# Jindal Stainless Limited

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

To
The Shareholders
Jindal Stainless Limited **("Company")**

The Board of Directors of the Company had, at its meeting held on December 29, 2014, approved an arrangement under Sections 391-394 of the Companies Act, 1956 **("Act")** to a 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"). The Company seeks the approval of the Members to the Scheme by way of postal ballot pursuant to the requirements under Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities & Exchange Board of India (**"SEBI Circulars"**), conditions laid down in the Observation Letters dated March 20, 2015 issued by the National Stock Exchange of India Limited **("NSE")** and BSE Limited **("BSE")** pursuant to the SEBI Circulars, the SEBI letter dated March 19, 2015, the Listing Agreement and under the relevant provisions of applicable law.

Subsequently, in view of the aforesaid communications of the NSE and BSE, the Board of Directors of the Company, by passing the resolution through circulation on March 24, 2015, approved certain amendments to the Scheme.

The Scheme shall be implemented only upon and subject to all conditions prescribed in the Scheme, including approval of the Public Shareholders [having the meaning assigned in Rule 2 (d) of the Securities Contract (Regulation) Rules, 1957 and in which context the term Public Shareholders shall be construed] and the approval and sanction by the Hon'ble High Court of Punjab and Haryana at Chandigarh (Hon'ble High Court).

The Resolution on the Scheme along with the Explanatory Statement are set out in the accompanying "Notice of Postal Ballot" for your consideration. A Postal Ballot Form is also enclosed.

The Company has appointed Mr. Subhash Gupta, Advocate, as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Further, the approvals of the Members of the Company will also be sought on the Scheme under Sections 391-394 of the Act at the meeting of the Members to be convened on May 16, 2015 as per the directions of the Hon'ble High Court.

In terms of the SEBI Circulars, the Scheme shall be acted upon only if the votes cast by the Public Shareholders in favour of the Resolution are more than the number of votes cast by the Public Shareholders against the Resolution.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before 5:00 p.m. on May 15, 2015. Ballot forms received after the said date will be treated as if the reply from such members has not been received.

In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rules 20 (as substituted on March 19, 2015) and Rule 22 of the Companies (Management and Administration) Rules, 2014 and the Listing Agreement, the Members may cast their votes either through Postal Ballot Form or through Electronic Form (e-voting). The instructions for voting in either of the two modes are set out in the Postal Ballot Form sent along with this Notice.

The Scrutinizer will submit his report to Chairman of the company after completion of the scrutiny of the postal ballots and the results of the postal ballot will be announced on May 16, 2015 at 5.30 PM at the Registered Office of the Company at O.P. Jindal Marg, Hisar- 125005 and will also be posted on the website of the Company at www.jindalstainless.com.

By Order of the Board
For **Jindal Stainless Limited**

**(Rajinder Parkash Jindal)**
**Executive Director**
DIN : 00004594

Date : April 4, 2015
Place : Hisar

# Jindal Stainless Limited

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## NOTICE OF POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013)

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2015 and other applicable provisions of the Companies Act, 2013, Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities & Exchange Board of India (**"SEBI Circulars"**), for the approval of the Public Shareholders [meaning as assigned to it in Rule 2 (d) of the Securities Contract (Regulations) Rules, 1957 and in which context the term Public Shareholders shall be construed] of the Company to the following resolution as Ordinary Resolution :

1. **Approval 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.**

   **"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 of the Public Shareholders of the Company be and is hereby accorded : (i) to 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 **[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."

By Order of the Board
For **Jindal Stainless Limited**

**(Rajinder Parkash Jindal)**
**Executive Director**
DIN : 00004594

Date : April 4, 2015
Place : Hisar

**Notes :**

1. The Explanatory Statement under Section 102 of the Companies Act, 2013 is attached hereto. The members may also refer to the Composite Scheme of Arrangement ("Scheme") as attached to the notice of meeting of shareholders convened by Hon'ble High Court. Copy of the Scheme and Explanatory Statement is available on website of the Company i.e. www.jindalstainless.com and may also be obtained from registered office of the Company.

2. The Notice is being sent to all Public Shareholders (as defined under Rule 2 of the Securities Contracts (Regulation) Rules, 1957), whose names appear on the Register of Members/List of Beneficial Owners as received from National Securities Depository Limited ("NSDL")/ Central Depository Services (India) Limited ("CDSL") as on 31st March, 2015. This is in accordance with the provisions of the SEBI Circulars.

