146	8
	146	9
	146	10
	146	11
	146	12
	147	15/2
	147	17
	147	24/1.
	147	24/2
	117	10
	117	11
	117	12
	117	18/1
	117	19/1
	118	6/1.
	118	15

	146	5
	146	4/1
	124	25/2
	125	21
	125	22
	176	20/2
	177	1
	177	2
	177	3
	177	4
	177	5/1
	177	6/2
	177	7
	177	8
	177	9
	177	10
	177	11
	177	12
	177	13
	177	14
	177	15/1
	177	16/2
	177	17/1
	177	18/1
	177	19/1
	177	20/1
	178	4/2
	178	5
	178	06/2
	178	15/2
	178	16/1/2
	Multiple Nos.	
	176	1
	176	10
	176	11
	176	20/1
	116	18/2
	116	19
	116	20/1
	116	22
	116	23/1

	66	16/2
	66	17
	66	24/1
	92	4/2
	66	9
	66	12
	66	11/1
	66	11/2
	66	10
Total Satrod Khas/ Khurd Area: Kanal 2340, Marla 12		
Satrod Kalan	179	11/1
	180	13/2
	180	14
	180	15
	179	10
	179	20
	180	6
	180	7
	Total Satrod Kalan Area: Kanal 48, Marla 12	
Hissar	224	9
	224	10
	224	11
	224	12
	224	21
	212	21
	212	22
	224	1
	224	2
	225	1
	225	9
	225	10
	225	12/1
	224	20
	223	5/2
	225	11
225	12/2	
225	19/1	
Total Hissar Area: Kanal 97, Marla 0		
Mirkan	39	15
	39	6/2
	31	25/2
	32	19/2
	32	21/1
	32	21/2

	181	14/1/ 3
	181	14/1/ 2
	181	4/2
	181	7/1
	181	13/2
	181	18/1
	181	23/2
	159	24/2
	159	24/3
	195	3/2
	148	3/1
	148	4/1
	148	4/2
	148	5
	146	13
	146	14
	146	15
	146	16
	146	17
	146	18
	146	19
	146	20
	146	22
	145	11
	145	20
	145	21
	159	3/1.
	159	4/1/1 .
	145	19
	145	22
	161	2
	161	1/2
	159	2/1
	146	21
	146	22
	147	16
	147	25
	147	9/3
	147	10/2
	147	11
	147	12/1
	148	6/2/1
	148	15/2
	148	6/2/2 .

	93	4
	93	7
	93	8
	93	13
	93	14/1
	93	14/2/1
	93	17/1/2
	93	18/1/1
	93	6/1
	93	15/1/2
	93	5/1
	93	6/2
	93	15/1/1
	93	16/2
	93	17/2/2
	93	18/2/2
	93	23
	93	24
	93	25
	117	1/1
	118	5
	94	9/1
	94	10
	94	11/1/1
	94	12/1
	94	20/2/2
	94	21/1/2
	91	21
	91	22
	91	23
	91	24/1
	92	25
	93	5/2
	94	1
	94	2
	94	3
	94	4/1
	94	13/2/1
	94	14/1
	91	24/2
	94	4/2
	94	8/1
	94	7
	139	24

	32	22
	32	23
	40	5/2
	40	6
	40	14/2
	40	15
	40	17
	40	18
	40	24
	40	25
	39	1
	39	2
	39	3
	39	8
	39	9
	39	10
	39	11
	39	12
	39	13/1
	39	19
	39	20
	39	21
	39	22
	40	16
	32	20
	31	16/1
	39	17/2
	39	24/1
	39	14/1/1
	39	14/2/2
	39	13/2
	39	17/1
	39	18
	39	23
	39	4/1
	39	7/2
	31	24
	31	25/1
	40	3/2
	40	4
	40	5/1
	39	4/2
	39	7/1
	39	14/1/2

	148	7/2.		139	23/2		39	14/2/1
	148	8/2.		167	4(8-0))(share 4/9)	Total Mirkan Area: Kanal 301, Marla 3		
	148	14		167	4(8-0)Share of 57/100			
	148	15/1.		167	4(8-0)Share of 32/60			
Total Area: Kanal 2787, Marla 7								
Gurgaon (Sector 32), Institutional Plot # 50-P: Area: 4050 Sq-Mtrs								

Details of buildings, plant and machinery of the Hisar Unit:

The Hisar Unit comprises of industrial and non-industrial buildings. Industrial building primarily comprise of Stackle Mill Bay, Hot Strip Mill Bay, Finishing and Grinding Section Bay, CTL and Cupro Nickle Plant Bay, Electric Arc Furnace (EAF) Bay, Caster Bay, Annealing Pickling Shed, Sendzimir Mill Shed, Slitting Line Shed, 4 (four) Hi Mill Shed, Speciality Product Division Shed, Coin Blanking Line Shed, etc.

