OCL IRON & STEEL LTD.
REGD. OFFICE & WORKS
Vill : Lamloi - P.O.-Garvana
Rajgangpur : 770 017
Distt.- Sundargarh-Orissa, INDIA
Phone: +91 6624 222 562/563
Fax: +91 6624 222 564
eMail: oclrgp@oclsteel.in
www.oclsteel.in
CIN : L27102OR2006PLC008594

REF No.: OISL/BSE/NSE/2016

20TH DECEMBER, 2016

National Stock Exchange of India Limited
Exchange Plaza, 4th Floor, Plot No. C-4, G Block,
Bandra Kurla Complex, Bandra East,
Dalal Street, Mumbai- 400001
Security Code: OISL

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001
Security Code: 533008

SUBJECT: Notice of Court Convening Meeting of the Equity Shareholders and Secured Creditors for approval of proposed Scheme of Arrangement between OCL Iron & Steel Limited ("Demerged Company/Company") and OISL Auto Limited ("Resulting Company") and their respective shareholders and creditors.

Dear Sir/Madam

In pursuance of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the **Notice** of meeting of Equity Shareholders and Secured Creditors of OCL Iron and Steel Limited to be held on **14th January, 2017 at 10.30 A.M. and 2 P.M.** respectively, at the registered office of the Company for the purpose of considering the proposed Scheme of Arrangement between OCL Iron and Steel Limited and OISL Auto Limited.

You are requested to kindly take the same on record and oblige.

For OCL IRON AND STEEL LIMITED

OCL Iron And Steel Limited

Yugami Arora
(Company Secretary)

Encl.: As above

WORKS :
A-285, Chopanki Industrial Area
Chopanki, Bhiwadi, District - Alwar
Rajasthan INDIA 301 019
Phone: +91 9667569588
eMail: oclrgp@oclsteel.in
www.oclsteel.in

OCL IRON AND STEEL LIMITED

Corporate Identity Number: L27102OR2006PLC008594

Registered Office: Village Lamloi, PO: Garvana,

Rajgangpur, Distt: Sundergarh, Odisha- 770017

Website: www.oclsteel.in; **E-mail:** oclrgp@oclsteel.in

Tel: +91 6624 222 562/563; **Fax:** +91 6624 222 564

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

Day : Saturday

Date : January 14, 2017

Time : 10:30 AM

Venue : Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017

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IN THE HON'BLE HIGH COURT OF ORISSA; CUTTACK
(Original Jurisdiction)

COPET NO. No. 48 of 2016

In the Matter of:

The Companies Act, 1956 and the Companies Act, 2013, to the extent made effective.

And

In the Matter of:

An application under Sections 391 to 394 read with section 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 along with Rules 67 to 87 of the Companies (Court) Rules, 1959.

And

In the Matter of:

In the matter of Scheme of Arrangement

between

OCL Iron and Steel Limited

and

OISL Auto Limited

and

their respective Shareholders and Creditors

And

In the matter of:

OCL Iron and Steel Limited, a company incorporated under the provisions of the Companies Act, 1956, having its Registered Office situated at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 within the jurisdiction of this Hon'ble Court, represented through it's Authorised Representative, Mr. Yogesh Kapur

…..Applicant Company/Demerged Company/ Transferor Company

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF

OCL IRON AND STEEL LIMITED

To,

The Equity Shareholders of OCL Iron and Steel Limited *(the "**Demerged Company**" or "**Company**" or the "**Applicant Company**",all of which shall have the same meaning)*

TAKE NOTICE that by the order dated October 20, 2016, read with order dated December 01, 2016 in the above mentioned Company Petition No. 48 of 2016 read with Misc. case no. 28 of 2016 *(hereinafter referred to as "**Order**")*, the Hon'ble High Court of Orissa at Cuttack ("**High Court**") has directed that a meeting of the Equity Shareholders of the Applicant Company, be convened and held on Saturday, January 14, 2017 at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 at 10.30 AM for the purpose of considering, and if thought fit, to approve, with or without modification(s) the following resolutions for approving the proposed Scheme of Arrangement between OCL Iron and Steel Limited and OISL Auto Limited and their respective Shareholders and Creditors *(the **"Scheme"**)*, pursuant to Sections 391 to 394 read with section 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013along with Rules 67 to 87 of the Companies (Court) Rules, 1959:

*"**RESOLVED THAT** pursuant to the provisions of Sections 391 to 394 read with section 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 along with Rules 67 to 87 of the Companies (Court) Rules, 1959 and subject to the approval of the Hon'ble High Court of Orissa at Cuttack or the National Company Law Tribunal and/or other competent authorities, if any, the Scheme of Arrangement between OCL Iron and Steel Limited ("**Demerged Company**" or "**Company**") and OISL Auto Limited ("**Resulting Company**") and their respective shareholders and creditors (hereinafter referred to as the "**Scheme**"), as circulated along with the notice of the meeting be and is hereby approved."*

*"**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "**the Board**", which term shall include any committee constituted by the Board), be and is hereby authorized to accept and incorporate any modification(s) in the Scheme that may be required, imposed or ordered by the Hon'ble High Court of Orissa at Cuttack and/or other competent authorities, while sanctioning the Scheme, as it deems in its absolute discretion necessary, fit or expedient."*

*"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute such deeds and documents as it deems in its absolute discretion necessary, fit or expedient for implementation of the Scheme or removal of doubts or otherwise, howsoever in relation to the Scheme."*

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, notice is hereby given that a meeting of the Equity Shareholders of the Company will be held on Saturday, January 14, 2017 at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 at 10.30 AM, at which time and place, you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or through proxy or through authorized representative, provided that a proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of the Applicant Company at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017, not later than 48 (Forty Eight) hours prior to the commencement of the said meeting.

The High Court has appointed Mr. S.C. Samantaray, Advocate to be the Chairman of the said meeting and Mr. Birender Jee, Whole-time director of the Company to be the Alternate Chairman of the said meeting of the Equity Shareholders of the Company.

A copy of the Scheme, Observation Letters issued by National Stock Exchange of India Ltd. and BSE Limited dated March 28, 2016 and March 29, 2016, respectively, Complaints Report, Pre and Post -

arrangement (expected) capital structure and shareholding pattern of the Company, Fairness Opinion from D & A Financial Services (P) Limited dated July 22, 2015, the Explanatory Statement under Section 393 of the Companies Act, 1956 read with Section 102 of the Companies Act, 2013,a Form of Proxy and Attendance Slip are enclosed herewith.

Sd/-
S.C. Samantaray
Chairman appointed for the meeting of the Equity Shareholders of OCL Iron and Steel Limited

Date: 09 December, 2016
Place: Cuttack, Odisha

Registered Office:
Village Lamloi, PO: Garvana,
Rajgangpur, Distt: Sundergarh,
Odisha-770017

Notes:

1. The Equity Shareholders of the Company who hold the equity shares of the Company on June 30, 2016, either in physical or dematerialized form, may attend and vote (*either in person or in Proxy or through Authorized Representative under applicable provisions of the Companies Act, 1956 and the Companies Act, 2013*) at the said meeting.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member of the Company.The Form of Proxy duly completed should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the said meeting. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and/or holding in aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by shareholder(s) holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder. Also, a person who is a minor cannot be appointed as proxy. A blank Proxy form is enclosed with this Notice. All alterations made in the Form of Proxy should be initialed.

3. The authorized representative of a body corporate which is an Equity Shareholder of the Company may attend and vote at the said meeting provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the said meeting is submitted at the meeting.

4. In case of joint holders attending the meeting, joint holder whose name stands first in the Register of Members and in his/ her absence by the next named Member of the Company in respect of such joint holding will be entitled to vote.

5. The Equity Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall.

6. The proxy of an Equity Shareholder who is blind or incapable of writing may be accepted if such shareholder has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address. All insertions in the proxy shall be in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of such Equity Shareholder before he attached his signature or mark.

7. The proxy of the Equity Shareholder who does not know English may be accepted if it is executed in the manner as prescribed above and the witness certifies that it was explained to such Equity Shareholder in the language known to him, and gives the Equity Shareholder's name in English below the signature.

8. A statement pursuant to Section 393 of the Companies Act, 1956 forms part of this Notice.

9. The facility of voting through postal ballot and e-voting will not be available.

10. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

11. M/s S. Khurana & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting process (including the ballot to be cast by the members at the meeting) in a fair and transparent manner.

12. The Scrutinizer shall after the conclusion of voting at the meeting, will count the votes casted at the meeting. The Scrutinizer shall submit a Scrutinizer's Report of the total votes casted in favor of or against, if any, not later than three days after the conclusion of the meeting to the Chairman of the meeting. Further, the results declared along with the report of the scrutinizer shall be placed on the website of the Company, immediately after the result is declared by the Chairman.

13. Route Map of the venue of the meeting is given at the end of the Explanatory Statement.

IN THE HON'BLE HIGH COURT OF ORISSA; CUTTACK

(Original Jurisdiction)

COPET NO. No. 48 of 2016

In the Matter of:

The Companies Act, 1956 and the Companies Act, 2013, to the extent made effective.

And

In the Matter of:

An application under Sections 391 to 394 read with section 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 along with Rules 67 to 87 of the Companies (Court) Rules, 1959.

And

In the Matter of:

In the matter of Scheme of Arrangement

between

OCL Iron and Steel Limited

and

OISL Auto Limited

and

their respective Shareholders and Creditors

And

In the matter of:

OCL Iron and Steel Limited, a company incorporated under the provisions of the Companies Act, 1956, having its Registered Office situated at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 within the jurisdiction of this Hon'ble Court, represented through it's Authorised Representative, Mr. Yogesh Kapur

…..Applicant Company/Demerged Company/ Transferor Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 FOR THE COURT CONVENED MEETING OF THE EQUITY SHARE HOLDERS OF OCL IRON AND STEEL LIMITED

1. Pursuant to the order dated October 20, 2016 read with order dated December 01, 2016 passed by the Hon'ble High Court of Orissa; Cuttack ***("High Court")*** in the above Company Petition No. 48 of 2016 read with Misc. case no. 28 of 2016 *(hereinafter referred to as "**Order**")*, meeting of the Equity Shareholders of the Company is being convened and held on Saturday, January 14, 2017 at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 at 10.30 AM for the purpose of

considering, and if thought fit, to approve, with or without modification(s), Scheme of Arrangement between OCL Iron and Steel Limited and OISL Auto Limited and their respective shareholders and creditors *(hereinafter referred to as the "**Scheme**").*

2. In pursuance of the Order and as directed therein, the meeting of the Equity Shareholders of the Company to be convened and held on Saturday, January 14, 2017 at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 at 10.30 AM at which time and place the Equity Shareholders of the Company are requested to attend.

3. The Notice is being sent to all the Members by post and also electronically by e-mail, to those Members who have registered their e-mail IDs with the Company/Depositories, whose names appear in the Register of Members/record of the Depositories at the close of working hours on June 30, 2016.Resolution shall be passed at the said meeting by way of Poll (i.e. one share, one vote).

4. The Scheme is made under Sections 391 to 394 read with section 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 along with Rules 67 to 87 of the Companies (Court) Rules, 1959 and has been approved by the Board of Directors of the Company in its Board Meeting held on July 23, 2015 after considering the recommendations of the Audit Committee of the Company, valuation report dated July 22, 2015 issued by independent Chartered Accountants, G.K. Choksi & Co., Fairness Opinion Report dated July 22, 2015 issued by D & A Financial Services (P) Limited, Category-I Merchant Banker, registered with SEBI and Certificate in accordance with Clause 24(i) of the Listing Agreement (corresponds to clause 5 of sub-para A of Para I of Annexure I to the SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015) obtained from M/S A.C. Gupta & Associates, regarding the accounting treatment being followed in the Scheme.

5. A copy of the Scheme setting out in detail the terms and conditions of the proposed arrangement is enclosed.

6. **BACKGROUND**

I. OCL Iron and Steel Limited *(hereinafter referred to as "Demerged Company/Applicant Company"or the "Company")*

1. The Demerged Company was initially promoted by OCL India Limited ("***OCL***") with the primary objective of carrying on the business of manufacturing of sponge iron, steel ingots, billets and power generation through captive power plants. Subsequently, the steel unit of OCL was demerged into the Demerged Company in the year 2007.

2. Share capital of the Demerged Company as on March 31, 2016 is as under:

Authorized Capital	**As at March 31, 2016(Rs.)**
34,00,00,000 Equity Shares of Re. 1 each	340,000,000
7,00,00,000 Preference Shares of Rs. 10 each	700,000,000
Total	**1,040,000,000**
Issued, Subscribed and Paid-up Capital	
13,41,43,160 Equity Shares of Re. 1 each fully paid-up	134,143,160
5,30,05,000 2% Non-Cumulative Redeemable Preference Shares of Rs. 10 each fully paid-up	530,050,000
Total	**664,193,160**

3. There has been no alteration in the above share capital structure of Demerged Company till the date of the notice.

4. The shares of the Demerged Company are listed on BSE Limited and National Stock Exchange of India Ltd. with effect from August 1, 2008. Later on the Demerged Company also set up state of the art plants for automotive parts to cater to the automotive and other industries, for both domestic as well as export market. At present, there are two business segments in the Demerged Company viz., Iron and Steel Business and Auto Components Business. The Iron and Steel Business is largely based in the State of Odisha whereas the Auto Component Business is based in the State of Rajasthan.

II. OISL Auto Limited *(hereinafter referred to as "Resulting Company")*

1. The Resulting Company is an unlisted public limited company incorporated under the provisions of the Companies Act, 2013 having its registered office situated in the State of Rajasthan. The Resulting Company is promoted by the Demerged Company and at present is a wholly owned subsidiary company of the Demerged Company. The Resulting Company was set up to undertake the business of manufacturing, trading and distributing all kinds of auto parts & components etc.

2. The share capital of the Resulting Company as on March 31, 2016 is as under:

Authorized Capital	**As at March 31, 2016(Rs.)**
5,00,000 Equity Shares of Re. 1 each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-up Capital	
5,00,000 Equity Shares of Re. 1 each fully paid-up	5,00,000
Total	5,00,000

3. There has been no alteration in the above share capital structure of the Resulting Company till date of issue of this notice.

7. On the basis of the valuation exercise carried out by Independent Chartered Accountants, G.K. Choksi & Co., the Resulting Company shall issue and allot:

a) 1,14,00,000, 2% Non-Cumulative Redeemable Preference shares of Rs. 10/- each fully paid up ("***New Preference Shares***") at par on a proportionate basis to each preference shareholder of Demerged Company, whose name is recorded in the register of members of Demerged Company as preference shareholder as on the Record Date or Book Closure Date;

b) 13,41,43,160 equity shares of Re. 1/- each ("***New Equity Shares***") at par to each member of Demerged Company whose name is recorded in the register of members of Demerged Company as equity shareholder as on the Record Date or Book Closure Date in the ratio of 1:1 i.e. 1 (one) equity share of Rs. 1 each of the Resulting Company to be issued to the equity shareholders of the Demerged Company for every 1 (one) equity share of Rs. 1 each held by them in the Demerged Company;

In case any members' shareholding in the Demerged Company is such that the member becomes entitled to a fraction of New Preference Shares or New Equity Shares in the Resulting Company, such fraction shall be rounded off to the nearest whole integer;

8. The registered office of the Resulting Company is situated in the State of Rajasthan is situated at A-285, Chopanki Industrial Area, Chopanki, Bhiwadi, Rajasthan- 301019 which is within the territorial jurisdiction of this Hon'ble High Court of Rajasthan at Jaipur.