3. The Notice and the Composite Scheme of Arrangement is also placed on the Company's website, http://www.jindalstainless.com

4. Voting period commences on and from Thursday, 16th April, 2015 at 9:00 a.m. and ends on Friday,15th May, 2015 at 5:00 p.m.

5. Resolution passed by the public shareholders through Postal Ballot will be deemed to have been passed at a General Meeting of the shareholders.

6. As required under Rule 20(4)(v) and Rule 22(3) of the Rules, advertisements are being published in the newspapers specifying the relevant matters therein.

7. Pursuant to Clause 35B of the Listing Agreement and provisions of Section 110 of 2013 Act and the SEBI Circulars, the Company is pleased to offer e-voting facility to the Public Shareholders, as an alternate to voting by dispatching the Postal Ballot Form to the Company, to enable them to cast their votes electronically. The Company has entered into an agreement with CDSL for facilitating e-voting. E-voting is optional for the public shareholders.

8. Notice of Postal Ballot alongwith Postal Ballot Form are being sent to Public Shareholders by Registered / Speed Post. Public Shareholders, who have registered their e-mail ID are being sent Notice of Postal Ballot by e-mail also. Public shareholders who have not received Postal Ballot Notice can download Postal Ballot Form from website of the Company i.e. www.jindalstainless.com or may send a request to the Company / Registrar & Share Transfer Agent of the Company at their email id: investorcare@jindalstainless.com / delhi@linkintime.co.in, for obtaining the Postal Ballot Notice and duplicate Postal Ballot Form, fill-in the details and send the same to the Scrutinizer.

9. **The instructions for members for voting electronically are as under:-**

The voting periods begins on Thursday, 16th April, 2015 at 9:00 a.m. and ends on Friday, 15th May, 2015 at 5:00 p.m. During this period Public shareholders of the company, holding shares either in physical form or dematerialized form may caste their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

**(A) In case of members receiving e-mail:**

(i) Log on to the e-voting website : www.evotingindia.com

(ii) Click on “Shareholders” tab.

(iii) Now Enter your User ID

(a) For CDSL: 16 digits beneficiary ID,

(b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

(c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br><br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digit sequence number in the PAN field.<br>• In case the Sequence No. is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For example, if your name is Ramesh Kumar and your Sequence No. is 1 then enter RA00000001 in the PAN field. |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details# | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.<br>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iii). |

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the relevant EVSN of Jindal Stainless Limited on which you choose to vote. This will take you to the voting page.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) **Note for Non-Individual Shareholders & Custodians**:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.

(xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

**(B) In case of members receiving the physical copy:**

(i) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(ii) The voting period begins on 16th April, 2015 at 9.00 a.m. and ends on 15th May, 2015 at 5:00 p.m.. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(iii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

10. The e-voting period begins on 16th April, 2015 at 9.00 a.m. and ends on 15th May, 2015 at 5:00 p.m.. In case you have any queries or issues regarding e-voting, please contact Mr.Bhartendu Harit, Authorized Signatory, Jindal Stainless Limited, O.P. Jindal Marg, Hisar – 125 005 (Haryana), E-mail : hsr.harit@jslhsr.com, Phone No. (01662) 222471-83.

11. The Company has appointed Mr. Subhash Gupta, Advocate as Scrutinizer, for conducting the entire Postal Ballot process in a fair and transparent manner.

12. Kindly note that the Public Shareholders can opt only one mode of voting i.e., either by physical postal ballot or e-voting. If you are opting for e-voting, then do not vote by physical postal ballot also and *vice versa*. However, in case a public shareholder has voted both through physical postal ballot as well as e-voting, then voting done through e-voting will prevail and voting done by Physical postal ballot will be treated as invalid.

13. For the purpose of voting through physical ballot, you are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form (no other Form or photo copy is permitted) duly completed, in the enclosed self addressed postage pre-paid envelope, so as to reach the postage pre-paid Scrutinizer at the address of the Company as printed on the said self addressed postage pre-paid envelope on or before 15th May, 2015 by 5:00 p.m. No other request/ details furnished in the stamped self addressed envelope will be entertained.

14. In cases where the Postal Ballot Form has been signed by an Authorized Representative of a Body Corporate, a certified copy of the relevant authorization to vote on the Postal Ballot should accompany the Postal Ballot Form.

15. Voting rights will be reckoned on the paid-up value of the shares registered in the name(s) of the public shareholder(s) on 31st March, 2015 .

16. The Postal Ballot Forms received after 5.00 p.m. on 15th May, 2015 will be treated as if reply from the Public Shareholder has not been received.