The Hisar Unit consists of the following key plant and machinery:

- 4 (four) Hi Twin stand Hot Steckel Mill consists of a Roughing Stand, 2 (two) Finishing Stands and a Walking Beam Slab Reheating Furnace;
- Tandem Strip Mill;
- Hot Steckel Mill comprising of Reheating Furnace, Roughing Stand, 5 (five) Finishing Stands and Down Coiler;
- Plate Annealing and Pickling facilities;
- Shot Blasting, Straightening and Leveling equipment;
- Steel Melting Shop comprising of 2 (two) Electric Arc Furnace, 2 (two) Ladle Furnace, 2 (two) Slab Caster and 1 (one) Bloom Caster;
- Cupro Nickle Plant;
- 4 (four)20 Hi-Sendzimir Cold Rolling Mills;
- 4 (four) continuous Anneal and Pickle lines;
- 1 (one) bright Annealing Line;
- 3 (three) Coil Preparation Lines;
- 4 (four) Slitting Lines;
- Coin Blanking Line; and
- 1 (one) Leveling and Sheet Shearing Line with associated facilities.

PART B

LIST OF INVESTMENTS OF THE TRANSFEROR COMPANY IN DOMESTIC SUBSIDIARIES COMPRISING PART OF THE BUSINESS UNDERTAKING 1 AS OF THE APPOINTED DATE 1

S. No.	Name of the domestic subsidiary	Number of shares held by the Transferor Company	Percentage of shares held by the Transferor Company in the total share capital
1.	JSL Lifestyle Limited	177,95,600	78.47%
2.	Jindal Stainless Steelway Limited	140,61,667	81.91%
3.	JSL Architecture Limited	41,00,100	53.51%
4.	Green Delhi BQS Limited	51,000	51.00%
5.	JSL Media Limited	49,970	99.94%
6.	JSL Logistics Limited	50,000	100.00%

SCHEDULE 3

LIST OF CERTAIN ASSETS OF THE HSM PLANT AS OF MARCH 31, 2014

SI. No.	Description
---------	-------------

- | | |
|-----|---------------------------------|
| 1. | Finishing Mill |
| 2. | Down Coil Equipment |
| 3. | Roughing Mill |
| 4. | Re- Heating Furnace |
| 5. | Plate Finishing Shop |
| 6. | Water System |
| 7. | Roll Shop |
| 8. | Furnace Entry & Exit Equipment |
| 9. | Electrical Installation |
| 10. | Coil Box Equipment |
| 11. | EOT Cranes |
| 12. | Run Out Table & Laminar Cooling |
| 13. | Bell Annealing Furnace |
| 14. | Pollution Control Equipment |

SCHEDULE 4

LIST OF CERTAIN ASSETS OF THE COKE PLANT AS OF MARCH 31, 2014

Sl. No.	Description
---------	-------------

- | | |
|----|--|
| 1. | Coke Oven Plant and Machinery |
| 2. | By Product Plant (Coal Tar / De-Sulpharization/Ammoniam Sulphate) |
| 3. | Coke Oven Battery |
| 4. | Dedusting |
| 5. | DG SET |
| 6. | Electrical Installation Coke Oven |
| 7. | Boiler |
| 8. | Chimney |
| 9. | Payloader / Excavator / Loader & Fork lift |



SPA Capital Advisors Ltd.