9. The Hon'ble High Court of Rajasthan vide its order dated September 23, 2016 in S.B. Company Application No. 135 of 2016 has dispensed with the requirement of convening meetings of the shareholders and creditors of the Resulting Company. The Resulting Company has thereafter filed a S.B. Company petition no. 29 of 2016 with the Hon'ble High Court of Rajasthan for sanction of the Scheme. The Hon'ble High Court of Rajasthan vide its order dated November 4, 2016 in S.B Company petition no. 29 of 2016 has fixed the final dated of Hearing on January 6, 2017.

10. In terms of the Scheme, the preference share capital of the Demerged Company as on the Appointed Date, i.e., April 1, 2015 shall stand cancelled and extinguished, to the extent of Rs. 11,40,00,000 represented by 1,14,00,000, 2% non-cumulative redeemable preference shares of Rs. 10/- each and further, the share premium received by the Demerged Company on the preference shares so cancelled shall be transferred to the Resulting Company and to that extent, the share premium account of the Demerged Company shall stand reduced accordingly. Also the preference share capital redemption reserve, as appearing in the books of the Demerged Company, shall be transferred proportionately to the extent of the preference share capital being cancelled pursuant to the Scheme over the entire preference share capital as appearing in the books of the Demerged Company.

11. That such cancellation and extinguishment of the preference share capital account, reduction to the share premium account, adjustment in the preference share capital redemption reserve account or capital reserve account etc. of the Demerged Company would not involve either diminution of liability in respect of unpaid share capital or any payment to any of the shareholders of the Demerged Company and shall be considered, to the extent applicable, as a reduction in accordance with provisions of Sections 100 to 103 of the Companies Act, 1956 and/or Section 55 and Section 52 of the Companies Act, 2013 and the order of the Hon'ble High Court of Orissa at Cuttack sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Companies Act, 1956.

12. The Scheme also involves reduction of share capital of the Resulting Company to the extent of cancellation of equity share capital held by the Demerged Company in the Resulting Company.

13. That the said reduction of the share capital of the Resulting Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 100 to 103 of the Companies Act, 1956.

14. The salient features of the said Scheme are as under:

" ***PART I***

1. DEFINITIONS

In this scheme of arrangement, unless inconsistent with the meaning or context,the following expressions shall have the following meaning:

1.1. ***"Act"*** *means the Companies Act, 1956 and applicable rules madethere under and includes any amendments, statutory re-enactments, and modification thereof from time to time andincludes the applicable provisions of Companies Act, 2013, if any, and applicable rules made thereunder. In case the relevant provisions of the Companies Act, 2013are notified prior to the effective date (defined hereinafter) beingachieved, this scheme of arrangement shall be deemed to havebeen passed under the relevant provisions of Companies Act,2013 and all references to the Act, sections and rules therein shallbe deemed to include a reference to the relevant provisions of theCompanies Act, 2013 and rules made thereunder;*

1.2. ***"Appointed Date****" means April 1, 2015 or such other date as the board of directors of the Demerged Company and the Resulting Company deems fit and proper or such other date as the Hon'ble High Court (defined hereinafter) may direct or such other competent authority, as may be applicable, from which date the assets and liabilities, described herein after, of the Demerged Undertaking (defined herein after) belonging to the Demerged Company shall stand transferred to or vested to or shall be deemed to stand transferred to or vested in the Resulting Company without any further act, instrument, deed or thing;*

1.3. ***"Auto Component Business"*** *means the business of manufacturing of Axle casing, Trumpet Housing, Carrier Planetary Hub, Swivel hub, Axle Arm, Carrier, Brackets, Front Axle Support, Crankcase Machining and Cold Rolled Steel Sections for Auto Segments i.e. Commercial and Passenger vehicles and Non-Auto Segments i.e. Tractors, Agriculture and Construction Equipment;*

1.4. ***"Board of Directors"*** *or* ***"Board"*** *means board of directors of the Demerged Company and Resulting Company and shall also include any duly constituted committee(s) thereof, if any or any person authorized by the board of directors;*

1.5. ***"Companies"*** *means the Demerged Company and Resulting Company, referred collectively;*

1.6. ***"Demerged Company"*** *means OCL Iron And Steel Limited, a public limited Company incorporated under the provisions of Act, having its registered office situated at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Orrisa-770017;*

1.7. ***"Demerged Undertaking"*** *means the entire Auto Component Business of the Demerged Company, having manufacturing units at A-285, Chipanki Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan and Plot No.-SP-259, Industrial Area, Kaharani, Extn Bhiwadi, Rajasthan-301019 and Begampur Khatola, Gurgaon, Haryana, which would be transferred on a going concern basis to the Resulting Company on and from the Appointed Date. Without prejudice to the generality of the above, the Demerged Undertaking shall mean and include:*

a) all immovable property(ies) of the Demerged Undertaking including tangible assets, land and building, plant and equipment/ machinery and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies and otherwise), capital work-in-progress and all documents of title, receipts and easements in relation thereto, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;

b) all movable assets pertaining to and in relation to the Demerged Undertaking, whether in present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal including but not limited to plant and equipment/ machinery, vehicles, bank balances,

cash and cash equivalents, investments including non- current investments of all kinds either in equity shares of listed company or unlisted company, if any, or any other investments made by the Demerged Company pertaining/belonging to the Demerged Undertaking, all loans and advances, whether long-term or short-term, secured or unsecured, recoverable in cash or kind or value to be received including interest accrued thereof, if any, all deposits whether with government or semi government, local authorities or any other institution and bodies, including but not limited to amounts receivables from Central Government/ State Government(s) under any of their scheme(s)/plan(s), balances recoverable from Government Authorities, if any, trade receivables, advance tax(es) paid, unutilized Minimum Alternate Tax (MAT) credit, office equipment's, electrical installations, offices, inventories including but not limited to computers, software, furniture & fixtures, other current assets, capital work-in-progress, benefits arising of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Demerged Undertaking;

c) *All agreements, rights, contracts, entitlements, permits, licenses, approvals, consents, engagements, arrangements and all other privileges and benefits of every kind, if any, nature and description whatsoever relating to the Demerged Company's business, activities and operations pertaining to Demerged Undertaking;*

d) *all the debts (whether secured or unsecured) including but not limited to long-term and short-term borrowings, trade payables, long-term and short-term provisions, deferred tax liabilities, current liabilities (including contingent liabilities), duties and obligations of the Demerged Company of every kind, nature and description whatsoever and howsoever accruing or arising out of, and all loans and borrowings raised or incurred and utilized for its businesses, activities and operations, if any, pertaining to Demerged Undertaking;*

e) *all intellectual property rights (whether registered or unregistered), records, files, papers, data and documents, if any, relating to the Demerged Company's business, activities and operations pertaining to Demerged Undertaking;*

f) *all legal proceedings of whatsoever nature by or against the Demerged Company, if any, pending as on the Appointed Date and relating to the Demerged Undertaking; and*

g) *all employees engaged in or relating to the Demerged Company's business, activities and operations pertaining to Demerged Undertaking.*

h) *The broad details of the asset and liabilities comprising of the Demerged Undertaking and figures appearing corresponding to the said assets and liabilities as appearing in the financial statement as at March 31, 2015, are described in the Schedule-I annexed hereto.*

1.8. ***"Effective Date"*** *means the last date of the dates on which all the conditions and matters referred to in Clause 16 of this Scheme hereof have been fulfilled. References in this Scheme to the date of "upon coming into effect of this Scheme" or "effectiveness of the Scheme" or "the Scheme becoming effective" shall mean the Effective Date**;***

1.9. ***"High Court" or "Court"*** *means the High Court of Orissa at Cuttack having jurisdiction in relation to the Demerged Company and High Court of Rajasthan at Jaipur having jurisdiction in relation to the Resulting Company (or such other Court/ bench having jurisdiction over Companies involved in the Scheme), depending on the context and applicability, and the term "High Court" or "Court" shall*

be interpreted accordingly and shall include National Company Law Tribunal, under the Act, as may be applicable;

1.10. ***"Iron and Steel Business" means****the business of manufacturing, marketing, trading of steel (steel billets and DRI), sponge iron, cold rolling mill for higher value steel products and generation of power through captive power plants;*

1.11. ***"Record Date" or "Book Closure Date"*** *means the date fixed by the Board or committee thereof, of the Demerged Company for the purpose of determining the members of the Demerged Company to whom new equity shares and new preference shares will be allotted and issued by the Resulting Company pursuant to this Scheme or determined in terms of the applicable provisions of the Act or the Companies Act, 2013**;***

1.12. ***"Remaining Undertaking*** *or* ***Remaining Business"*** *means all undertakings, businesses, activities and operations of the Demerged Company other than the Auto Component Business.*

1.13. ***"Resulting Company"*** *meansOISL Auto Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at A-285, Chopanki Industrial Area, Chopanki, Bhiwadi, Rajasthan- 301019. The Resulting Company is the wholly owned subsidiary company of the Demerged Company;*

1.14. ***"Scheme" or "the Scheme" or "this Scheme"*** *means this scheme of arrangement in its present form or with any modifications made under Clause 16 of the Scheme as approved or directed by the High Court(s) or any other appropriate authority;*

All terms and words not defined in this Scheme, shall, unlessrepugnant or contrary to the context or meaning thereof, have thesame meaning ascribed to them under the Act and otherapplicable laws, rules, regulations, bye laws for the time being inforce, as the case may be, including any statutory modification orre-enactment thereof from time to time.

4. RATIONALE FOR THE SCHEME

The Boards of Directors of the Companies are of the view that proposed demerger of the Demerged Undertaking belonging to the Demerged Company into the Resulting Company would inter-alia have the following benefits:

a) given the distinct nature of operations of both business segments, it is proposed to hive-off Auto Component Business from Demerged Company into the Resulting Company, which, upon hive-off, is owned by the shareholders of the Demerged Company in the same pproportion in which they own shareholding in the Demerged Company;

b) the demerger would enable greater/ enhanced focus of management in the Auto Component Business thereby facilitating the management to efficiently exploit opportunities for the business;

c) it is expected that the proposed demerger will lead to increased market capitalization of both the Companies which will exceed the market capitalization of the Demerged Company alone thereby unlocking shareholder value;

d) all the manufacturing assets and liabilities relating to Auto Component Business will be housed under one entity, i.e., the Resulting Company which will enable the Demerged Company to improve its business efficiency and focus on its core business, i.e. the Iron and Steel Business;

e) the demerger will thrive in achieving and sustaining competitiveness and development of long-term internal and core competencies;

f) it is believed that the proposed segregation will create enhanced value for shareholders and allow a focus strategy in operations which would be in the best interest of all the stakeholders. The demerger proposed by this Scheme will enable investors to hold investment in businesses with different investment characteristics thereby enabling them to select investments in business which best suit their investment strategies and risk profiles; and

g) the demerger will also provide for independent collaboration and expansion without committing the existing organization in its entirety.

PART- II

5. TRANSFER AND VESTING

5.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking belonging to the Demerged Company shall stand demerged and transferred and be vested in the Resulting Company, on a going concern basis, without any further act, deed, instrument, matter or thing, so as to become on and from the Appointed Date, the undertaking of the Resulting Company and to vest in the Resulting Company, all rights, titles, interests or obligations of the Demerged Undertaking therein, in the manner described herein.

5.2. With effect from the Appointed Date and subject to the provisionsof this Scheme, including in relation to the mode of transfer orvesting, all immovable property of the Demerged Undertaking including tangible assets, land together with building, plant and machinery and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies and/or otherwise), capital work-in-progress which immovable properties are currently being used for the purpose of and in relation to the Demerged Undertaking and all documents of title, receipts and easements in relation thereto, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties shall, unless otherwise agreed between the Companies, be transferred to and stand vestedin and/ or be deemed to betransferred to and stand vested in the Resulting Companyas agoing concern pursuant to the provisions of Section 391 to 394Aof the Act and all other applicable provisions of the Act so as tobecome, on and from the Appointed Date, the assets, rights, titleandinterests of the Resulting Company. Upon thecoming into effect of the Scheme, the title to such immovableproperties shall be mutated and transferred by appropriateauthorities, in accordance with terms hereof, in favor of theResulting Company. It is expressly clarified that in so far any leasehold properties forming part of the Demerged Undertaking are concerned, the Resulting Company may enter into fresh lease agreements or terminate any lease agreements that are already in existence with any third party.

5.3. With effect from the Appointed Date and subject to the provisions of this Scheme, including in relation to the mode of transfer or vesting, all rights, titles, interest and privileges in the movable, tangible and intangible properties, assets including plant and equipment, vehicles, bank balances, cash and cash equivalents, investments including non- current investments of all kinds either in equity shares of listed company or unlisted company or any other investments, if any, made by the Demerged Company, all loans and advances, whether long-term or short-term, secured or unsecured, recoverable in cash or kind or value to be received including interest accrued thereof, all deposits whether with government or semi government, local authorities or any other institution and bodies, including but

not limited to amounts receivables from Central Government/ state government(s) under any of their scheme/plans, balances recoverable from government authorities, advance tax(es) paid, if any, unutilized Minimum Alternate Tax (MAT) credit, office equipment's, electrical installations, offices, inventories including but not limited to computers, software, furniture & fixtures, trade receivables, other current assets, capital work-in-progress, benefits arising of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company, intellectual property (whether registered or unregistered), if any, pertaining to the Demerged Undertaking, shall be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Resulting Companyas a going concern pursuant to the provisions of Section 391 to 394A of the Act and all other applicable provisions of the Act so as to become, on and from the Appointed Date, the assets, rights, title and interests of the Resulting Company.

5.4. All theassets, as mentioned herein above, that have accrued or which may accrue to theDemerged Companypertaining to the Demerged Undertaking on or after the Appointed Date shallpursuant to the provisions of Section 394 of the Act and withoutany further act, instrument or deed, be transferred to and standvested in and/or be deemed to have been transferred to and standvested in and be available to the Resulting Company.

5.5. Without prejudice to clause 5.2, clause 5.3 and clause 5.4 as above, upon theScheme becoming effective, in respect of such of the aassets, as mentioned herein above,of the Demerged Company pertaining to the Demerged Undertakingas are movable in nature, orincorporeal property, or are otherwise capable of transfer bymanual delivery or transferring possession or by endorsement and/ or delivery, along withsuch other documents as may be necessary to the end and intentthat the property therein upon such transfer become the property,assets, rights, title, interest and authorities of the Resulting Company in pursuance of section 394 of the Act without anyfurther act, instrument or deed. In respect of such of the assets other than those referred to hereinabove, the same shallalso, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and standvested in the Resulting Companypursuant to the effectiveness ofthis Scheme.

5.6. With effect from the Appointed Date & upon coming to effect ofthe Scheme:

a) All the licenses, rights, claims, including refund claims lyingwith any statutory authority which may accrue to theDemerged Company pertaining to the Demerged Undertaking, if any, shall, pursuant to the provisions ofsection 394 of the Act, without any further act, instrument ordeed, be and stand transferred to and vested in and or bedeemed to have been transferred to and stand vested in and beavailable to the Resulting Company. The Resulting Company shall file the relevant intimations, if required, for therecord of the statutory authorities who shall take them on fileand record the change of name pursuant to Scheme becoming effective.