17. The Scrutinizer will submit his report addressed to the Board of Directors of the Company or to any other person duly authorized in this behalf by the Chairman, after completion of scrutiny of Postal Ballot (including e-voting) in a fair and transparent manner. The results of the Postal Ballot will be announced by the Chairman appointed by the Company in this regard or by the Person authorized in this behalf by the Chairman on 16th May, 2015 at 5:30 p.m. at the Registered Office of the Company and will also be published in newspapers and communicated to the Stock Exchanges where the Company's shares are listed. The results of the E-Voting and Postal Ballot along with the Scrutiniser's report will also be displayed on the Company's website, i.e. www.jindalstainless.com. The date of declaration of the Postal Ballot results will be taken to be the date of passing the resolution.

18. Mr. Rajinder Parkash Jindal, Executive Director of the Company, has been appointed as the person responsible for the entire Postal Ballot process. He will be responsible to address the grievances connected with the Postal Ballot.

19. Documents specifically stated in the Statement pursuant to Section 102 of Companies Act, 2013 are open for inspection at the Registered Office of the Company between 10:00 hours and 17:00 hours on all working days upto one day prior to 16th May, 2015.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 22 (1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2015

### 1. BACKGROUND OF THE COMPANY

#### 1.1 Jindal Stainless Limited

i. Jindal Stainless Limited (Transferor Company) was incorporated under the Companies Act, 1956 ("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 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 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 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 Transferor Company was changed to JSL Stainless Limited. The name of the 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 Transferor Company is at O. P. Jindal Marg, Hisar 125005, Haryana.

ii. The 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.

iii. The details of the share capital structure 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 | |

There has been no material change in the share capital structure of the Transferor Company subsequent to December 26, 2014.

1.2 **Jindal Stainless (Hisar) Limited**

i. Jindal Stainless (Hisar) Limited, the 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 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 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 Resulting Company/ Transferee Company 1 is situated at O. P. Jindal Marg, Hisar 125005, Haryana.

ii. The 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.

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

| SHARE CAPITAL | AMOUNT IN RUPEES (Rs.) |
|---|---|
| **Authorized share capital**<br><br>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**<br><br>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 Resulting Company/Transferee Company 1 subsequent to December 26, 2014.

1.3 **Jindal United Steel Limited**

i. Jindal United Steel Limited, the 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 Transferee Company 2 is situated at O. P. Jindal Marg, Hisar 125005, Haryana.

ii. The 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.

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

| SHARE CAPITAL | AMOUNT IN RUPEES (Rs.) |
|---|---|
| **Authorized share Capital**<br>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**<br>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 Transferee Company 2 subsequent to December 26, 2014.

1.4 **Jindal Coke Limited**

i. Jindal Coke Limited, the 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 Transferee Company 3 is situated at O. P. Jindal Marg, Hisar 125005, Haryana.

ii. The 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.

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

| SHARE CAPITAL | AMOUNT IN RUPEES (Rs.) |
|---|---|
| **Authorised share Capital**<br>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**<br>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 Transferee Company 3 subsequent to December 26, 2014.

1.5 The Resulting Company/Transferee Company 1, Transferee Company 2 and Transferee Company 3 are wholly owned subsidiaries of the Transferor Company.

**2. BACKGROUND AND RATIONALE TO THE COMPOSITE SCHEME OF ARRANGEMENT**

i. The Transferor Company is a leading stainless steel manufacturer in India and proposes to enter into the Scheme to enable its management to develop focussed business verticals. The Transferor Company intends to demerge the Demerged Undertakings (as defined in the Scheme) and transfer and vest the same in the 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 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.

ii. The Transferor Company intends to transfer and vest, by way of a Slump Sale, the Business Undertaking 2 (as defined in the Scheme) into the Transferee Company 2 and the Business Undertaking 3 (as defined in the Scheme) into 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 competiveness. 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 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.

iii. The proposed business reorganisation is critical for ensuring the long term stability of the Transferor Company, the Resulting Company/Transferee Company 1, 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 allow each of the companies to focus on their respective core competencies.

iv. The Scheme would be in the best interests of the shareholders, creditors, employees and other stakeholders of the Transferor Company, Resulting Company/ Transferee Company 1, 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.

v. The Board of Directors of the Transferor Company, Resulting Company Transferee Company 1, Transferee Company 2 and the Transferee Company 3 have approved and adopted the Scheme at their respective Board Meetings held on December 29, 2014.

vi. 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 Companies have approved amendments to the Scheme and authorized the filing of the Scheme with the High Court by passing the resolutions through circulation on March 24, 2015.