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Janak Puri, New Delhi-110 058

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Email : info@spacapital.com

Submitted to

JINDAL STAINLESS LIMITED

FAIRNESS OPINION REPORT

On

(i) Share Entitlement Ratio Report for the proposed demerger of Ferro Alloy Division & Mining Division of Jindal Stainless Limited into Jindal Stainless (Hisar) Limited; and (ii) the slump sale valuation report of Business Undertakings of Jindal Stainless Limited in relation to the proposed slump sale by Jindal Stainless Limited to Jindal Stainless (Hisar) Limited, Jindal United Steel Limited & Jindal Coke Limited, from B S R and Associates, Chartered Accountants (B S R)

BY

M/s SPA Capital Advisors Limited

25, C-Block, Community Centre,

Janak Puri, New Delhi.

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E-mail: sgarg@spacapital.com

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December 27, 2014



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The Reorganisation Committee

Jindal Stainless Limited

Jindal Centre,

12, Bhikaji Cama Place,

New Delhi-110066, India

RE: Share Entitlement Ratio Report for the proposed demerger of Ferro Alloy Division & Mining Division of Jindal Stainless Limited into Jindal Stainless (Hisar) Limited; and the slump sale valuation report of Business Undertakings of Jindal Stainless Limited in relation to the proposed slump sale by Jindal Stainless Limited to Jindal Stainless (Hisar) Limited, Jindal United Steel Limited and Jindal Coke Limited, from B S R and Associates, Chartered Accountants (B S R)

PURPOSE

We have been engaged to give fairness opinion on Share Entitlement Ratio Report for demerger of Ferro Alloy Division & Mining Division (collectively, the "Demerged Undertakings") of Jindal Stainless Limited ("JSL", "Transferor") into Jindal Stainless (Hisar) Limited ("JSIL", "Resulting Company") and slump sale Valuation Report of Hisar Unit, HSM Plant and Coke Plant (Business Undertaking I, Undertaking II & Undertaking III, respectively, and collectively as "Business Undertakings") to Jindal Stainless (Hisar) Limited, Jindal United Steel Limited and Jindal Coke Limited (collectively as "Transferee Companies") as going concern from B S R and Associates, Chartered Accountants (B S R). This report should be read in conjunction with Share Entitlement Ratio Report and Valuation Report dated December 27, 2014 issued by B S R and Associates.

Fairness Opinion on Valuation report for valuation of Business Undertakings and Share Entitlement Ratio Report on Demerger of Demerged Undertakings of Jindal Stainless Limited By SPA Capital Advisors Limited



BACKGROUND

JINDAL STAINLESS LIMITED (JSL)

Jindal Stainless Limited has its registered office at O. P. Jindal Marg, Hisar - 125 005, Haryana. JSL is engaged in the business of manufacturing, distribution and sale of stainless steel in India and abroad. An ISO: 14001 compliant, JSL product range includes: Ferro Alloys, Stainless Steel Slabs, Blooms, Hot Rolled Coils, Plates and Cold Rolled Coils/ Sheets, Stainless Steel Strips for Razor Blade Steel and Coin Blanks including other products.

TRANSACTION

The Management of JSL has decided on business re-organisation of the Company by way of demerger which is proposed as follows:-

The transaction is proposed under a composite scheme of arrangement under section 391-394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, as may be applicable (the "Scheme").

As per the Scheme, JSHL will issue its equity shares and cumulative Compulsory Convertible Preference shares to the respective shareholders of JSL as a consideration for the demerger of Ferro Alloy Division in Vizag, Andhra Pradesh & Mining Division in Odisha (Demerged Undertakings) as per share entitlement ratio. Upon coming into effect of the Scheme, and in consideration of the demerger of the Demerged Undertakings and transfer and vesting thereof with the Resulting

Fairness Opinion on Valuation report for valuation of Business Undertakings and Share Entitlement Ratio Report on Demerger of Demerged Undertakings of Jindal Stainless Limited
By SPA Capital Advisors Limited



Company, the Resulting Company shall, without any further act or deed and without any further payment, issue and allot the Equity Shares and Cumulative Compulsory Convertible Preference Shares on a proportionate basis to the respective shareholders of the JSL is as follows:

"One equity share of INR Two each as fully paid up in JSHL for every one equity share of INR Two held in JSL.

And One 0.1% Cumulative Compulsory Convertible Preference Shares of INR Two each as fully paid up in JSHL for every one 0.1% Cumulative Compulsory Convertible Preference Shares of INR Two held in JSL"

Business Undertakings are business segments of JSL. As per draft scheme of arrangement provided to us by JSL:

"Business Undertaking I" means the business undertaking relating to Hisar Unit of JSL, on a going concern basis including (i) all the manufacturing facilities located at Hisar, Haryana, including, without limitation, the stainless steel manufacturing facility, special steel facility and the coil blank facility; and (ii) identified investments.