*b) The entire taxes, direct and indirect or any other taxes, including but not limited to prepaid taxesbeing tax deducted at source (TDS)/advance tax, MinimumAlternate Tax (MAT) credits, sales tax, value added tax (VAT) and also self-assessment taxes, ifany, paid by the Demerged Company under the Income Tax Act, 1961 (hereinafter referred to as "**IT Act**") or any other statute, pertaining to the Demerged Undertaking for the period commencing from the Appointed Date, shall be deemed to be the taxes paid by or for the benefit ofthe Resulting Company and*

credit for such taxesshall beallowed to the Resulting Company notwithstanding thatcertificates or challans or orders for such taxes are in the nameof the Demerged Company and not in the name of theResulting Company. The Resulting Company shall, after theEffective Date, be entitled to file with the authoritiesconcerned the relevant return(s) as required under the IT Actor any other statutes/ laws for the period after the Appointed Datenotwithstanding that the period for filing such return may haveelapsed. Further Resulting Company shall, after the EffectiveDate, be entitled to revise the relevant returns, if any, filed bythe Demerged Company for any year, if so necessitated orconsequent to this Scheme, notwithstanding that the timeprescribed for such revision may have elapsed.

c) *Upon the coming into effect of the Scheme all kinds of intellectual property rights, ifany, whether or not registered with the relevant authorities concerned orapplications submitted at any time on or before the Effective Date by the Demerged Company or by the employees /officers / directors of Demerged Company for the benefit or which may pertain tothe Demerged Undertaking, if any, shall stand transferred to andvested along with all the undertakings in the name ofResulting Company without any further act, instrument ordeed.*

d) *With effect from the Effective Date and until such time thenames of the bank accounts of the Demerged Company in relation to the Demerged Undertaking, if any, arereplaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of theDemerged Company in relation to the Demerged Undertaking, in so far as may be necessary. Thebanks shall continue to honour the cheques, other negotiableinstruments, payment orders and instructions issued/ signed bythe Demerged Company or signed by the existing signatoriesof the Demerged Company for payment after the EffectiveDate. Similarly, all cheques and other negotiable instrumentsreceived in the name of Demerged Companyin relation to the Demerged Undertaking, w.e.f. theEffective Date and until such time shall be for and on account of the Resulting Company and accordingly to be accepted by thebankers of Demerged Company and credited to the account ofResulting Company.*

5.7. Upon the coming into effect of the Scheme and with effect fromthe Appointed Date:

a) *All secured or unsecured debts, liabilities including but not limited to deferred tax liabilities, contingent liabilities,current liabilities, non-current liabilities, statutory payables,TDS payable, expenses payable and other current liabilities orother advances received, whether disclosed or undisclosed,whether accounted for in the books of accounts or not, duties, taxes, statutory expenses, short-term and long-term provisions andobligations, if any, of the Demerged Company along withany charge, encumbrance, lien or security thereon, if any, in relation to the Demerged Undertakingshall also be vested or be deemed to be and stand vested, without anyfurther act, instrument or deed, to the Resulting Company,pursuant to the provisions of Section 394 of the Act so as tobecome the debts, liabilities, duties and obligations of theResulting Company. Further that it shall not be necessary toobtain separate consent of any third party or other person whois a party to any contract or arrangement by virtue of whichsuch debts, liabilities, duties and obligations have arisen inorder to give effect to the provisions of this sub-clause.*

b) *If there are any general or multipurpose borrowings in the books of account of the Demerged Company, so much of the amount of the general purpose borrowings or multipurpose borrowing,*

as standing in the same proportion in which the value of the assets transferred pursuant to the Scheme bears to the total value of the assets of such Demerged Company immediately before the demerger, shall also stand transferred to the Resulting Company pursuant to the Scheme.

c) *Where any of the liabilities and obligations of the Demerged Company pertaining to the Demerged Undertaking as on the Appointed Date transferred to theResulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the EffectiveDate, such discharge shall be deemed to have been for and onaccount of the Resulting Company.*

d) *All loans raised and utilized and all debts, duties,undertakings, liabilities and obligations incurred or undertakenby the Demerged Company in relation to the Demerged Undertaking after the Appointed Date andprior to the Effective Date shall be deemed to have beenraised, used, incurred or undertaken for and on behalf of theResulting Company and to the extent they are outstanding onthe Effective Date, shall, upon the coming into effect of theScheme, pursuant to the provisions of Section 394(2) of theAct, without any further act, instrument or deed be and standtransferred to and vested in or be deemed to have beentransferred to and vested in the Resulting Company and shallbecome the debt, duties, undertakings, liabilities andobligations of the Resulting Company.*

5.8. *Upon the Scheme becoming effective subject to applicable law(s)for the time being in force, license(s), permission(s), approval(s),registration(s) with any regulatory authority,wherever applicable, and/or consents held by the Demerged Company pertaining to the Demerged Undertaking, and not surrendered, shall stand vested in Resulting Company, with effect from the Appointed Date (save andexcept as otherwise specified in this Scheme), without any furtheract, deed, instrument, matter or thing, shall be appropriately registered withthe concerned statutory authority(ies) in favour of the Resulting Company. The benefits of all license(s), permission(s),approval(s), registration(s) with any regulatory authority pertaining to the Demerged Undertaking, wherever applicable on the Demerged Company shall vest in and become available to the Resulting Companypursuant to the Scheme becoming effective. However,ifany statutory license(s), permission(s), approval(s),registration(s) with any regulatory authority,wherever applicable, and/or consents held by the Demerged Companythat are not required by the Resulting Company, will,if required, by applicable law(s), be cancelled or surrendered by the Demerged Company.*

5.9. *This Scheme complies with the conditions relating to "demerger" as specified under section 2(19AA) of the IT Act. If any term or provision of this Scheme is found or interpreted to be inconsistent with the said provision at a later date, including resulting from an amendment of law or for any other reason, whatsoever, then the provisions of such amended section(s) of the IT Act shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with conditions contained in section 2(19AA) of the IT Act. Such modification shall however not affect other parts of this Scheme.*

5.10. *It is expressly clarified that, in case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Auto Component Business, i.e. the Demerged Undertaking, or whether it arises out of the activities or operations of the Auto Component Business, the same shall be decided by mutual agreement between Board of Directors of the Companies.*

6. CONSIDERATION

6.1. Upon the coming into effect of this Scheme and in consideration of the demerger of the Demerged Undertaking belonging to the Demerged Undertaking in Resulting Company and pursuant to this Scheme:

*a) Resulting Company shall, without any further act or deed, issue and allot 1,14,00,000, 2% Non-Cumulative Redeemable Preference shares of Rs. 10/- each fully paid up (hereinafter also referred to as the **"New Preference Shares"**) at par on a proportionate basis to each preference shareholder of Demerged Company, whose name is recorded in the register of members of Demerged Company as preference shareholder as on the Record Date or Book Closure Date;*

*b) Resulting Company shall, without any further act or deed, issue and allot 13,41,43,160 equity shares of Re. 1/- each (hereinafter also referred to as the **"New Equity Shares"**) at par to each member of Demerged Company whose name is recorded in the register of members of Demerged Company as equity shareholder as on the Record Date or Book Closure Date in the ratio of 1:1 i.e. 1 (one) equity share of Rs. 1 each of the Resulting Company to be issued to the equity shareholders of the Demerged Company for every 1 (one) equity share of Rs. 1 each held by them in the Demerged Company;*

c) In case any members' shareholding in the Demerged Company is such that the member becomes entitled to a fraction of New Preference Shares or New Equity Shares in the Resulting Company, such fraction shall be rounded off to the nearest whole integer;

d) The New Preference Shares and the New Equity Shares shall be subject to the Memorandum and Articles of Association of the Resulting Company;

e) The New Preference Shares shall be issued by the Resulting Company in physical form, unless otherwise notified in writing by any of the preference shareholder of the Demerged Company, and on the same terms and conditions as they were originally issued to the preference shareholders of the Demerged Company on the Record Date as may be determined by the Board of Directors of Demerged Company or a Committee thereof, and the period of redemption of the New Preference Shares issued by the Resulting Company shall be determined as if they were originally issued by the Demerged Company. Correspondingly, to the extent of New Preference Shares issued by the Resulting Company to the preference shareholder of the Demerged Company, the preference shares so held by the preference shareholders of the Demerged Company, equivalent to the value of the New Preference Shares, shall stand cancelled in the hands of the preference shareholders of the Demerged Company and accordingly necessary adjustments shall be made by the Demerged Company in its financial statements. In the event such notice has not been received by the Resulting Company in respect of any of the preference shareholder of the Demerged Company as on the Record Date, the New Preference Shares shall be issued to such members in physical form.

f) The New Equity Shares shall be issued in dematerialized form, unless otherwise notified in writing by any of the Equity Shareholder of the Demerged Company, and on the same terms and conditions as they were originally issued, on the Record Date as may be determined by the Board of Directors of Demerged Company or a Committee thereof. In the event that such notice

has not been received by the Resulting Company in respect of any of the equity shareholder of the Demerged Company as on the Record Date, the New Equity Share shall be issued to such members in dematerialized form provided that such members shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event any shareholder has notified the Resulting Company, as contemplated above that they desire to be issued shares in the physical form or if the details furnished by any member do not permit electronic credit of the shares of Resulting Company, then Resulting Company shall issue New Preference Shares and/or the New Equity Shares in physical form to such shareholders;

g) *The new shares allotted by the Resulting Company shall remain frozen in the depositories systems till listing /trading permission will be given by designated Stock Exchange;*

h) *Approval of this Scheme by the shareholders of Resulting Company shall be deemed to mean that the said shareholders have also accorded all relevant consents under the Act for the issue and allotment of New Preference Shares and the New Equity Shares by Resulting Company to preference shareholder and equity shareholder of the Demerged Company; and*

i) *Issuance of New Preference Shares and the New Equity Shares shall be made pursuant to the circular(s) issued by the Securities Exchange Board of India on February 4, 2013 bearing no. CIR/CFD/DIL/5/2013 and on May 21, 2013 bearing no. CIR/CFD/DIL/8/2013 (hereinafter referred to as "**SEBI Circulars**").*

*6.2. The New Equity Shares issued by the Resulting Companyshallbe listed and/ or admitted to trading on the National StockExchange of India Ltd. and/or the BSE Limited and on suchother stock exchanges on which the existing equity shares of theDemerged Companyare listed at the Record Date (herein aftercollectively referred to as the **"Stock Exchanges"**). TheResulting Companyshall enter into such arrangement(s) andgive such confirmation(s) and/or undertaking(s) as may benecessary in accordance with the applicable laws or regulationsfor complying with the formalities of the Stock Exchanges. Onsuch formalities being fulfilled, the Stock Exchanges shall listand/or admit the New Equity Shares for purpose of trading on thefloor of the Stock Exchanges.*

6.3. The Resulting Companyshall, if and to the extent required,apply for and obtain any approval(s) from concerned regulatoryauthority(ies) for the issue and allotment of the New Equity Shares and New Preference Shares to the members of the Demerged Company, whereverapplicable, under the provisions of the Scheme.

8. EMPLOYEES

8.1. Upon the Scheme becoming effective, all staff, workmen andpermanent employees of the Demerged Company pertaining to the Demerged Undertaking, if any, whoare in service on the Effective Date shall be deemed to havebecome staff, workmen and employees (as the case may be) of theResulting Company with effect from the Appointed Date withoutany break or interruption in their service, on same terms andconditions on which they are engaged as on the Effective Dateand the terms and conditions and benefits deriving, beingdeposited in any provident fund, gratuity scheme, etc, if any, oftheir employment with the Resulting Company shall in no eventbe less favorable than those applicable to them with reference tothe Demerged Company on the Effective Date.

8.2. The Resulting Company will file the relevant intimations to thestatutory authorities concerned who shall take the same on recordand endorse the name of the Resulting Company for theDemerged Company.

8.3. Subject to other provisions contained in this Scheme all contracts,deeds, understandings, bonds, guarantees, agreements,instruments and writings and benefits of whatsoever nature, ifany, pertaining to the Demerged Undertaking , to which any of the Demerged Company is a party andsubsisting or having effect on the Effective Date, shall remain infull force and effect against or in favour of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a partythereto.

11. ACCOUNTING TREATMENT

11.1. ***Accounting treatment in the books of the Demerged Company:***

a) The Demerged Company shall, upon the Scheme becoming effective, record the deletion of the respective assets and liabilities of the Demerged Undertaking vested in Resulting Company, pursuant to this Scheme, at their respective book values;

b) Any inter-unit loans and advances and other dues outstanding as of the Appointed Date between the Iron and Steel Business unit of the Demerged Company and Auto Component Business unit of the Demerged Company, as demerged in to the Resulting Company, will stand recoverable/ payable, as the case may be;

c) The preference share capital of the Demerged Company as on the Appointed Date shall stand cancelled and extinguished, to the extent of Rs. 11,40,00,000 represented by 1,14,00,000, 2 % Non-Cumulative Redeemable Preference Shares of Rs. 10/- each.

e) The share premium received by the Demerged Company on the preference shares so cancelled, in terms of clause 6.1 (e) of this Scheme, shall stand transferred to the Resulting Company and to that extent, the share premium account of the Demerged Company shall stand reduced accordingly. Similarly the preference share capital redemption reserve, as appearing in the books of the Demerged Company, shall be transferred proportionately to the extent of the preference share capital being cancelled pursuant to this Scheme over the entire preference share capital as appearing in the books of the Demerged Company.

f) Upon the Scheme becoming effective, the amount under surplus in the profit and loss account amounting to Rupees 41,44,03,451.14, as on the Appointed Date, pertaining to the Demerged Undertaking of the Demerged Company shall stand transferred to the Resulting Company and corresponding amount shall be adjusted from the profit and loss account of the Demerged Company;

g) Any surplus or deficit arising between the book value of the all assets over book value of the all liabilities of the Demerged Undertaking vested in the Resulting Company, as further reduced by the transfer to the Resulting Company of preference share capital redemption reserve, securities premium reserve and surplus in the profit and loss account, shall be adjusted in the books of the Demerged Company against the following, in the order specified:

- *Capital Reserve Account;*

- *Securities Premium Account; and*
- *General Reserve;*
- *Profit and Loss Account*

h) *Any such cancellation of the preference share capital account, reduction to the share premium account, adjustment in the preference share capital redemption reserve account or capital reserve account etc. of the Demerged Company shall be considered, to the extent applicable, as a reduction in accordance with provisions of Sections 100 to 103 of the Act and/or Section 55 and Section 52 of the Companies Act, 2013 and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act.*

i) *Notwithstanding the above, the Board of Directors of the Demerged Company, in consultation with its statutory auditors, shall be authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013 and generally accepted accounting principles.*

11.2. ***Accounting treatment in the books of the Resulting Company:***

a) *Resulting Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Demerged Undertaking, including the inter-unit balances between the Auto Component Business unit and Iron and Steel Business unit, vested in it pursuant to this Scheme, at their respective book values;*

b) *Resulting Company shall also record the preference share capital redemption reserve, share premium account, surplus in the profit and loss account, so transferred from the books of the Demerged Company pursuant to this Scheme, at their respective book values.*

c) *Upon the Scheme becoming effective and upon the shares being issued to the shareholders of the Demerged Company under para 6 of this Scheme the entire investment of the Demerged Company in the equity share capital of the Resulting Company, as on the Appointed Date, will stand cancelled and be reduced, and, the Resulting Company shall pay to the Demerged Company a sum equal to the face value of each equity share so cancelled and reduced held by the Demerged Company in the Resulting Company.*

d) *Resulting Company shall credit its Share Capital Account with the aggregate face value of the New Preference Shares and New Equity Shares issued to the shareholders of the Demerged Company;*

e) *Any excess in the value of net assets, net liabilities and the general reserves of Demerged Undertaking transferred to the Resulting Company pursuant to the order of the High Court over the face value of the New Preference Shares and New Equity Shares allotted by the Resulting Company shall be credited to capital reserve account of the Resulting Company. In case the result of the above is negative, such result must be accounted for as a "Goodwill" account. The goodwill, if any, arising pursuant to the Scheme shall be amortized over a period of 5 years and tested for impairment at the end of each reporting period, in accordance with prescribed Accounting Standards issued by The Institute of Chartered Accountants of India and generally accepted accounting principles;*

f) In case of any differences in accounting policy between the Resulting Company and the Demerged Company, the impact of such differences shall be quantified and adjusted in the General Reserve Account of the Resulting Company to ensure that the true financial statements of the Resulting Company on the Appointed Date are on the basis of consistent accounting policy;

g) Upon the Scheme becoming effective, the Resulting Company, shall credit its reserves account with the balance under the head securities premium reserve, surplus (profit and loss) and the preference redemption reserve account, to the extent forming part of the Demerged Undertaking, transferred from the Demerged Company as on the Appointed Date; and

h) Any such cancellation of the equity share capital of the Resulting Company shall be considered, to the extent applicable, as a reduction in accordance with provisions of Sections 100 to 103 of the Act and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act.

i) Notwithstanding the above, the Board of Directors of the Resulting Company or a Committee thereof, in consultation with its statutory auditors, shall be authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013 and generally accepted accounting principles.