## 3. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme are as follows :-

i. Part B of Section I of the Scheme deals with the demerger of the Demerged Undertakings (as defined in the Scheme) of the Transferor Company and vesting of the same in the Resulting Company/ Transferee Company 1.

ii. Part B of Section II of the Scheme deals with the transfer of the Business Undertaking 1 (as defined in the Scheme) of the Transferor Company and its transfer and vesting in the Resulting Company/ Transferee Company 1.

iii. Part B of Section III deals with the transfer of the Business Undertaking 2 (as defined in the Scheme) of the Transferor Company and its transfer and vesting in the Transferee Company 2.

iv. Part B of Section IV of the Scheme deals with the transfer of the Business Undertaking 3 (as defined in the Scheme) of the Transferor Company and its vesting in the Transferee Company 3.

v. 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.

vi. The Scheme provides that with effect from the Appointed Date 1, the Demerged Undertakings shall stand transferred to and be vested in the Resulting Company / Transferee Company 1.

vii. The Boards of Directors of the Resulting Company/ Transferee Company 1 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/Transferee Company 1; 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 / Transferee Company 1 CCCPS having face value of Rs.2 (Rupees Two) each, credited as fully paid-up, in the Resulting Company/Transferee Company 1.

viii. 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 (as defined in the Scheme) being transferred by the Transferor Company shall be adjusted against the Securities Premium Account of the Transferor Company.

ix. The Scheme provides that with effect from the Appointed Date 1, the aforesaid Business Undertaking 1 (as defined in the Scheme) of the Transferor Company shall by way of slump sale be transferred and vested in the Resulting Company / Transferee Company 1.

x. The Scheme provides for a payment of lump sum consideration by the Resulting Company/ Transferee Company 1 to the Transferor Company as consideration for the transfer and vesting of the Business Undertaking 1 (as defined in the Scheme).

xi. 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.

xii. The Scheme provides that with effect from the Appointed Date 2, the Business Undertaking 2 (as defined in the Scheme) of the Transferor Company shall stand transferred by way of slump sale to the Transferee Company 2.

xiii. The Scheme provides for the payment of a lump sum consideration by the Transferee Company 2 to the Transferor Company as consideration for the transfer of the Business Undertaking 2.

xiv. It is provided for in the Scheme for the transfer by way of slump sale of the Business Undertaking 3 (as defined in the Scheme) of the Transferor Company and its vesting in the Transferee Company 3.

xv. The Scheme further provides for the payment of a lump sum consideration by the Transferee Company 3 to the Transferor Company as consideration for the transfer of the Business Undertaking 3.

xvi. It is provided in the Scheme that the Transferee Company 2 shall, without any further act or deed, issue and allot, to the 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 Transferee Company 2 to the Transferor Company after adjustment of the amount paid to the Transferor Company in accordance with the terms of the Scheme.

xvii. The Transferee Company 3 shall, without any further act or deed, issue and allot, to the 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 Transferee Company 3 to the Transferor Company after adjustment of the amount paid to the Transferor Company in accordance with the terms of the Scheme.

**Please note that the features set out are not the only salient features of the Scheme and accordingly the Public Shareholders are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof).**

4. The Company has obtained Valuation Report dated December 27, 2014 of M/s BSR & Associates, Chartered Accountants and Fairness Opinion dated December 27, 2014 from M/s SPA Capital Advisers Limited, independent merchant banker. Both the above documents were placed before the Board of Directors of each of the Companies and the same were taken into account while approving the Scheme at the respective Board Meeting of the Companies on December 29, 2014.

5. The Scheme is subject to the approval of the High Court of Punjab and Haryana at Chandigarh.

6. The financial position of each of the Companies will not be effected by the Scheme and the rights and interests of the creditors of each of the Companies will not be prejudicially effected by the Scheme.

7. No investigation proceedings have been instituted or are pending in relation to the Transferor Company under Section 235 to 251 of the Act or such other equivalent provisions of the Companies Act, 2013 as applicable.

8. Resulting Company / Transferee Company 1, Transferee Company 2 and the 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 Transferor Company as envisaged in the 'Scheme'.