"Business Undertaking II" means the business undertaking relating to the HSM Plant, on a going concern basis, including the hot strip mill, roll shop, plate finishing, bell annealing and other allied facilities of JSL located at Jajpur, Odisha. This is proposed to be converted into a Carbon steel manufacturing plant.

"Business Undertaking III" means the business undertaking relating to the Coke Plant, on a going concern basis, including the coke oven plant and other allied

Fairness Opinion on Valuation report for valuation of Business Undertakings and Share
Entitlement Ratio Report on Demerger of Demerged Undertakings of Jindal Stainless Limited
By SPA Capital Advisors Limited



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facilities of the Coke Plant of JSL located at Jajpur, at Odisha. This undertaking will undertake further expansion.

This Fairness opinion report is required as per clause 24 (h) of listing agreements entered into with the stock exchanges.

**Fairness Opinion on Valuation report for valuation of Business Undertakings and Share
Entitlement Ratio Report on Demerger of Demerged Undertakings of Jindal Stainless Limited
By SPA Capital Advisors Limited**



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Statement of Limiting Conditions: The Final Report has been prepared for the internal and exclusive use of The Reorganisation Committee of Jindal Stainless Limited in support of the decisions to be taken by it, the Resulting Company and the Transferee Companies. Therefore, the Final Report may not be disclosed, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the Engagement and in the Final Report itself, provided that the Final Report may be transmitted to the experts appointed in compliance with the law and its content may be disclosed publicly where required by regulations of the Indian authorities. Any other use, in whole or in part, of the Final Report will have to be previously agreed and authorized in writing by SPA Capital Advisors Limited (SPA). In preparing the Final Report, SPA has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by Jindal Stainless Limited. SPA has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in the Final Report has also been used. Therefore the Final Report is based on: (i) our interpretation of the information which Jindal Stainless Limited, as well as their representatives and advisers, have supplied to us to date; (ii) our understanding of the terms upon which Jindal Stainless Limited intends to consummate the Transaction (iii) the assumption that the Transaction will be consummated in accordance with the expected terms and within the expected time periods. In the execution of the Engagement, SPA has elaborated its own analysis based on the methodologies illustrated below, reaching the conclusions contained in the final paragraph of this Final Report.

**Fairness Opinion on Valuation report for valuation of Business Undertakings and Share
Entitlement Ratio Report on Demerger of Demerged Undertakings of Jindal Stainless Limited
By SPA Capital Advisors Limited**

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The conclusions described in the Final Report have been prepared with the sole purpose of determining fairness of valuation of Demerged Undertakings and Business Undertakings of Jindal Stainless Limited, for the purpose of proposed demerger and slump sales therefore; the values contained in this Final Report have no relevance for purposes other than that stated. The Final Report and the Opinion concern exclusively for the purpose of proposed demerger and the slump sales and do not constitute an opinion by SPA as to the absolute value of the shares of Jindal Stainless Limited.

The conclusions contained in this Final Report are based on the whole of the valuations contained herein and therefore no part of the Final Report may be used apart from the document in its entirety.

The Final Report and the Opinion are necessarily based on economic, market and other conditions as on the date of valuation, and the written and oral information made available to us until December 26, 2014. It is understood that subsequent developments may affect the conclusions of the Final Report and of the Opinion and that, in addition, SPA has no obligation to update, revise, or reaffirm the Opinion.

In addition, SPA is expressing no opinion as to the price at which any securities of Jindal Stainless Limited will trade on the stock market at any time. Other factors after the date hereof may affect the value of the businesses of Jindal Stainless Limited either before or after completion of the event. No opinion is expressed by SPA whether any alternative transaction might have been more beneficial to Jindal Stainless Limited. It also remains understood that SPA or certain SPA affiliates may currently have and may in the future have commercial banking, investment banking, trust and other relationships and/or engagements with, Counterparties which may

Fairness Opinion on Valuation report for valuation of Business Undertakings and Share
Entitlement Ratio Report on Demerger of Demerged Undertakings of Jindal Stainless Limited
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have interests with respect to Jindal Stainless Limited, or companies directly or indirectly, controlled by, affiliated with Jindal Stainless Limited or in which Jindal Stainless Limited holds securities. Finally, it remains understood that SPA or certain SPA affiliates may have fiduciary or other relationships and engagements whereby SPA or certain SPA affiliates may exercise voting power over securities of various persons, which securities may from time to time include securities of Jindal Stainless Limited, or companies directly or indirectly controlled by, affiliated with Jindal Stainless Limited, or in which Jindal Stainless Limited holds securities, or other parties with an interest in the Transaction.