PART III

GENERAL TERMS AND CONDITIONS

16. CONDITIONALITY OF THE SCHEME

The Scheme is and shall be conditional upon and subject to:

16.1. The occurrence of the Appointed Date.

16.2. The Scheme being approved by the requisite majorities in numberand value of such classes of persons including the respectivemembers and/or creditors of the Demerged Company and theResulting Company as prescribed under the Act or as may bedirected by the High Court or any other appropriate authority asmay be applicable except to the extent as may be waived by theCourt and/or any other competent authority as may be applicable.

16.3. The sanction of this Scheme by the High Court or any otherappropriate authority under Section 391 to 394 and otherapplicable provisions, if any, of the Act in favour of theResulting Company and the Demerged Company.

16.4. Certified copy of the Orders of the High Court sanctioning theScheme being filed with the Registrar of Companies, Rajasthan and the Registrar of Companies, Odisha bythe Companies.

16.5. The requisite(s), consent(s), approval(s) or permission(s) of statutory or regulatory authorities, if any, which by law may be necessary for the implementation of this Scheme, being obtained, including approvals as may be required from any other authority as referred in Clause 15.2 of this Scheme above.

18. INCREASE IN AUTHORISED CAPITAL OF THE RESULTING COMPANY AND CONSEQUENT REDUCTION OF THE AUTHORISED CAPITAL OF THE DEMERGED COMPANY

18.1. Upon the Scheme becoming effective, the Authorised Share Capital of the Demerged Company, to the extent of Rs. 31,00,00,000 (Rupees Thirty One Crores only) will get transferred to the Resulting Company and accordingly, the Authorised Share Capital of the Resulting Company shall stand increased by Rs. 31,00,00,000 (Rupees Thirty One Crores only) to Rs. 31,05,00,000 (Rupees Thirty One Crores and Five Lacs only).

18.2. The Authorised Share Capital of the Demerged Company shall automatically stand reduced to Rs. 73,00,00,000 (Rupees Seventy Three Crores Only), as on the Effective Date, without any further, act, deed, instrument or thing. The Authorised Share Capital of the Demerged Company and the Resulting Company shall, as on the Effective Date, be classified into Equity Share Capital and Preference Share Capital.

18.3. Accordingly the words and figures in Clause V of the Memorandum of Association of the Demerged Company shall stand modified and be substituted to read as follows:

> *"V(a) The authorized share capital of the Company is Rs. 73,00,00,000/- (Rupees Seventy Three Crores Only) consisting of 17,00,00,000 (Seventeen Crore) Equity Shares of Re. 1/- (Rupee One) each and 5,60,00,000 (Five Crores and Sixty Lacs) preference shares of Rs. 10/- (Rupees Ten) each with such rights, privileges and conditions attached thereto as may be determined by the Company in general meeting at the time of issue. The Company has and shall always have power to divide the share capital, for the time being, into several classes and to increase or reduce its capital from time to time and to vary, modify or abrogate any rights, privileges or conditions attached to any class of shares in such manner as may for the time being provided by the regulations of the Company."*

18.4. Further, the words and figures in Clause V of the Memorandum of Association of the Resulting Company shall stand modified and be substituted to read as follows:

> *V The authorized share capital of the Company is Rs. 31,05,00,000/- (Rupees Thirty One Crores and Five Lacs Only) consisting of 17,05,00,000 (Seventeen Crores and Five Lacs) Equity Shares of Re. 1/- (Rupee One) each and 14,00,00,000 (Fourteen Crores) preference shares of Rs. 10/- (Rupees Ten) each with such rights, privileges and conditions attached thereto as may be determined by the Company in general meeting at the time of issue. The Company has and shall always have power to divide the share capital, for the time being, into several classes and to increase or reduce its capital from time to time and to vary, modify or abrogate any rights, privileges or conditions attached to any class of shares in such manner as may for the time being provided by the regulations of the Company."*

*18.5. It is expressly clarified that the filing fee and stamp duty already paid by the Demerged Company on its Authorized Share Capital, which is being transferred to the Resulting Company in terms of Clause 18.1 above, shall be deemed to have been paid by the Resulting Company and accordingly, the Resulting Company shall not be required to pay any fee / stamp duty on the Authorized Share Capital so increased. However, the Resulting Company and the Demerged Company shall file the amended copy of its Memorandum of Association with the concerned Registrar of Companies (the **"RoC"**) within 30 days from the Effective Date and the ROC shall take the same on record.*

18.6. It is hereby clarified that for the purposes of clause 18 of this Scheme, the consent of the shareholders of the Demerged Company and the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under any applicable provisions of the Act, would be required to be separately passed.

The aforesaid are only salient features of the Scheme. The complete Scheme has been enclosed herewith.

15. The extent of the shareholding of the directors of Company in the Demerged Company and the Resulting Company in either singly or jointly, as on November 30, 2016 is as under:

S. No.	**Name of the Director**	**Position**	**Equity share held in Demerged Company**	**Equity share held in Resulting Company**
1	Mr.Yogesh Kapur	Chariman	Nil	Nil
2	Mr.Birendra Jee	Managing Director	Nil	Nil
3	Mr.Sanjay Tiku	Director	Nil	Nil
4.	Mr.Aditya Malhotra	Director	Nil	Nil
5	Mr.Vinod Kumar Uppal	Director	Nil	Nil
6.	Ms.Ankita Wadhawan	Director	Nil	Nil

16. The Scheme is not intended to grant any benefit, to the Directors or Key Managerial Personnel of the Applicant Company and the Resulting Company.

17. The directors of the Applicant Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in these Companies, or to the extent that the said directors are common directors in these Companies, or to the extent that the said directors are partners, members of these companies, firms, association of persons and/or bodies corporate, if any, that hold shares in any of these companies or to the extent they may be allotted shares in the Applicant Company as a result of the Scheme. Save as aforesaid, none of the directors shall be deemed to be concerned and /or interested in the arrangement embodied in the Scheme.

18. There are no investigation proceedings pending under Sections 245, 247 and 250A (to the extent not repealed) of the Act, and Sections 210, 214, 215, 216, 217, 219, 220, 223, 224, 225, 227 and Section 228 (to the extent applicable) of the Companies Act, 2013 against the the Company or the Resulting Company.

19. The Scheme does not in any way violate, override or limit the provisions of securities laws or requirements of the stock exchange(s).

20. The Applicant Company has filed company petition for approval of the Scheme in the Hon'ble High Court of Orissa at Cuttack.

21. The proposed Scheme is in the best interests of the Applicant Company and their respective shareholders and creditors.

22. The copies of the documents mentioned below are available for inspection at the Registered Office of the Company during business hours, i.e. 10.00 A.M.to 04.00 P.M.on all working days except Saturdays, Sundays and public holidays, prior to the date of the meeting and at the venue of the meeting on Saturday, January 14, 2017 at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 from 10.00 AM upto the conclusion of the meeting.

a) Copy of the order dated October 20, 2016 and December 01, 2016 passed by Hon'ble High Court of Orissa; Cuttack passed in Company Petition No. 48 of 2016 and Misc. case no. 28 of 2016 directing the convening of the meeting of the Equity Shareholders of the Company;

b) Scheme of Arrangement between OCL Iron and Steel Limited and OISL Auto Limited and their respective shareholders and creditors;

c) Memorandum and Articles of Association of the Company and Resulting Company;

d) Audited Financial Statements of the Company and the Transferee Company for the financial year ended March 31, 2016;

e) Observation Letters dated March 28, 2016 and March 29, 2016, from the National Stock Exchange of India Ltd. and BSE Limited, respectively, granting no objection to the Scheme of Arrangement to the Demerged Company and the Resulting Company and their respective shareholders and creditors;

f) Valuation report from G.K. Choksi & Co. dated July 22, 2015;

g) Fairness Opinion Report from D & A Financial Services (P) Limited on July 22, 2015 in terms of Clause 24(h) of the Listing Agreement (corresponds to clause 3(d) of sub-para A para I of Annexure I to the SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015);

h) Register of Directors' shareholding of the Applicant Company; and

i) Complaints Report dated November 16, 2015 filed with the Stock Exchange(s).

23. This Explanatory Statement may be treated as a statement under Section 393 of the Companies Act, 1956.

24. A copy of the Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge during business hours i.e, 10.00 A.M.to 04.00 P.M. on all working days except Saturdays, Sundays and public holidays from the Registered Office of the Company and the same

can also be downloaded from the website of the Company or may be obtained from the office of the Advocate, Ipsit A. Acharya, 5F/849, CDA-9, Cuttack-753014.

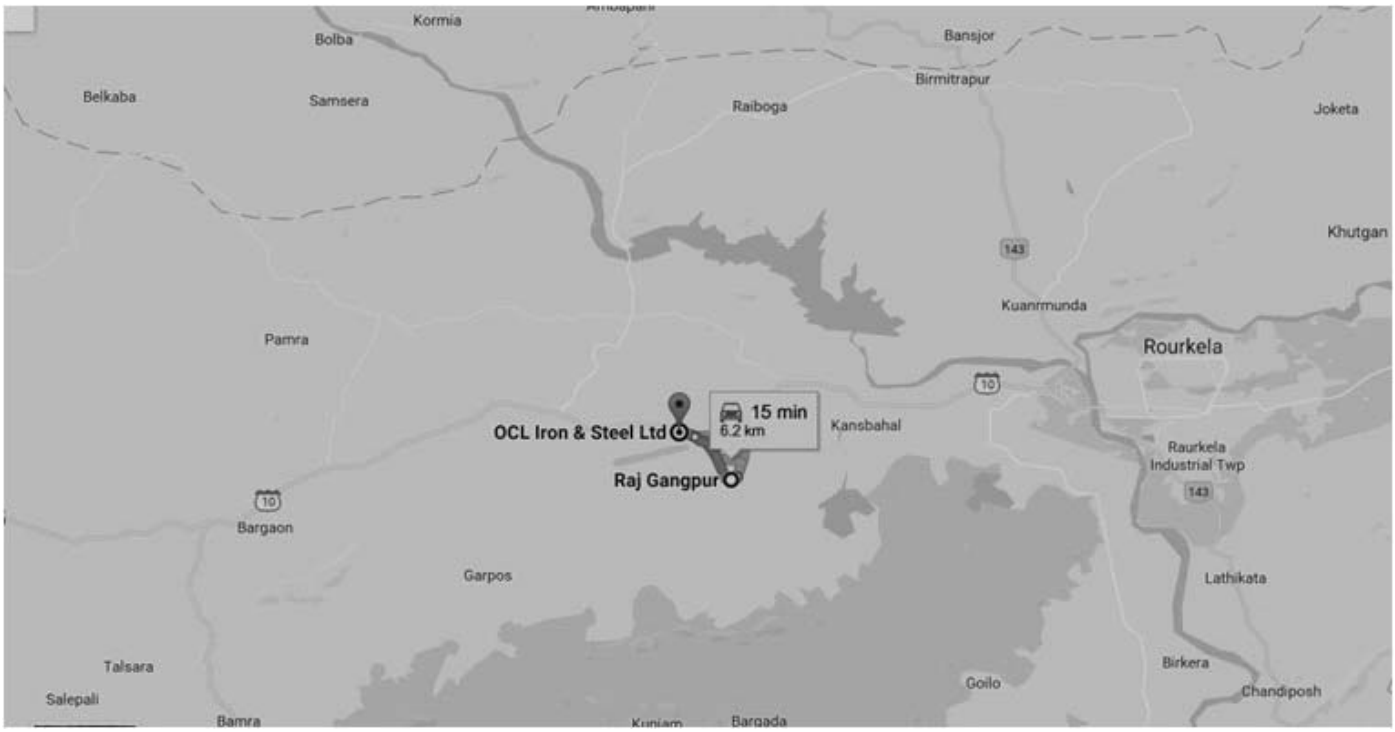
Sd/-

Date: December 09, 2016
Place: Cuttack, Odisha

S.C. Samantaray
Chairman appointed for the meeting of the Equity Shareholders of OCL Iron and Steel Limited

Registered Office:
Village Lamloi, PO: Garvana,
Rajgangpur, Distt: Sundergarh,
Odisha-770017

Route Map to the meeting venue:



SCHEME OF ARRANGEMENT
BETWEEN
OCL IRON AND STEEL LIMITED
AND
OISL AUTO LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This scheme of arrangement is presented under Sections 391 to 394 of the Companies Act, 1956 for the demerger of the Demerged Undertaking (*defined herein after*) of OCL Iron and Steel Limited (**"Demerged Company"**) into OISL Auto Limited (**"Resulting Company"**).

PARTS OF THE SCHEME

This scheme of arrangement is divided into the following parts:

PART I deals with the definitions, share capital, background of Demerged Company and Resulting Company and rationale for this scheme of arrangement;

PART II deals with the transfer and vesting of Demerged Undertaking (*i.e. auto components undertaking, as defined herein after*) of Demerged Company into Resulting Company, as a going concern;

PART III deals with general terms and conditions applicable to this scheme of arrangement.