9. The details of the present directors of the Transferor Company and their shareholding in each of the Transferor Company **(A)**, Resulting Company / Transferee Company 1 **(B),** Transferee Company 2 **(C)** and 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 | - | - | - | - |

10. The details of the present directors of the Resulting Company/ Transferee Company 1 and their shareholding in each of the Transferor Company **(A)**, Resulting Company/ Transferee Company 1 **(B),** Transferee Company 2 **(C)** and 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 nominees of Jindal Stainless Limited

**11.** The details of the present directors of the Transferee Company 2 and their shareholding in each of the Transferor Company **(A)**, Resulting Company/ Transferee Company 1 **(B),** Transferee Company 2 **(C)** and 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

**12.** The details of the present directors of the Transferee Company 3 and their shareholding in each of the Transferor Company **(A)**, Resulting Company/ Transferee Company 1 **(B),** Transferee Company 2 **(C)** and 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

**13.** The following documents will be open for inspection by the Equity Shareholders of the Transferor Company upto one day prior to 16th May, 2015. The following documents have also been uploaded on the website of the Transferor Company at www.jindalstainless.com.

a. Copy of Company Petition No.38 of 2015 filed by the 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 Companies;

d. Copy of the audited accounts of the Transferor Company and the Resulting Company/Transferee Company 1 as on March 31, 2014;

e. Unaudited provisional accounts of the Transferee Company 2 and 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 29th December, 2014;

j. Copy of the Board Resolution dated December 29, 2014 of the Transferor Company, Resulting Company/ Transferee Company 1, Transferee Company 2 and Transferee Company 3;

k. Copy of the Board Resolution dated March 24, 2015 of each of the Transferor Company, Resulting Company/ Transferee Company 1, Transferee Company 2 and Transferee Company 3;

l. Complaints Report dated 30th January, 2015 submitted to the NSE and BSE;

m. Copy of the Observation Letters dated March 20, 2015 issued by the NSE and BSE.

For **Jindal Stainless Limited**

**(Rajinder Parkash Jindal)**
**Executive Director**
DIN : 00004594

Place : Hisar
Date : April 4, 2015

# Jindal Stainless Limited

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

## POSTAL BALLOT FORM

Serial No.

1. Name and Addresss of the Sole / First named shareholder :

2. Name(s) of the Joint Holder (s), if any. :

3. Registered Folio No. / DP-ID No. & Client-ID No.* : (*Applicable to shareholders holding shares in dematerialized form)

4. Number of share(s) held :

5. Sequence No. :

6. I/We hereby exercise my/our vote in respect of the Ordinary Resolution to be passed through Postal Ballot for the business stated in the Notice of Postal Ballot dated 4th April,2015 of the Company by conveying/sending my/our assent or dissent to the said Ordinary Resolution by placing tick (√) mark at the appropriate box below:

| Description of Resolution | No. of shares held | I/We assent to the Resolution (FOR) | I/We dissent to the Resolution (AGAINST) |
|---|---|---|---|
| Approval 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. | | | |

Place :

Date :

(Signature of Shareholder)

Note:
Please read carefully the instructions overleaf before exercising the vote.

P.T.O.

## INSTRUCTIONS

1. A public shareholder desirous to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached stamped self addressed envelope. Envelope containing Postal Ballot Form, if deposited in person or sent by courier at the expense of the public shareholder(s) will also be accepted.

2. Please convey your assent/ dissent in this Postal Ballot Form. The assent or dissent received in any other form will not be considered valid.

3. The self addressed postage prepaid envelope bears the name and postal address of the Scrutinizer appointed by the Company.

4. The Postal Ballot Form should be completed and signed by the public shareholder (as per the specimen signature registered with the Company or furnished by National Securities Depository Limited / Central Depository Services (India) Limited, in respect of shares held in the physical form or dematerialized form respectively). In case of joint holding, this Form must be completed and signed by the first named public shareholder and in his /her absence, by the next named public shareholder.

5. Unsigned, incomplete, incorrectly ticked, defaced, torn, mutilated or overwritten Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of the Postal Ballots will be final.

6. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than 5:00 p.m. on 15th May, 2015. Postal Ballot Form received after this date will be strictly treated as if the reply from such Public Shareholders(s) has not been received.

7. In the case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution / Authorization together with the specimen signature(s) of the duly authorized signatories.

8. A Public Shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than 5:00 p.m. on 15th May, 2015.

9. The Postal Ballot will not be exercised by a proxy.

10. Public Shareholders are requested to fill the Postal Ballot Form in indelible ink (and avoid filling it by erasable writing medium/s like pencil).

11. Voting rights will be reckoned on the paid-up value of the shares registered in the name(s) of the public shareholder(s) on 31st March, 2015.

12. Public Shareholders are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed Postage prepaid envelope. If any extraneous papers are found, the same will be destroyed by the Scrutinizer.

13. There will be one Postal Ballot Form for every Folio/ Client ID, irrespective of the number of joint holders.

14. The Company is pleased to offer e-voting facility as an alternate to all the Public Shareholders of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional. The detailed procedure is enumerated in the Notes to the Postal Ballot Notice.