**Fairness Opinion on Valuation report for valuation of Business Undertakings and Share
Entitlement Ratio Report on Demerger of Demerged Undertakings of Jindal Stainless Limited
By SPA Capital Advisors Limited**



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COMMON APPROACHES TO VALUATION

Income Approach

The *Income Approach* measures the value of an asset by calculating the present value of its future economic benefits. When used to determine *Business value*, the *Income Approach* develops an indication of value by discounting forecasted cash flows to their present value at a rate of return that incorporates the risk-free rate for the use of funds plus the expected rate of inflation and the risks associated with the particular investment. The discount rate applied to these expected cash flows is generally based upon rates of return available from alternative investments of similar type and quality. Another discounting method calculates the company's *Weighted Average Cost of Capital* ("WACC") from its cost of debt and cost of equity. Forecasts typically cover three to five years, but the reliability of forecasts for valuation purposes in early stage enterprises depends upon many factors, such as the company's vulnerability to advances in technology, actions by competitors, changes in end-user requirements, & the availability of financing. Selecting the forecast period required our judgment.

The *Income Approach* works best when development stage companies have progressed to Stage five. Typically, companies in prior stages have limited operating histories and cash flow forecasts. Using the *Income Approach* when a company has not achieved profitability or positive cash flow, and therefore has negative flows/losses during some or all of the forecast years, results in an *equity Value* that consists mostly (if not entirely) of the *Terminal Value* ("TV" is the estimate of the Company's future value at the end of the forecast period).



Market Approach

The *Market Approach* measures the value of an asset through an analysis of recent sales of comparable property compared to the property being valued. When applied to the valuation of an equity interest, consideration is given to the financial condition and operating performance of the subject company compared to either publicly traded companies with similar lines of business or recent corporate acquisitions ("Guideline Companies"). Typically, the companies selected for comparison are subject to economic, political, competitive, and technological factors that correspond with those confronting the Company.

The *Market Approach* is conceptually preferable to the other two approaches both because it uses direct comparisons to similar enterprises and because the analysis is based upon actual market transactions. However, comparables that fit perfectly rarely exist. Privately held companies are compared to publicly traded ones that are typically further along in their stage of development, have superior access to capital, and have common stock that is readily marketable. Often historical results of public companies are being compared to projected results for the private company being valued. In order to reflect these differences, data from the *Guideline Companies* must be appropriately adjusted.

Asset Approach

The *Asset Approach* measures the value of an asset by the cost to reconstruct or replace it with another of like utility. When applied to the valuation of equity interests in businesses, value is based on the net aggregate *fair market value* of the entity's underlying assets.

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By SPA Capital Advisors Limited



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This approach basically entails a restatement of the balance sheet of the enterprise in which the *fair market value* of its assets and liabilities are substituted for their book values. This approach is frequently used to value holding companies or capital-intensive firms. It is typically not an appropriate valuation approach for growing operating companies which provide goods or services and which have significant intangible value. The same may be considered in conjunction with other approaches with lower weight age.

Sources of Information: The valuation was performed as per following information:

- Unaudited carved out financials of Business Undertakings for the twelve month period ended 31st March 2014 and for the six months period ended September 30, 2014
- Business plan of Business Undertaking I for the period April 01, 2014 to March 31st 2019
- Business plan of Business Undertaking II for the period April 01, 2014 to March 31st 2024
- Business plan of Business Undertaking III for the period April 01, 2014 to March 31st 2020
- Business profile of JSL.
- Draft Scheme of Arrangement

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SUMMARY OF SLUMP SALE VALUATION PERFORMED BY B S R

METHODOLOGY ADOPTED

Discounted Cash Flow Method:

B S R has applied Discounted Cash Flow Method for valuing each of the Business Undertakings on a standalone basis using past trends, longer term forecasts based on past and current financial trends and general economy and industry outlook.