PART I

1. DEFINITIONS

In this scheme of arrangement, unless inconsistent with the meaning or context, the following expressions shall have the following meaning:

1.1. **"Act"** means the Companies Act, 1956 and applicable rules made there under and includes any amendments, statutory re- enactments, and modification thereof from time to time and includes the applicable provisions of Companies Act, 2013, if any, and applicable rules made there under. In case the relevant provisions of the Companies Act, 2013 are notified prior to the effective date (*defined hereinafter*) being achieved, this scheme of arrangement shall be deemed to have been passed under the relevant provisions of Companies Act, 2013 and all references to the Act, sections and rules therein shall be deemed to include a reference to the relevant provisions of the Companies Act, 2013 and rules made thereunder;

1.2. **"Appointed Date**" means April 1, 2015 or such other date as the board of directors of the Demerged Company and the Resulting Company deems fit and proper or such other date as the Hon'ble High Court (*defined hereinafter*) may direct or such other competent authority, as may be applicable, from which date the assets and liabilities, described herein after, of the Demerged Undertaking (*defined herein after*) belonging to the Demerged Company shall stand transferred to or vested to or shall be

deemed to stand transferred to or vested in the Resulting Company without any further act, instrument, deed or thing;

1.3. **"Auto Component Business"** means the business of manufacturing of Axle casing, Trumpet Housing, Carrier Planetary Hub, Swivel hub, Axle Arm, Carrier, Brackets, Front Axle Support, Crankcase Machining and Cold Rolled Steel Sections for Auto Segments i.e. Commercial and Passenger vehicles and Non-Auto Segments i.e. Tractors, Agriculture and Construction Equipment;

1.4. **"Board of Directors"** or **"Board"** means board of directors of the Demerged Company and Resulting Company and shall also include any duly constituted committee(s) thereof, if any or any person authorized by the board of directors;

1.5. **"Companies"** means the Demerged Company and Resulting Company, referred collectively;

1.6. **"Demerged Company"** means OCL Iron And Steel Limited, a public limited Company incorporated under the provisions of Act, having its registered office situated at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Orrisa-770017;

1.7. **"Demerged Undertaking"** means the entire Auto Component Business of the Demerged Company, having manufacturing units at A-285, Chipanki Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan and Plot No.-SP-259, Industrial Area, Kaharani, Extn Bhiwadi, Rajasthan-301019 and Begampur Khatola, Gurgaon, Haryana, which would be transferred on a going concern basis to the Resulting Company on and from the Appointed Date. Without prejudice to the generality of the above, the Demerged Undertaking shall mean and include:

a) all immovable property(ies) of the Demerged Undertaking including tangible assets, land and building, plant and equipment/ machinery and structures standing thereon (*whether freehold, leasehold, leave and licensed, right of way, tenancies and otherwise*), capital work-in-progress and all documents of title, receipts and easements in relation thereto, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;

b) all movable assets pertaining to and in relation to the Demerged Undertaking, whether in present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal including but not limited to plant and equipment/ machinery, vehicles, bank balances, cash and cash equivalents, investments including non- current investments of all kinds either in equity shares of listed company or unlisted company, if any, or any other investments made by the Demerged Company pertaining/belonging to the Demerged Undertaking, all loans and advances, whether long-term or short-term, secured or unsecured, recoverable in cash or kind or value to be received including interest accrued thereof, if any, all deposits whether with government or semi government, local authorities or any other institution and bodies, including but not limited to amounts receivables from Central Government/ State Government(s) under any of their scheme(s)/plan(s), balances recoverable from Government Authorities, if any, trade receivables, advance tax(es) paid, unutilized Minimum Alternate Tax (MAT) credit, office equipment's, electrical installations, offices, inventories including but not limited to computers, software, furniture & fixtures, other current assets, capital work-in-progress, benefits arising of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Demerged Undertaking;

c) All agreements, rights, contracts, entitlements, permits, licenses, approvals, consents, engagements, arrangements and all other privileges and benefits of every kind, if any, nature and description whatsoever relating to the Demerged Company's business, activities and operations pertaining to Demerged Undertaking;

d) all the debts *(whether secured or unsecured)* including but not limited to long-term and short-term borrowings, trade payables, long-term and short-term provisions, deferred tax liabilities, current liabilities *(including contingent liabilities)*, duties and obligations of the Demerged Company of every kind, nature and description whatsoever and howsoever accruing or arising out of, and all loans and borrowings raised or incurred and utilized for its businesses, activities and operations, if any, pertaining to Demerged Undertaking;

e) all intellectual property rights (*whether registered or unregistered*), records, files, papers, data and documents, if any, relating to the Demerged Company's business, activities and operations pertaining to Demerged Undertaking;

f) all legal proceedings of whatsoever nature by or against the Demerged Company, if any, pending as on the Appointed Date and relating to the Demerged Undertaking; and

g) all employees engaged in or relating to the Demerged Company's business, activities and operations pertaining to Demerged Undertaking.

h) The broad details of the asset and liabilities comprising of the Demerged Undertaking and figures appearing corresponding to the said assets and liabilities as appearing in the financial statement as at March 31, 2015, are described in the Schedule-I annexed hereto.

1.8. **"Effective Date"** means the last date of the dates on which all the conditions and matters referred to in Clause 16 of this Scheme hereof have been fulfilled. References in this Scheme to the date of "upon coming into effect of this Scheme" or "effectiveness of the Scheme" or "the Scheme becoming effective" shall mean the Effective Date**;**

1.9. **"High Court" or "Court"** means the High Court of Orissa at Cuttack having jurisdiction in relation to the Demerged Company and High Court of Rajasthan at Jaipur having jurisdiction in relation to the Resulting Company (*or such other Court/ bench having jurisdiction over Companies involved in the Scheme*), depending on the context and applicability, and the term "High Court" or "Court" shall be interpreted accordingly and shall include National Company Law Tribunal, under the Act, as may be applicable;

1.10. **"Iron and Steel Business" means** the business of manufacturing, marketing, trading of steel (steel billets and DRI), sponge iron, cold rolling mill for higher value steel products and generation of power through captive power plants;

1.11. **"Record Date" or "Book Closure Date"** means the date fixed by the Board or committee thereof, of the Demerged Company for the purpose of determining the members of the Demerged Company to whom new equity shares and new preference shares will be allotted and issued by the Resulting Company pursuant to this Scheme or determined in terms of the applicable provisions of the Act or the Companies Act, 2013**;**

1.12. **"Remaining Undertaking** or **Remaining Business"** means all undertakings, businesses, activities and operations of the Demerged Company other than the Auto Component Business.

1.13. **"Resulting Company"** means OISL Auto Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at A-285, Chopanki Industrial Area, Chopanki, Bhiwadi, Rajasthan- 301019. The Resulting Company is the wholly owned subsidiary company of the Demerged Company;

1.14. **"Scheme" or "the Scheme" or "this Scheme"** means this scheme of arrangement in its present form or with any modifications made under Clause 16 of the Scheme as approved or directed by the High Court(s) or any other appropriate authority;

All terms and words not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws for the time being in force, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

2.1. Share capital of the Demerged Company as on 31.03.2015 is as under:

Authorized Capital	**As at March 31, 2015 (Rs.)**
34,00,00,000 Equity Shares of Re. 1 each	340,000,000
7,00,00,000 Preference Shares of Rs. 10 each	700,000,000
Total	**1,040,000,000**
Issued, Subscribed and Paid-up Capital	
13,41,43,160 Equity Shares of Re. 1 each fully paid-up	134,143,160
5,30,05,000 2% Non-Cumulative Redeemable Preference Shares of Rs. 10 each fully paid-up	530,050,000
Total	**664,193,160**

2.2. The share capital of the Resulting Company as on 23.06.2015 is as under:

Authorized Capital	**As at June 23, 2015 (Rs.)**
5,00,000 Equity Shares of Re. 1 each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-up Capital	
5,00,000 Equity Shares of Re. 1 each fully paid-up	5,00,000
Total	5,00,000

2.3. There has been no alteration in the above share capital structure of Demerged Company and the Resulting Company till the date of approval by the Board of Directors to this Scheme.

2.4. It is provided that till the Scheme becomes effective, Demerged Company and Resulting Company are free to alter their authorized, issued, subscribed or paid up share capital as required by respective business requirements, subject to the necessary approvals from their respective Boards and member, if required.

3. BACKGROUND

3.1. The Demerged Company was initially promoted by OCL India Limited ("**OCL**") with the primary objective of carrying on the business of manufacturing of sponge iron, steel ingots, billets and power generation through captive power plants. Subsequently, the steel unit of OCL was demerged into the Demerged Company in the year 2007. The shares of the Demerged Company are listed on BSE Limited and National Stock Exchange of India Ltd. with effect from August 1, 2008. Later on the Demerged Company also set up state of the art plants for automotive parts to cater to the automotive and other industries, for both domestic as well as export market. At present, there are two business segments in the Demerged Company viz., Iron and Steel Business and Auto Components Business. The Iron and Steel Business is largely based in the State of Odisha whereas the Auto Component Business is based in the State of Rajasthan.

3.2. The Resulting Company is an unlisted public limited company incorporated under the provisions of the Companies Act, 2013 having its registered office situated in the State of Rajasthan. The Resulting Company is promoted by the Demerged Company and at present is a wholly owned subsidiary company of the Demerged Company. Resulting Company was set up to undertake the business of manufacturing, trading and distributing all kinds of auto parts & components etc.

4. RATIONALE FOR THE SCHEME

The Boards of Directors of the Companies are of the view that proposed demerger of the Demerged Undertaking belonging to the Demerged Company into the Resulting Company would *inter-alia* have the following benefits:

a) given the distinct nature of operations of both business segments, it is proposed to hive-off Auto Component Business from Demerged Company into the Resulting Company, which, upon hive-off, is owned by the shareholders of the Demerged Company in the same pproportion in which they own shareholding in the Demerged Company;

b) the demerger would enable greater/ enhanced focus of management in the Auto Component Business thereby facilitating the management to efficiently exploit opportunities for the business;

c) it is expected that the proposed demerger will lead to increased market capitalization of both the Companies which will exceed the market capitalization of the Demerged Company alone thereby unlocking shareholder value;

d) all the manufacturing assets and liabilities relating to Auto Component Business will be housed under one entity, i.e., the Resulting Company which will enable the Demerged Company to improve its business efficiency and focus on its core business, i.e. the Iron and Steel Business;

e) the demerger will thrive in achieving and sustaining competitiveness and development of long-term internal and core competencies;

f) it is believed that the proposed segregation will create enhanced value for shareholders and allow a focus strategy in operations which would be in the best interest of all the stakeholders. The demerger proposed by this Scheme will enable investors to hold investment in businesses with different investment characteristics thereby enabling them to select investments in business which best suit their investment strategies and risk profiles; and

g) the demerger will also provide for independent collaboration and expansion without committing the existing organization in its entirety.

PART- II

5. TRANSFER AND VESTING

5.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking belonging to the Demerged Company shall stand demerged and transferred and be vested in the Resulting Company, on a going concern basis, without any further act, deed, instrument, matter or thing, so as to become on and from the Appointed Date, the undertaking of the Resulting Company and to vest in the Resulting Company, all rights, titles, interests or obligations of the Demerged Undertaking therein, in the manner described herein.

5.2. With effect from the Appointed Date and subject to the provisions of this Scheme, including in relation to the mode of transfer or vesting, all immovable property of the Demerged Undertaking including tangible assets, land together with building, plant and machinery and structures standing thereon *(whether freehold, leasehold, leave and licensed, right of way, tenancies and/or otherwise)*, capital work-in-progress which immovable properties are currently being used for the purpose of and in relation to the Demerged Undertaking and all documents of title, receipts and easements in relation thereto, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties shall, unless otherwise agreed between the Companies, be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Resulting Company as a going concern pursuant to the provisions of Section 391 to 394A of the Act and all other applicable provisions of the Act so as to become, on and from the Appointed Date, the assets, rights, title and interests of the Resulting Company. Upon the coming into effect of the Scheme, the title to such immovable properties shall be mutated and transferred by appropriate authorities, in accordance with terms hereof, in favor of the Resulting Company. It is expressly clarified that in so far any leasehold properties forming part of the Demerged Undertaking are concerned, the Resulting Company may enter into fresh lease agreements or terminate any lease agreements that are already in existence with any third party.

5.3. With effect from the Appointed Date and subject to the provisions of this Scheme, including in relation to the mode of transfer or vesting, all rights, titles, interest and privileges in the movable, tangible and intangible properties, assets including plant and equipment, vehicles, bank balances, cash and cash equivalents, investments including non- current investments of all kinds either in equity shares of listed company or unlisted company or any other investments, if any, made by the Demerged Company, all loans and advances, whether long-term or short-term, secured or unsecured, recoverable in cash or kind or value to be received

including interest accrued thereof, all deposits whether with government or semi government, local authorities or any other institution and bodies, including but not limited to amounts receivables from Central Government/ state government(s) under any of their scheme/plans, balances recoverable from government authorities, advance tax(es) paid, if any, unutilized Minimum Alternate Tax (MAT) credit, office equipment's, electrical installations, offices, inventories including but not limited to computers, software, furniture & fixtures, trade receivables, other current assets, capital work-in-progress, benefits arising of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company, intellectual property (*whether registered or unregistered*), if any, pertaining to the Demerged Undertaking, shall be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Resulting Company as a going concern pursuant to the provisions of Section 391 to 394A of the Act and all other applicable provisions of the Act so as to become, on and from the Appointed Date, the assets, rights, title and interests of the Resulting Company.

5.4. All the assets, as mentioned herein above, that have accrued or which may accrue to the Demerged Company pertaining to the Demerged Undertaking on or after the Appointed Date shall pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, be transferred to and stand vested in and/or be deemed to have been transferred to and stand vested in and be available to the Resulting Company.

5.5. Without prejudice to clause 5.2, clause 5.3 and clause 5.4 as above, upon the Scheme becoming effective, in respect of such of the aassets, as mentioned herein above, of the Demerged Company pertaining to the Demerged Undertaking as are movable in nature, or incorporeal property, or are otherwise capable of transfer by manual delivery or transferring possession or by endorsement and/ or delivery, along with such other documents as may be necessary to the end and intent that the property therein upon such transfer become the property, assets, rights, title, interest and authorities of the Resulting Company in pursuance of section 394 of the Act without any further act, instrument or deed. In respect of such of the assets other than those referred to hereinabove, the same shall also, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and stand vested in the Resulting Company pursuant to the effectiveness of this Scheme.

5.6. With effect from the Appointed Date & upon coming to effect of the Scheme:

a) All the licenses, rights, claims, including refund claims lying with any statutory authority which may accrue to the Demerged Company pertaining to the Demerged Undertaking, if any, shall, pursuant to the provisions of section 394 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and stand vested in and be available to the Resulting Company. The Resulting Company shall file the relevant intimations, if required, for the record of the statutory authorities who shall take them on file and record the change of name pursuant to Scheme becoming effective.

b) The entire taxes, direct and indirect or any other taxes, including but not limited to prepaid taxes being tax deducted at source (TDS)/advance tax, Minimum Alternate Tax (MAT) credits, sales tax, value added tax (VAT) and also self-assessment taxes, if any, paid by the Demerged Company under the Income Tax Act, 1961 *(hereinafter referred to as "**IT Act**")* or any other statute, pertaining to the Demerged Undertaking for the period commencing from the Appointed Date, shall be deemed to be the taxes paid by or for the benefit of the Resulting Company and

credit for such taxes shall be allowed to the Resulting Company notwithstanding that certificates or challans or orders for such taxes are in the name of the Demerged Company and not in the name of the Resulting Company. The Resulting Company shall, after the Effective Date, be entitled to file with the authorities concerned the relevant return(s) as required under the IT Act or any other statutes/ laws for the period after the Appointed Date notwithstanding that the period for filing such return may have elapsed. Further Resulting Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Demerged Company for any year, if so necessitated or consequent to this Scheme, notwithstanding that the time prescribed for such revision may have elapsed.

c) Upon the coming into effect of the Scheme all kinds of intellectual property rights, if any, whether or not registered with the relevant authorities concerned or applications submitted at any time on or before the Effective Date by the Demerged Company or by the employees / officers / directors of Demerged Company for the benefit or which may pertain to the Demerged Undertaking, if any, shall stand transferred to and vested along with all the undertakings in the name of Resulting Company without any further act, instrument or deed.

d) With effect from the Effective Date and until such time the names of the bank accounts of the Demerged Company in relation to the Demerged Undertaking, if any, are replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company in relation to the Demerged Undertaking, in so far as may be necessary. The banks shall continue to honour the cheques, other negotiable instruments, payment orders and instructions issued/ signed by the Demerged Company or signed by the existing signatories of the Demerged Company for payment after the Effective Date. Similarly, all cheques and other negotiable instruments received in the name of Demerged Company in relation to the Demerged Undertaking, w.e.f. the Effective Date and until such time shall be for and on account of the Resulting Company and accordingly to be accepted by the bankers of Demerged Company and credited to the account of Resulting Company.