To arrive at the total value of the Business Undertakings, the value arrived under DCF method is adjusted for the value of borrowings, cash & cash equivalents, surplus assets and contingent liabilities.

Fair Value:

The fair value of the Undertakings has been arrived, basis on the methodology applied for its valuation considering various qualitative factors relevant to the Undertakings, the business dynamics and growth potential of the business, having regard to information base, key underlying assumptions and limitations.

Based on above, the fair value of equity of,
Business Undertaking I: INR 28,098 Mn
Business Undertaking II: INR 24,127 Mn
Business Undertaking III: INR 4,926 Mn

**Fairness Opinion on Valuation report for valuation of Business Undertakings and Share
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By SPA Capital Advisors Limited**



SUMMARY OF SHARE ENTITLEMENT RATIO PERFORMED BY B S R

B S R has, inter alia, mentioned in their report:

"Based on the aforementioned and that upon demerger, the set of shareholders and holding proportion being proposed for JSHL is identical to that of JSL, the beneficial economic interest of JSL shareholders in JSHL will remain same at the time of demerger.

We believe that the above share entitlement ratio is fair and reasonable considering that all the shareholders of JSL are and will, upon demerger, be the ultimate beneficial owners of the Resulting Company and in the same ratio (inter se) as they hold shares in JSL, as on the record date to be decided by Management of JSL."

CONCLUSION

CONCLUSION ON SLUMP SALE VALUATION BY B S R.

The fair value of equity of Business Undertaking I is INR 28,098 Mn, Business Undertaking II is INR 24,127 Mn and Business Undertaking III is INR 4,926 Mn.

The method considered in the valuation is appropriate and reasonable for the subject undertakings.

CONCLUSION ON SHARE ENTITLEMENT RATIO BY B S R

The entitlement ratio as recommended by B S R is "One equity share of INR Two each as fully paid up in JSIL for every one equity share of INR Two held in JSL;

**Fairness Opinion on Valuation report for valuation of Business Undertakings and Share Entitlement Ratio Report on Demerger of Demerged Undertakings of Jindal Stainless Limited
By SPA Capital Advisors Limited**





And One 0.1% cumulative Compulsory Convertible Preference Shares of INR Two each as fully paid up in JSHL for every one 0.1% cumulative Compulsory Convertible Preference Shares of INR Two held in JSL" has been termed as reasonably justified.

It is noted that the Share Entitlement ratio was arrived at assuming that the Resulting Company and the Transferor Company will continue in operation in unhindered manner for the future as at present on a pre demerger standalone basis (going concern).

The assumptions considered in the determination of the Share Entitlement ratio are appropriate and reasonable for the subject companies.

Subject to the assumptions presented herein, in our opinion the fair values of equity of Business Undertakings and Share Entitlement Ratio derived by B S R are fair considering circumstances and purpose of valuation.

*for SPA Capital Advisors Limited
(SEBI Reg. No. INM 000610825)*

Nitin Somani
Company Secretary



Fairness Opinion on Valuation report for valuation of Business Undertakings and Share Entitlement Ratio Report on Demerger of Demerged Undertakings of Jindal Stainless Limited
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Complaints Report as per SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
NIL			



Jindal Stainless Limited

CIN: L26922HR1980PLC010901

Corporate Office: Jindal Centre, 12 Bhikaiji Cama Place, New Delhi - 110066 India

Registered Office: O P Jindal Marg, Hisar - 125005 (Haryana) India

T: +91 11 26188340 - 50 F: +91 11 41659169, 26101562 E: info@jindalstainless.com Website: www.jindalstainless.com

Ref: NSE/LIST/19111

March 20, 2015

The Company Secretary
Jindal Stainless Limited
O.P Jindal Marg,
Hisar, Haryana – 125005.

Kind Attn.: Mr. Jitendra Kumar

Dear Sir,

Sub: Observation letter for draft Composite Scheme of Arrangement among Jindal Stainless Limited and Jindal Stainless (Hisar) Limited and Jindal United Steel Limited and Jindal Coke Limited and their respective shareholders and creditor.

This has reference to draft Composite Scheme of Arrangement among Jindal Stainless Limited and Jindal Stainless (Hisar) Limited and Jindal United Steel Limited and Jindal Coke Limited and their respective shareholders and creditor submitted to NSE vide your letter dated January 01, 2015.

Based on our letter reference no Ref: NSE/LIST/14980 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated March 19, 2015, has given following comments on the draft Composite Scheme of Arrangement and Amalgamation:

“a. The Company shall duly comply with various provisions of the Circulars.

b. The Company to comply with the undertaking given vide letter dated March 17, 2015 regarding incorporating a Clause in the Scheme requiring shareholders’ approval through postal ballot/e-voting and proceeding with the Scheme only if votes cast by public shareholders in favour of the Scheme is more than those voted against it, as required under Para 5.16(a) of the SEBI Circular CIR/CFD/DIL/5/2013 dated February 04, 2013.

c. The Company to incorporate the terms and conditions pertaining to NCCPS and NNRPS in the Scheme.”

We hereby convey our ‘No-objection’ with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon’ble High Court.

However, the listing of equity shares of Jindal Stainless (Hisar) Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013. Further, Jindal Stainless (Hisar) Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfil the Exchange’s criteria for listing such company and also comply with other applicable statutory requirements. However, the listing of shares of Jindal Stainless (Hisar) Limited is at the discretion of the Exchange.

The listing of Jindal Stainless (Hisar) Limited, pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:



1. To submit the Information Memorandum containing all the information about Jindal Stainless (Hisar) Limited and its group companies in line with the disclosure requirements applicable for public through website of the Company.
2. To publish an advertisement in the newspaper containing all the information about Jindal Stainless (Hisar) Limited in line with the details required as per SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all material information about Jindal Stainless (Hisar) Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosure about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - (a) “The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.”
 - (b) “There shall be no change in the shareholding pattern or control in Jindal Stainless (Hisar) Limited between the record date and the listing which may affect the status of this approval.”

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from March 20, 2015, within which the Scheme shall be submitted to the Hon’ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon’ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

http://www.nseindia.com/corporates/content/further_issues.htm

DCS/AMAL/PS/24(f)/341/2014-15

March 20, 2015

The Company Secretary
Jindal Stainless Limited
O.P. Jindal Marg, Hisar
Haryana - 125005

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement filed by Jindal Stainless Limited.

We refer to your draft Scheme of Arrangement between Jindal Stainless Ltd, Jindal Stainless (Hisar) Ltd, Jindal United Steel Ltd and Jindal Coke Ltd.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated March 19, 2015 given the following comment(s) on the draft scheme of arrangement:

- *Company to comply with the undertaking given vide letter dated March 17, 2015 regarding incorporating a clause in the Scheme requiring shareholder's approval through postal ballot-voting and proceeding with the scheme only if the vote casted by the public shareholders in favor of the scheme is more than those voted against it, as required under Para 5.16(a) of SEBI circular CIR/CFD/DIL/5/2013 dated February 4, 2013.*
- *The company to incorporate the terms and conditions pertaining to NCCPS and NNRPS in the scheme*
- *The company shall duly comply with various provisions of the Circulars.*

Accordingly, based on aforesaid comments offered by SEBI, the company is hereby advised:

- To provide additional information (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information (as stated aforesaid) along with various documents are disseminated on their (company) website.

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

However, the listing of equity shares of Jindal Stainless (Hisar) Ltd on the BSE Limited, shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. Further, Jindal Stainless (Hisar) Ltd shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Jindal Stainless (Hisar) Ltd is at the discretion of the Exchange. In addition to the above, the listing of Jindal Stainless (Hisar) Ltd pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

...2/-

1. To submit the Information Memorandum containing all the information about Jindal Stainless (Hisar) Ltd and its group companies in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information about Jindal Stainless (Hisar) Ltd in line with the details required as per the aforesaid SEBI circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Jindal Stainless (Hisar) Ltd to BSE on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - i) The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - ii) "There shall be no change in the shareholding pattern in Jindal Stainless (Hisar) Ltd between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of arrangement.

Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the company from complying with any other requirements.