5.7. Upon the coming into effect of the Scheme and with effect from the Appointed Date:

a) All secured or unsecured debts, liabilities including but not limited to deferred tax liabilities, contingent liabilities, current liabilities, non-current liabilities, statutory payables, TDS payable, expenses payable and other current liabilities or other advances received, whether disclosed or undisclosed, whether accounted for in the books of accounts or not, duties, taxes, statutory expenses, short-term and long-term provisions and obligations, if any, of the Demerged Company along with any charge, encumbrance, lien or security thereon, if any, in relation to the Demerged Undertaking shall also be vested or be deemed to be and stand vested, without any further act, instrument or deed, to the Resulting Company, pursuant to the provisions of Section 394 of the Act so as to become the debts, liabilities, duties and obligations of the Resulting Company. Further that it shall not be necessary to obtain separate 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.

b) If there are any general or multipurpose borrowings in the books of account of the Demerged Company, so much of the amount of the general purpose borrowings or multipurpose borrowing,

as standing in the same proportion in which the value of the assets transferred pursuant to the Scheme bears to the total value of the assets of such Demerged Company immediately before the demerger, shall also stand transferred to the Resulting Company pursuant to the Scheme.

c) Where any of the liabilities and obligations of the Demerged Company pertaining to the Demerged Undertaking as on the Appointed Date transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.

d) All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of the Scheme, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company and shall become the debt, duties, undertakings, liabilities and obligations of the Resulting Company.

5.8. Upon the Scheme becoming effective subject to applicable law(s) for the time being in force, license(s), permission(s), approval(s), registration(s) with any regulatory authority, wherever applicable, and/or consents held by the Demerged Company pertaining to the Demerged Undertaking, and not surrendered, shall stand vested in Resulting Company, with effect from the Appointed Date (*save and except as otherwise specified in this Scheme*), without any further act, deed, instrument, matter or thing, shall be appropriately registered with the concerned statutory authority(ies) in favour of the Resulting Company. The benefits of all license(s), permission(s), approval(s), registration(s) with any regulatory authority pertaining to the Demerged Undertaking, wherever applicable on the Demerged Company shall vest in and become available to the Resulting Company pursuant to the Scheme becoming effective. However, if any statutory license(s), permission(s), approval(s), registration(s) with any regulatory authority, wherever applicable, and/or consents held by the Demerged Company that are not required by the Resulting Company, will, if required, by applicable law(s), be cancelled or surrendered by the Demerged Company.

5.9. This Scheme complies with the conditions relating to "demerger" as specified under section 2(19AA) of the IT Act. If any term or provision of this Scheme is found or interpreted to be inconsistent with the said provision at a later date, including resulting from an amendment of law or for any other reason, whatsoever, then the provisions of such amended section(s) of the IT Act shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with conditions contained in section 2(19AA) of the IT Act. Such modification shall however not affect other parts of this Scheme.

5.10. It is expressly clarified that, in case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Auto Component Business, i.e. the Demerged Undertaking, or whether it arises out of the activities or operations of the Auto Component Business, the same shall be decided by mutual agreement between Board of Directors of the Companies.

6. CONSIDERATION

6.1. Upon the coming into effect of this Scheme and in consideration of the demerger of the Demerged Undertaking belonging to the Demerged Undertaking in Resulting Company and pursuant to this Scheme:

(a) Resulting Company shall, without any further act or deed, issue and allot 1,14,00,000, 2% Non-Cumulative Redeemable Preference shares of Rs. 10/- each fully paid up *(hereinafter also referred to as the **"New Preference Shares"**)* at par on a proportionate basis to each preference shareholder of Demerged Company, whose name is recorded in the register of members of Demerged Company as preference shareholder as on the Record Date or Book Closure Date;

(b) Resulting Company shall, without any further act or deed, issue and allot 13,41,43,160 equity shares of Re. 1/- each *(hereinafter also referred to as the **"New Equity Shares"**)* at par to each member of Demerged Company whose name is recorded in the register of members of Demerged Company as equity shareholder as on the Record Date or Book Closure Date in the ratio of 1:1 i.e. 1 (one) equity share of Rs. 1 each of the Resulting Company to be issued to the equity shareholders of the Demerged Company for every 1 (one) equity share of Rs. 1 each held by them in the Demerged Company;

(c) In case any members' shareholding in the Demerged Company is such that the member becomes entitled to a fraction of New Preference Shares or New Equity Shares in the Resulting Company, such fraction shall be rounded off to the nearest whole integer;

(d) The New Preference Shares and the New Equity Shares shall be subject to the Memorandum and Articles of Association of the Resulting Company;

(e) The New Preference Shares shall be issued by the Resulting Company in physical form, unless otherwise notified in writing by any of the preference shareholder of the Demerged Company, and on the same terms and conditions as they were originally issued to the preference shareholders of the Demerged Company on the Record Date as may be determined by the Board of Directors of Demerged Company or a Committee thereof, and the period of redemption of the New Preference Shares issued by the Resulting Company shall be determined as if they were originally issued by the Demerged Company. Correspondingly, to the extent of New Preference Shares issued by the Resulting Company to the preference shareholder of the Demerged Company, the preference shares so held by the preference shareholders of the Demerged Company, equivalent to the value of the New Preference Shares, shall stand cancelled in the hands of the preference shareholders of the Demerged Company and accordingly necessary adjustments shall be made by the Demerged Company in its financial statements. In the event such notice has not been received by the Resulting Company in respect of any of the preference shareholder of the Demerged Company as on the Record Date, the New Preference Shares shall be issued to such members in physical form.

(f) The New Equity Shares shall be issued in dematerialized form, unless otherwise notified in writing by any of the Equity Shareholder of the Demerged Company, and on the same terms and conditions as they were originally issued, on the Record Date as may be determined by the Board of Directors of Demerged Company or a Committee thereof. In the event that such notice

has not been received by the Resulting Company in respect of any of the equity shareholder of the Demerged Company as on the Record Date, the New Equity Share shall be issued to such members in dematerialized form provided that such members shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event any shareholder has notified the Resulting Company, as contemplated above that they desire to be issued shares in the physical form or if the details furnished by any member do not permit electronic credit of the shares of Resulting Company, then Resulting Company shall issue New Preference Shares and/or the New Equity Shares in physical form to such shareholders;

(g) The new shares allotted by the Resulting Company shall remain frozen in the depositories systems till listing /trading permission will be given by designated Stock Exchange;

(h) Approval of this Scheme by the shareholders of Resulting Company shall be deemed to mean that the said shareholders have also accorded all relevant consents under the Act for the issue and allotment of New Preference Shares and the New Equity Shares by Resulting Company to preference shareholder and equity shareholder of the Demerged Company; and

(i) Issuance of New Preference Shares and the New Equity Shares shall be made pursuant to the circular(s) issued by the Securities Exchange Board of India on February 4, 2013 bearing no. CIR/CFD/DIL/5/2013 and on May 21, 2013 bearing no. CIR/CFD/DIL/8/2013 *(hereinafter referred to as "**SEBI Circulars**").*

6.2. The New Equity Shares issued by the Resulting Company shall be listed and/ or admitted to trading on the National Stock Exchange of India Ltd. and/or the BSE Limited and on such other stock exchanges on which the existing equity shares of the Demerged Company are listed at the Record Date *(herein after collectively referred to as the **"Stock Exchanges"**).* The Resulting Company shall enter into such arrangement(s) and give such confirmation(s) and/or undertaking(s) as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges. On such formalities being fulfilled, the Stock Exchanges shall list and/or admit the New Equity Shares for purpose of trading on the floor of the Stock Exchanges.

6.3. The Resulting Company shall, if and to the extent required, apply for and obtain any approval(s) from concerned regulatory authority(ies) for the issue and allotment of the New Equity Shares and New Preference Shares to the members of the Demerged Company, wherever applicable, under the provisions of the Scheme.

7. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

7.1. The Demerged Company shall carry on the business of the Demerged Undertaking and other incidental matters with due prudence in the same manner as carried before and shall not (without the prior written consent of the Resulting Company), alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Demerged Undertaking or any part thereof except in the ordinary course of business.

7.2. With effect from the Appointed Date and upto, and including, the Effective Date, the Demerged Company shall not sell, transfer or alienate, charge, mortgage or encumber or otherwise deal with or dispose of Demerged Undertaking or any part thereof save and except in each case:

(a) if the same is in the ordinary course of business of the Demerged Undertaking as carried on by the Demerged Company as on the date of filing this Scheme with the High Court; or

(b) if the same is expressly permitted by this Scheme; or

(c) if the prior written consent of the Board of the Resulting Company has been obtained.

Notwithstanding the above, the Demerged Company will not, in any event, transfer or otherwise dispose of or create any form of encumbrance in any manner over the shares held by the Demerged Company in the Resulting Company, without prior approval of the Resulting Company in this regard.

7.3. Save and except as otherwise specified in this Scheme, any income or profit accruing or arising to the Demerged Company or expenditure or losses arising or incurred or suffered by the Demerged Company pertaining to the business(s) of the Demerged Undertaking from the Appointed Date and till the Effective Date shall for all purposes be treated as the income or profits or losses or expenditures, as the case may be, of the Resulting Company.

7.4. All estate(s), asset(s), right(s), title(s), interest(s) and authority(ies) pertaining to the Demerged Undertaking accrued to and/or acquired by the Demerged Company after the Appointed Date and prior to the Effective Date shall have been or deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall upon the coming into effect of this Scheme, pursuant to the provisions of section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Resulting Company to that extent and shall become the estate(s), asset(s), right(s), title(s), interest(s) and authority(ies) of the Resulting Company.

7.5. Until the Effective Date, the holders of shares of the Demerged Company shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under the Articles of Association of the Demerged Company including the right to receive dividends.

8. EMPLOYEES

8.1. Upon the Scheme becoming effective, all staff, workmen and permanent employees of the Demerged Company pertaining to the Demerged Undertaking, if any, who are in service on the Effective Date shall be deemed to have become staff, workmen and employees *(as the case may be)* of the Resulting Company with effect from the Appointed Date without any break or interruption in their service, on same terms and conditions on which they are engaged as on the Effective Date and the terms and conditions and benefits deriving, being deposited in any provident fund, gratuity scheme, etc, if any, of their employment with the Resulting Company shall in no event be less favorable than those applicable to them with reference to the Demerged Company on the Effective Date.

8.2. The Resulting Company will file the relevant intimations to the statutory authorities concerned who shall take the same on record and endorse the name of the Resulting Company for the Demerged Company.

8.3. Subject to other provisions contained in this Scheme all contracts, deeds, understandings, bonds, guarantees, agreements, instruments and writings and benefits of whatsoever nature, if any, pertaining to the Demerged Undertaking , to which any of the Demerged Company is a party and subsisting or having effect on the Effective Date, shall remain in full force and effect against or in favour of the

Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.

9. CONTRACTS, DEEDS, RESOLUTIONS, ETC.

9.1. Subject to other provisions contained in this Scheme all contracts, deeds, understandings, bonds, guarantees, agreements, instruments and writings and benefits of whatsoever nature, if any, pertaining to the Demerged Undertaking , to which any of the Demerged Company is a party and subsisting or having effect on the Effective Date, shall remain in full force and effect against or in favour of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.

10. LEGAL PROCEEDINGS

10.1. If any suit, appeal or other proceedings of whatsoever nature by or against the Demerged Company in relation to the Demerged Undertaking is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the demerger of the Demerged Undertaking or anything contained in this Scheme, but the said suit, appeal, or other legal proceedings, as the case maybe, may be continued, prosecuted and enforced, as the case may be, by or against the Resulting Company and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Demerged Company, as if this Scheme has not been made. In the event that the legal proceedings referred to herein require the Demerged Company and/or the Resulting Company to be jointly treated as parties thereto, the Resulting Company shall be added as party to such proceedings.

10.2. On and from the Effective Date, the Resulting Company may, if required, initiate any legal proceedings in relation to Demerged Undertaking in its own name, whether pertaining to the period prior to the Appointed Date or thereafter.

11. ACCOUNTING TREATMENT

11.1. **Accounting treatment in the books of the Demerged Company:**

a) The Demerged Company shall, upon the Scheme becoming effective, record the deletion of the respective assets and liabilities of the Demerged Undertaking vested in Resulting Company, pursuant to this Scheme, at their respective book values;

b) Any inter-unit loans and advances and other dues outstanding as of the Appointed Date between the Iron and Steel Business unit of the Demerged Company and Auto Component Business unit of the Demerged Company, as demerged in to the Resulting Company, will stand recoverable/ payable, as the case may be;

c) The preference share capital of the Demerged Company as on the Appointed Date shall stand cancelled and extinguished, to the extent of Rs. 11,40,00,000 represented by 1,14,00,000, 2 % Non-Cumulative Redeemable Preference Shares of Rs. 10/- each.

e) The share premium received by the Demerged Company on the preference shares so cancelled, in terms of clause 6.1 (e) of this Scheme, shall stand transferred to the Resulting Company and to that extent, the share premium account of the Demerged Company shall stand reduced accordingly. Similarly the preference share capital redemption reserve, as appearing in the books

of the Demerged Company, shall be transferred proportionately to the extent of the preference share capital being cancelled pursuant to this Scheme over the entire preference share capital as appearing in the books of the Demerged Company.

f) Upon the Scheme becoming effective, the amount under surplus in the profit and loss account amounting to Rupees 41,44,03,451.14, as on the Appointed Date, pertaining to the Demerged Undertaking of the Demerged Company shall stand transferred to the Resulting Company and corresponding amount shall be adjusted from the profit and loss account of the Demerged Company;

g) Any surplus or deficit arising between the book value of the all assets over book value of the all liabilities of the Demerged Undertaking vested in the Resulting Company, as further reduced by the transfer to the Resulting Company of preference share capital redemption reserve, securities premium reserve and surplus in the profit and loss account, shall be adjusted in the books of the Demerged Company against the following, in the order specified:

- Capital Reserve Account;
- Securities Premium Account; and
- General Reserve;
- Profit and Loss Account

h) Any such cancellation of the preference share capital account, reduction to the share premium account, adjustment in the preference share capital redemption reserve account or capital reserve account etc. of the Demerged Company shall be considered, to the extent applicable, as a reduction in accordance with provisions of Sections 100 to 103 of the Act and/or Section 55 and Section 52 of the Companies Act, 2013 and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act.

i) Notwithstanding the above, the Board of Directors of the Demerged Company, in consultation with its statutory auditors, shall be authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013 and generally accepted accounting principles.

11.2. **Accounting treatment in the books of the Resulting Company:**

a) Resulting Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Demerged Undertaking, including the inter-unit balances between the Auto Component Business unit and Iron and Steel Business unit, vested in it pursuant to this Scheme, at their respective book values;

b) Resulting Company shall also record the preference share capital redemption reserve, share premium account, surplus in the profit and loss account, so transferred from the books of the Demerged Company pursuant to this Scheme, at their respective book values.

c) Upon the Scheme becoming effective and upon the shares being issued to the shareholders of the Demerged Company under para 6 of this Scheme the entire investment of the Demerged

Company in the equity share capital of the Resulting Company, as on the Appointed Date, will stand cancelled and be reduced, and, the Resulting Company shall pay to the Demerged Company a sum equal to the face value of each equity share so cancelled and reduced held by the Demerged Company in the Resulting Company.

d) Resulting Company shall credit its Share Capital Account with the aggregate face value of the New Preference Shares and New Equity Shares issued to the shareholders of the Demerged Company;

e) Any excess in the value of net assets, net liabilities and the general reserves of Demerged Undertaking transferred to the Resulting Company pursuant to the order of the High Court over the face value of the New Preference Shares and New Equity Shares allotted by the Resulting Company shall be credited to capital reserve account of the Resulting Company. In case the result of the above is negative, such result must be accounted for as a "Goodwill" account. The goodwill, if any, arising pursuant to the Scheme shall be amortized over a period of 5 years and tested for impairment at the end of each reporting period, in accordance with prescribed Accounting Standards issued by The Institute of Chartered Accountants of India and generally accepted accounting principles;

f) In case of any differences in accounting policy between the Resulting Company and the Demerged Company, the impact of such differences shall be quantified and adjusted in the General Reserve Account of the Resulting Company to ensure that the true financial statements of the Resulting Company on the Appointed Date are on the basis of consistent accounting policy;

g) Upon the Scheme becoming effective, the Resulting Company, shall credit its reserves account with the balance under the head securities premium reserve, surplus (profit and loss) and the preference redemption reserve account, to the extent forming part of the Demerged Undertaking, transferred from the Demerged Company as on the Appointed Date; and

h) Any such cancellation of the equity share capital of the Resulting Company shall be considered, to the extent applicable, as a reduction in accordance with provisions of Sections 100 to 103 of the Act and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act.

i) Notwithstanding the above, the Board of Directors of the Resulting Company or a Committee thereof, in consultation with its statutory auditors, shall be authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013 and generally accepted accounting principles.