Yours faithfully,



Nitin Pujari
Manager



Pooja Sanghvi
Asst. Manager

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

COMPANY JURISDICTION

COMPANY PETITION NO. 38 OF 2015

In the matter of Companies Act, 1956;

AND

In the matter of Petition under Sections 391 to 394 of the Companies Act, 1956

AND

In the matter of Composite Scheme of Arrangement among Jindal Stainless Limited and Jindal Stainless (Hisar) Limited and Jindal United Steel Limited and Jindal Coke Limited and their respective Shareholders and Creditors.

<p>JINDAL STAINLESS LIMITED [CIN L26922HR1980PLC010901], an existing company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at O. P. Jindal Marg, Hisar 125005, Haryana. Tel No.(01662) 222471-83, Fax No.(01662) 220499 Website : www.jindalstainless.com; Email : investorcare@jindalstainless.com</p>	<p style="text-align: right;">PETITIONER/ TRANSFEROR COMPANY</p>
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FORM OF PROXY

I/We, the undersigned, as a Unsecured Creditor of Jindal Stainless Limited (the "Company"), do hereby appoint _____ of _____, and failing him/her _____, of _____, as my/our proxy, to act for me/us at the meeting of the Unsecured Creditors of the Company, to be held at the Registered Office of the Company at O.P. Jindal Marg, Hisar- 125005, Haryana, on Saturday, the 16th day of May, 2015 at 03:00 P.M., for the purpose of considering and, if thought fit, approving with or without modification(s), the Composite Scheme of Arrangement among Jindal Stainless Limited and Jindal Stainless (Hisar) Limited and Jindal United Steel Limited and Jindal Coke Limited and their respective shareholders and creditors ("the Scheme") and at such meeting and any adjournment thereof, to vote, for me / us and in my / our name _____ (here "If for" insert "For", "If against" insert "Against" and in the latter case strikeout the words below after the "Scheme") the said Scheme as my/ our proxy may approve.

Dated this _____ day of April/May 2015

Name _____

Folio No. _____

Address _____

Revenue stamp of Re.1 to be affixed

Signature

Notes:

1. Please affix revenue stamp not less than Re.1 before putting signature.
2. The proxy must be deposited at the Registered Office of Jindal Stainless Limited at O.P. Jindal Marg, Hisar-125005, Haryana, at least 48 hours before the commencement of the meeting.
3. Strike out which is not necessary.
4. All alterations made in the Form of Proxy should be initialed.
5. Bodies Corporate would be required to deposit certified copy of the Board Resolution/Power of Attorney, as the case may be, authorizing the Individuals named therein, to attend & vote at the meeting on its behalf. These documents must be deposited at the Registered Office of Jindal Stainless Limited at O.P. Jindal Marg, Hisar-125005, Haryana, at least 48 hours before the commencement of the meeting.
6. In case of multiple proxies, proxy later in time shall be accepted.

JINDAL STAINLESS LIMITED

Corporate Identity No. L26922HR1980PLC010901
Registered Office : O.P. Jindal Marg, Hisar-125005, Haryana
Tel. No.(01662) 222471-83; Fax No.(01662) 220499
Website : www.jindalstainless.com, Email : investorcare@jindalstainless.com

ATTENDANCE SLIP

I/We, _____ hereby record my/our presence at the court convened meeting of the Unsecured Creditors of Jindal Stainless Limited having its Registered Office at O.P. Jindal Marg, Hisar- 125005, Haryana convened pursuant to an Order dated 31st day of March 2015 of the Hon'ble High Court of Punjab and Haryana at Chandigarh, at the Registered Office of the Company at O.P. Jindal Marg, Hisar- 125005, Haryana on Saturday, the 16th day of May, 2015 at 03:00 P.M.

Name & Address of the Unsecured Creditor : _____

Folio No. : _____

Name & Address of the Authorized Representative/ Proxy Holder : _____

**Signature of the Unsecured Creditor/
Signature of the Proxy Holder /
Authorized Representative :** _____

Notes:

Unsecured Creditors attending the Meeting in Person or by Proxy or through Authorized Representative are requested to complete and bring the Attendance Slip with them and hand it over at the entrance of the Meeting Hall.

**REGISTERED
BOOK POST**

If undelivered, please return to:



Jindal Stainless Limited

CIN : L26922HR1980PLC010901

O.P. Jindal Marg,

Hisar-125005,

(Haryana), India

T:(01662) 222471-83

F:(01662) 220499

E: investorcare@jindalstainless.com