12. SAVING OF CONCLUDED TRANSACTIONS

12.1. The transfer and vesting of the asset(s), liability(ies), reserves, provisions, and obligation(s) relating to the Demerged Undertaking of the Demerged Company, as described under clause 5 of this Scheme above, and the continuance of the proceedings by or against the Resulting Company, under clause 10 of this Scheme above shall not in any way affect any transaction(s) or proceeding(s) in relation to the Demerged Undertaking already completed by the Demerged Company, on and after the Appointed Date to the end and intent that the Resulting Company accepts all acts, deeds, matters and things

done and executed by and/ or on behalf of the Demerged Undertaking, as acts, deeds and things done and executed by and on behalf of the Resulting Company.

13. REMAINING UNDERTAKING TO CONTINUE WITH DEMERGED COMPANY

13.1. The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.

(a) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Undertaking (*including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Undertaking*) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall not in any event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company, which relate to the Remaining Undertaking.

(b) If proceedings are taken against any of the Resulting Company in respect of the matters referred to in sub-clause (a) above, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

13.2. With effect from the Appointed Date and up to and including the Effective Date:

(a) the Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking for and on its own behalf;

(b) all profits accruing to the Demerged Company thereon or losses arising or incurred by it *(including the effect of taxes, if any, thereon)* relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and

(c) All assets and properties acquired by the Demerged Company in relation to the Remaining Undertaking on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

PART III

GENERAL TERMS AND CONDITIONS

14. APPLICATION TO HIGH COURT

14.1. The Demerged Company and the Resulting Company shall make necessary applications / petitions with the respective High Courts under section 391 to 394 of the Act and other applicable provisions, if any under the Act or any other law for the time being in force, for the sanction of this Scheme.

15. MODIFICATIONS/AMENDMENTS TO THE SCHEME

15.1. The Demerged Company and the Resulting Company by their respective Board, may assent to/ make and/or consent to any modifications/ amendments to this Scheme or to any conditions or limitations that the High Court and/or any other authority under any law may deem fit to direct or impose, or

which may otherwise be considered necessary, desirable or appropriate by them *(i.e. the Board*). The Demerged Undertaking and the Resulting Company by their respective Board be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise however arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

15.2. The term, any other authority referred to in Clause 15.1 above, shall specifically include:

(i) the Stock Exchanges with which the Demerged Company shall file a copy of this Scheme under sub-clause (f) of Clause 24 of the Listing Agreement of the respective Stock Exchanges; and

(ii) the regulatory authorities.

15.3. If any part of this Scheme is considered invalid, ruled illegal by any court of a competent jurisdiction, or unenforceable under present or future law(s), then such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any of the Companies or their respective members or creditors, in which case the Scheme will be modified to such extent, as will best preserve for them the benefits and obligations of the Scheme, including but not limited to such part.

16. CONDITIONALITY OF THE SCHEME

The Scheme is and shall be conditional upon and subject to:

16.1. The occurrence of the Appointed Date.

16.2. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Demerged Company and the Resulting Company as prescribed under the Act or as may be directed by the High Court or any other appropriate authority as may be applicable except to the extent as may be waived by the Court and/ or any other competent authority as may be applicable.

16.3. The sanction of this Scheme by the High Court or any other appropriate authority under Section 391 to 394 and other applicable provisions, if any, of the Act in favour of the Resulting Company and the Demerged Company.

16.4. Certified copy of the Orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Rajasthan and the Registrar of Companies, Odisha by the Companies.

16.5. The requisite(s), consent(s), approval(s) or permission(s) of statutory or regulatory authorities, if any, which by law may be necessary for the implementation of this Scheme, being obtained, including approvals as may be required from any other authority as referred in Clause 15.2 of this Scheme above.

17. EFFECT OF NON-RECEIPT OF APPROVALS

17.1. In the event any of the said sanctions and approvals referred to in Clause 15 of this Scheme above not being obtained and/ or the Scheme not being sanctioned by the High Court or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated herein under 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 if specifically provided in the Scheme or as may otherwise arise in law and agreed between some or all of the respective parties to this Scheme.

18. INCREASE IN AUTHORISED CAPITAL OF THE RESULTING COMPANY AND CONSEQUENT REDUCTION OF THE AUTHORISED CAPITAL OF THE DEMERGED COMPANY

18.1. Upon the Scheme becoming effective, the Authorised Share Capital of the Demerged Company, to the extent of Rs. 31,00,00,000 (*Rupees Thirty One Crores only*) will get transferred to the Resulting Company and accordingly, the Authorised Share Capital of the Resulting Company shall stand increased by Rs. 31,00,00,000 (*Rupees Thirty One Crores only*) to Rs. 31,05,00,000 (*Rupees Thirty One Crores and Five Lacs only*).

18.2. The Authorised Share Capital of the Demerged Company shall automatically stand reduced to Rs. 73,00,00,000 (*Rupees Seventy Three Crores Only*), as on the Effective Date, without any further, act, deed, instrument or thing. The Authorised Share Capital of the Demerged Company and the Resulting Company shall, as on the Effective Date, be classified into Equity Share Capital and Preference Share Capital.

18.3. Accordingly the words and figures in Clause V of the Memorandum of Association of the Demerged Company shall stand modified and be substituted to read as follows:

"V(a) The authorized share capital of the Company is Rs. 73,00,00,000/- (Rupees Seventy Three Crores Only) consisting of 17,00,00,000 (Seventeen Crore) Equity Shares of Re. 1/- (Rupee One) each and 5,60,00,000 (Five Crores and Sixty Lacs) preference shares of Rs. 10/- (Rupees Ten) each with such rights, privileges and conditions attached thereto as may be determined by the Company in general meeting at the time of issue. The Company has and shall always have power to divide the share capital, for the time being, into several classes and to increase or reduce its capital from time to time and to vary, modify or abrogate any rights, privileges or conditions attached to any class of shares in such manner as may for the time being provided by the regulations of the Company."

18.4. Further, the words and figures in Clause V of the Memorandum of Association of the Resulting Company shall stand modified and be substituted to read as follows:

V The authorized share capital of the Company is Rs. 31,05,00,000/- (Rupees Thirty One Crores and Five Lacs Only) consisting of 17,05,00,000 (Seventeen Crores and Five Lacs) Equity Shares of Re. 1/- (Rupee One) each and 14,00,00,000 (Fourteen Crores) preference shares of Rs. 10/- (Rupees Ten) each with such rights, privileges and conditions attached thereto as may be determined by the Company in general meeting at the time of issue. The Company has and shall always have power to divide the share capital, for the time being, into several classes and to increase or reduce its capital from time to time and to vary, modify or abrogate any rights, privileges or conditions attached to any class of shares in such manner as may for the time being provided by the regulations of the Company."

18.5. It is expressly clarified that the filing fee and stamp duty already paid by the Demerged Company on its Authorized Share Capital, which is being transferred to the Resulting Company in terms of Clause

18.1 above, shall be deemed to have been paid by the Resulting Company and accordingly, the Resulting Company shall not be required to pay any fee / stamp duty on the Authorized Share Capital so increased. However, the Resulting Company and the Demerged Company shall file the amended copy of its Memorandum of Association with the concerned Registrar of Companies (the **"RoC"**) within 30 days from the Effective Date and the ROC shall take the same on record.

18.6. It is hereby clarified that for the purposes of clause 18 of this Scheme, the consent of the shareholders of the Demerged Company and the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under any applicable provisions of the Act, would be required to be separately passed.

19. COSTS, CHARGES AND EXPENSES

19.1. All costs, charges, taxes including duties, levies and other expenses, if any *(save as expressly otherwise agreed)* arising out of, in connection to or in relation to or incurred in carrying out and implementing this Scheme and to put it into operation shall be borne and paid by the Resulting Company. It is expressly clarified that wherever the chargeability of duties, taxes etc are dependent upon the order of the High Court, being instrument in nature of conveyance, then in that case, the order of the Rajasthan High Court shall be considered as the principal instrument, being finally executed, for the purposes of payments of duties, fees, cess, taxes etc., if any, and that the Resulting Company shall be liable to pay all such duties, fees, cess, taxes etc., if any, in this regard.

20. DIFFERENCES

20.1. In case any doubt or difference or issue *(in relation to the Scheme)* arises between the Demerged Company and the Resulting Company, any of their shareholders, creditors, employees or persons, entitled to or claiming any right to any New Equity Shares in the Resulting Company or as to the interpretation of any term of this Scheme or implementation of this Scheme, after the Scheme becomes effective, then the Board of the Resulting Company shall resolve all such disputes and its decision shall be final and binding on all concerned.

Schedule-I

Details of Assets of Demerged Undertaking as at March 31, 2015	
Assets	**Amount (in Rs)**
Non-current Assets	
Tangible Assets	5,20,43,65,322.19
Capital work-in-progress	1,98,49,23,920.41
Non-current investments	5,00,000.00
Long-term Loans and advances	4,11,44,566.00
Current Assets	
Inventories	21,12,48,751.87
Trade receivables	25,78,84,008.98
Cash and cash equivalents	6,52,79,710.34
Short-term Loans and advances	2,208,55,527.96
Other current assets	0.00
Total	**7,98,62,01,807.76**

Details of Liabilities of Demerged as at March 31, 2015	
Liabilities	**Amount (in Rs.)**
Non- Current liabilities	
Long-term Borrowings	4,85,50,84,800.00
Deferred Tax Liabilities (net)	27,61,86,924.07
Long-term Provisions	19,39,260.00
Current Liabilities	
Short-term Borrowings	50,95,411.00
Trade Payables	6,25,03,877.21
Other Current Liabilities	1,05,12,06,539.34
Short-term Provisions	38,355.00
Sub-total	**6,25,20,55,166.62**
Share Premium Amount (pertaining to the preference share capital to be issued by the Resulting Company and corresponding reduction of the same in the Demerged Company)	**102,60,00,000.00**
Proportionate amount of the Preference Share Capital Redemption Reserve	**4,56,00,000.00**
Surplus amount of the profit and loss account	**41,44,03,481.14**

Pre and Post arrangment (expected) Capital Structure and Shareholding Pettern of OCL Iron and Steel Limited :

Annexure - I

Format of holding of specific securities

Name of the Listed Entity : OCL IRON AND STEEL LIMITED

Scrip Code : 533008

Name of the scrip : OISL

Class of Security : EQUITY

Share Holding Pattern Filed under Reg.31(1)(b) for Quarter ending : 30.09.2016

Declaration : The Listed entity is required to submit the following declaration to the extent of submission of information :-

	Particulars	Yes*	No*
1	Whether the Listed Entity has issued any partly paid up shares ?		No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants ?		No
3	Whether the Listed Entity has any shares against which Depository receipts are issued ?		No
4	Whether the Listed Entity has any shares in locked-in ?		No
5	Whether any shares held by Promoters are pledged or otherwise encumbered ?	Yes	

Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No.of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	(viii) As a % of (A+B+C2)	(ix)				(x)	(xi) = (vii)+(x) As a % of (A+B+C2)	(xii)		(xiii)		(xiv)
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg : X	Class eg : Y	Total								
(A)	Promoter & Promoter Group	1	100607370	0	0	100607370	75.00	100607370	0	100607370	75.00	0	75.00	0	0.00	40242948	40.00	100607370
(B)	Public	10701	33535790	0	0	33535790	25.00	33535790	0	33535790	25.00	0	25.00	0	0.00	0	0.00	29626301
(C)	Non-Promoter -Non Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C1)	Shares underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C2)	Shares held by Employees Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Total	**10702**	**134143160**	**0**	**0**	**134143160**	**100.00**	**134143160**	**0**	**134143160**	**100.00**	**0**	**100.00**	**0**	**0.00**	**40242948**	**30.00**	**130233671**

Table II- Statement showing shareholding pattern of the Promoter and Promoter Group

	Category & Name of the shareholders	PAN	No. of shareholder	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No.of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	(viii) As a % of (A+B+C2)	(ix)				(x)	(xi) = (vii)+(x) as a % of (A+B+C2)	(xii)		(xiii)		(xiv)
									No. of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total								
1	**Indian**																		
(a)	Individuals/ Hindu Undivided Family																		
(b)	Central Government/ State Government(s)																		
(c)	Financial Institutions/ Banks																		
(d)	Any Other (Specify)																		
(d-i)	Bodies Corporate		1	100607370	0	0	100607370	**75.00**	100607370	0	100607370	**75.00**	0	75.00	0	0.00	40242948	40.00	100607370
	GARIMA BUILDPROP PVT. LTD.	AADCG1733G	1	100607370	0	0	100607370	75.00	100607370	0	100607370	**75.00**	0	75.00	0	0.00	40242948	40.00	100607370
	Sub Total(A)(1)		**1**	**100607370**	**0**	**0**	**100607370**	**75.00**	**100607370**	**0**	**100607370**	**75.00**	**0**	**75.00**	**0**	**0.00**	**40242948**	**40.00**	**100607370**
2	**Foreign**																		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)																		
(b)	Government																		
(c)	Institutions																		
(d)	Foreign Portfolio Investor																		
(e)	Any Others(Specify)																		
	Sub Total(A)(2)		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**
	Total Shareholding of																		
	Promoter and Promoter																		
	Group (A)= (A)(1)+(A)(2)		**1**	**100607370**	**0**	**0**	**100607370**	**75.00**	**100607370**	**0**	**100607370**	**75.00**	**0**	**75.00**	**0**	**0.00**	**40242948**	**40.00**	**100607370**
	Note :																		
	(1) PAN would not be displayed on website of Stock Exchange(s)																		
	(2) The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substancial Acquisition of Shares and Takeovers) Regulations, 2011																		

Table III- Statement showing shareholding pattern of the Promoter and Promoter Group

	Category & Name of the shareholders	PAN	Nos. of shareholder	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No.of Shares Underlying Outstanding convertible securities (including Warrants)	Total shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	(viii) As a % of (A+B+C2)	(ix)				(x)	(xi) = (vii)+(x) as a % of (A+B+C2)	(xii)		(xiii)		(xiv)
									No. of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total Shares held (Not applicable) (b)	
									Class X	Class Y	Total								
1	**Institutions**																		
(a)	Mutual Funds/ UTI		2	57000	0	0	57000	0.04	57000	0	57000	0.04	0	0.04	0	0.00	0	0.00	0
(b)	Venture Capital Funds																		
(c)	Alternate Investment Funds																		
(d)	Foreign Venture Capital Investors																		
(e)	Foreign Portfolio Investors		3	1483054	0	0	1483054	1.11	1483054	0	1483054	1.11	0	1.11	0	0.00	0	0.00	1482154
(f)	Financial Institutions/ Banks		23	187500	0	0	187500	0.14	187500	0	187500	0.14	0	0.14	0	0.00	0	0.00	83565
(g)	Insurance Companies																		
(h)	Provident Pension Funds																		Funds/
(i)	Any Other (Specify)																		
	Sub Total(B)(1)		**28**	**1727554**	**0**	**0**	**1727554**	**1.29**	**1727554**	**0**	**1727554**	**1.29**	**0**	**1.29**	**0**	**0.00**	**0**	**0.00**	**1565719**
2	**Central Government/**																		
	State Government(s)/																		
	President of India																		
	State Government																		
	Sub Total(B)(2)		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**

3	**Non-Institutions**																		
(a)	Individuals - i. Individual shareholders holding nominal share capital up to Rs 2 lakhs		10145	19955923	0	0	19955923	14.88	19955923	0	19955923	14.88	0	14.88	0	0.00	0	0.00	16544681
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		5	2445674	0	0	2445674	1.82	2445674	0	2445674	1.82	0	1.82	0	0.00	0	0.00	2209484
(b)	NBFCs registered with RBI																		
(c)	Employee Trusts																		
(d)	Overseas Depositories (holding DRs) (balancing figure)																		
(e)	Any Others(Specify)																		
(e-i)	NRI		116	902602	0	0	902602	0.67	902602	0	902602	0.67	0	0.67	0	0.00	0	0.00	861972
(e-ii)	Bodies Corporate		310	7890586	0	0	7890586	5.88	7890586	0	7890586	5.88	0	5.88	0	0.00	0	0.00	7845514
(e-iii)	Foreign Nationals		29	51240	0	0	51240	0.04	51240	0	51240	0.04	0	0.04	0	0.00	0	0.00	36720
(e-iv)	Clearing Member		68	562211	0	0	562211	0.42	562211	0	562211	0.42	0	0.42	0	0.00	0	0.00	562211
	Sub Total(B)(3)		**10673**	**31808236**	**0**	**0**	**31808236**	**23.71**	**31808236**	**0**	**31808236**	**23.71**	**0**	**23.71**	**0**	**0.00**	**0**	**0.00**	**28060582**
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)		**10701**	**33535790**	**0**	**0**	**33535790**	**25.00**	**33535790**	**0**	**33535790**	**25.00**	**0**	**25.00**	**0**	**0.00**	**0**	**0.00**	**29626301**
Note:																			
	(1) PAN would not be displayed on website of Stock Exchange(s)																		
	(2) The above formats need to be disclosed along with the name of the following persons : Institutions/ Non institutions holding more than 1% of total number of shares																		
	(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian																		

Table IV- Statement showing shareholding pattern of the Non Promoter and Non Public shareholder

	Category & Name of the shareholders	PAN	No. of shareholder	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total no. shares held	Shareholding % calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No.of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form (not applicable)
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	(viii) As a % of (A+B+C2)	(ix)				(x)	(xi) = (vii)+(x) As a % of (A+B+C2)	(xii)		(xiii)		(xiv)
									No. of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total Shares held	No. (not applica-ble)	As a % of total Shares held (Not applica-ble)	
									Class X	Class Y	Total								
1	**Custodian/ DR Holder**																		
(a)	Name of DR Holder (if available)																		
(i)																			
(ii)																			
2	**Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)**																		
(a)	Name																		
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**
	Note :																		
	(1) PAN would not be displayed on website of Stock Exchange(s)																		
	(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares																		
	(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available																		
	(4) The Shareholding pattern of the Company will not undergo any changes on account of implementation of the Scheme of Arrangement. As OCL Iron and Steel Limited is a listed company, the shareholding pattern will undergo change on account of trading in shares.																		

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/67243

March 28, 2016

The Company Secretary
OCL Iron and Steel Limited
Vill. Lamloi,
PO. Garvana
Rajgangpur - 770017

Kind Attn.: Mr. Ajay Kumar Gupta

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between OCL Iron and Steel Limited and OISL Auto Limited and their respective shareholders and creditors.

This has reference to draft Scheme of Arrangement between OCL Iron and Steel Limited and OISL Auto Limited and their respective shareholders and creditors submitted to NSE vide your letter dated August 21, 2015.

Based on our letter reference no Ref: NSE/LIST/66310 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 23, 2016, has given following comments on the draft Scheme of Arrangement:

"1. The Company to ensure that information submitted by the Company, OCL Iron and Steel Limited, vide email dated November27, 2015 pertaining to post scheme shareholding pattern of OISL Auto Limited, be suitably incorporated in the scheme.
2. The Company shall duly comply with various provisions of the Circulars."

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 / Listing Regulations, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the listing of equity shares of OISL Auto 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. Further, OISL Auto 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 fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of OISL Auto Limited is at the discretion of the Exchange.

The listing of OISL Auto 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 OISL Auto Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

2. To publish an advertisement in the newspapers containing all the information about OISL Auto Limited in line with the details required as per SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015. 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 the material information about OISL Auto 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 disclosures 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 OISL Auto 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 28, 2016, 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

Samir Naringrekar
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer : Samir Naringrekar
Date: Mon, Mar 28, 2016 18:13:17 GMT+05:30
Location: NSE

NSE

DCS/AMAL/KS/24(f)/347/2015-16
March 29, 2016

The Company Secretary
OCL Iron and Steel Ltd.
Village Lamloi,
P. O. Garvana, Rajgangpur,
Dist. Sundargarh,
Orissa - 770017.

Sub: Observation letter regarding the Draft Scheme of Arrangement between OCL Iron and Steel Ltd. and OISL Auto Ltd.

We are in receipt of Draft Scheme of Arrangement between OCL Iron and Steel Ltd. and OISL Auto 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 vide its letter dated March 23, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***"Company to ensure that information submitted by the Company, OCL Iron and Steel Ltd., vide email dated November 27, 2015 pertaining to post scheme shareholding pattern of OISL Auto Ltd., be suitably incorporated in the scheme"***
- ***"Company shall duly comply with various provisions of the Circulars."***

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

- 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 OISL Auto 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, OISL Auto 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 OISL Auto Ltd. is at the discretion of the Exchange. In addition to the above, the listing of OISL Auto Ltd. pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about OISL Auto Ltd. 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 OISL Auto 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. OISL Auto 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 of OISL Auto 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.

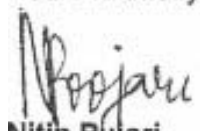
Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

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

OCL IRON & STEEL LTD.
REGD. OFFICE & WORKS
Vill : Lamloi - P.O.-Garvana
Rajgangpur : 770 017
Distt.- Sundargarh-Orissa, INDIA
Phone: +91 6624 222 562/563
Fax: +91 6624 222 564
eMail: oclrgp@oclsteel.in
ANNEXURE II R2006PLC008594

Complaints Report dated 16th November, 2015

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)
1.	Nil	Nil	Nil
2.	Nil	Nil	Nil
3.	Nil	Nil	Nil

Thanking You,
Yours Truly,
For OCL Iron and Steel Limited

(Director)

BHUBANESWAR OFFICE
Plot No. 2132/5124
Nageswar Tangi
Jaydev Nagar - Lewis Road
Bhubaneswar 751 002, INDIA
Phone: +91 674 243 0133
eMail: oslbhsr@oclsteel.in
www.oclsteel.in

D & A FINANCIAL SERVICES (P) LIMITED

Merchant Banking & Corporate Advisory Services

To,

Board of Directors

OCL Iron and Steel Limited

Subject: Fairness Opinion on Proposed Share Entitlement Ratio for the purpose of proposed scheme of arrangement between OCL Iron and Steel Limited (OISL) and OISL Auto Limited (OISLAL) and their respective shareholders and creditors.

Dear Sir/s,

To recommend a Fairness Opinion on the Share Entitlement Ratio for the purpose of 'proposed scheme of arrangement between OCL Iron and Steel Limited ("OISL" or "Demerged Company") and OISL Auto Limited ("OISLAL" or Resulting Company") and their respective shareholders and creditors under the provisions of Sections 391 – 394 of the Companies Act, 1956' (hereinafter referred to as "Scheme") for demerger of its Auto Division Business into OISLAL, We M/s D & A Financial Services (P) Ltd., SEBI registered Merchant Banker, having license no. INM000011484, have been appointed by you to give our fairness opinion on the share entitlement ratio proposed by the management and confirmed by M/s G. K. Choksi & Co., Chartered Accountant, appointed by the management of OISL, to give its opinion on share entitlement ratio. The Proposed Scheme would be placed before the Board of Directors of OISL ("the Board") for approval in their meeting to be held on 2015.

The Scheme shall be subject to (i) Receipt of approval from the High Court(s) of respective jurisdiction and (ii) other statutory approval(s) as may be required in this regard. The Appointed Date of the Scheme is the opening hours of business on April 01, 2015.

H.O. & Regd. Office: 13, Community Centre, 2nd Floor, East of Kailash, New Delhi-110065, Phone:+91 11 26472557, 26419079
Fax:+91 11 26219491, E-mail:dafspl@gmail.com, investors@dnafinserv.com contact@dnafinserv.com, Website:www.dnafinserv.com
• Mumbai • Ahmedabad **CIN : U74899DL1981PTC012709**

Sources of the Information

For arriving at the opinion set forth below, we have:

1. Perused the Draft Scheme.
2. Opinion dated 22nd July, 2015 given by M/s G. K. Choksi & Co., Chartered Accountant, having its office at 207, Tolstoy House, Tolstoy House, Janpath, New Delhi-110001.

Scope and Purpose of the Opinion

Pursuant to an amendment dated September 4, 2008 vide Notification No. SEBI/DIL/LA/5/2008/4/09 by SEBI in clause 24 (h) of the Listing Agreement, a fairness opinion has to be obtained from an independent merchant banker on the valuation of assets/shares for the listed as well as unlisted companies. The purpose of the opinion is to safeguard the interest of the shareholders and that of the companies involved in the Scheme and this opinion shall be made available to the shareholders of the relevant Companies at the time of their meeting to pass the necessary resolution for the Scheme and to any other relevant authority.

Disclaimer: We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by management of OISL for the purpose of this Opinion. We have not carried out any independent verification of the accuracy and completeness of all information as stated above. We have not reviewed any other documents of the Company other than those stated above. We have not assumed any obligation to conduct, nor have we carried out any independent physical inspection or title verification of the property, investments etc. interests of OISL and accept no responsibility therefore.

We have not reviewed any internal management information statements or any non-public reports and instead with your consent we have relied upon information that was publicly available or provided or otherwise made available to us by OISL for the purpose of this valuation. We are not experts in the evaluation of litigation or other actual or threatened claims.

Approach followed for giving Fairness Opinion on Share Entitlement Ratio

The management of the OISL proposed that upon demerger being effective shareholders of OISL will received 1 (One) equity shares of Rs 1/- each of fully paid up share of OISLAL for every 1 (One) equity shares of Rs 1/- each held in OISL, in determining the criteria for arriving at the fairness opinion on Share Entitlement Ratio for the Scheme, the following approach has been adopted and taken in to consideration:

- Listing requirements for minimum paid up capital as prescribed by the Stock Exchanges for the purpose of listing in terms of listing agreement.
- Level of share capital in OISLAL having regard to its serviceability
- The entitlement ratio does not result in the dilution of effective holding of any one or more shareholders of OISL and the shareholders of OISL, instead of holding shares in one company will hold shares in both the companies, directly or indirectly.

Fairness Opinion

Based on our examination and subject to the foregoing including review of report of M/s M/s G. K. Choksi & Co., Chartered Accountant dated 22nd July, 2015, We are of the opinion that the share entitlement ratio, as proposed to allot 1 (One) equity shares of face value of Rs 1/- each of OISLAL against 1 (one) equity share of Rs. 1/- each fully paid up held by the shareholders in OISL at the record date is fair.

Merchant Banking & Corporate Advisory Services

Thanking You

For **D & A Financial Services (P) Ltd**



(M.K. Doogar)

Director

Date: 22nd July, 2015

Place: New Delhi

IN THE HON'BLE HIGH COURT OF ORISSA; CUTTACK

(Original Jurisdiction)

COPET NO. No. 48 of 2016

In the Matter of:

The Companies Act, 1956 and the Companies Act, 2013, to the extent made effective.

And

In the Matter of:

An application under Sections 391 to 394 read with section 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 along with Rules 67 to 87 of the Companies (Court) Rules, 1959.

And

In the Matter of:

In the matter of Scheme of Arrangement

between

OCL Iron and Steel Limited

and

OISL Auto Limited

and

their respective Shareholders and Creditors

And

In the matter of:

OCL Iron and Steel Limited, a company incorporated under the provisions of the Companies Act, 1956, having its Registered Office situated at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 within the jurisdiction of this Hon'ble Court, represented through it's Authorised Representative, Mr. Yogesh Kapur

…..Applicant Company/Demerged Company/ Transferor Company

FORM OF PROXY

I/We, the undersigned, as the Equity Shareholder(s) of OCL Iron and Steel Limited (the above named Applicant) do hereby appoint Shri/Smt/Ms _____ of _____ and failing him/her Shri/Smt/Ms _____ of _____as my /our Proxy, to act for me/ us at the meeting of the Equity Shareholders of the Company to be held on Saturday, January 14, 2017 at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 at 10.30 a.m. for the purpose of considering, and if thought fit, to approve, with or without modification(s), the Scheme of Arrangement between OCL Iron and Steel

Limited and OISL Auto Limited and their respective shareholders and creditors at such meeting and any adjournment / adjournments thereof to vote, for me / us and in my / our name(s) *(here, "if for" insert "for", "if against", insert "against", and in the latter case, strike out the words below either with or without modification(s) after the word "Arrangement") the said Scheme of Arrangement either with or without modification(s) as my/our proxy may approve.

Revenue Stamp of Re. 1 to be affixed

Signatures of Equity Shareholder(s) across the stamp

Signatures of proxy

* (Strike out what is not necessary)

Dated this _____day of_____2016

Name: _____

Address:_____

Regd. Folio No._____

DP Id** _____/Client Id No.**: _____

** Applicable for shareholder(s) holding in dematerialized form.

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member of the Company.
2. The Proxy must be deposited at the registered office of the Company at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 not less than 48 (Forty Eight) hours prior to the commencement of the aforesaid meeting. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and/or holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by shareholder(s) holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder. All alterations made in the Form of Proxy should be initialed.
3. In case multiple proxies are received not less than 48 (Forty Eight) hours before the time of holding the aforesaid meeting, the proxy later in time shall be accepted.
4. Also, a person who is a minor cannot be appointed as proxy.
5. The proxy of an equity shareholder who is blind or incapable of writing may be accepted if such equity shareholder has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address. All insertions in the proxy shall be in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of such equity shareholder before he attached his signature or mark.
6. The proxy of the equity shareholder who does not know English may be accepted if it is executed in the manner as prescribed above and the witness certifies that it was explained to such equity shareholder in the language known to him, and gives the equity shareholder's name in English below the signature.

OCL IRON AND STEEL LIMITED

Corporate Identity Number: L27102OR2006PLC008594
Registered Office: At Village Lamloi, PO: Garvana,
Rajgangpur, Distt: Sundergarh, Odisha-770017
Website: www.oclsteel.in; **E-mail:** oclrgp@oclsteel.in
Tel: +91 6624 222 562/563; **Fax:** +91 6624 222 564

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

Day : Saturday

Date : January 14, 2017

Time : 10:30 AM

Venue : Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the meeting of the Equity Shareholders convened under the directions of Hon'ble High Court of Orissa; Cuttack, vide order dated October 20, 2016 read with order December 01, 2016 in the above mention Company Petition No. 48 of 2016 read with Misc. case no. 28 of 2016 held on Saturday, January 14, 2017 at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 at 10.30 AM.

Name and Address of the Equity Shareholder:

_____

_____

_____

(If represented by Authorized Representative, details of the same)

No. of Shares :

_____

DP Id* :

_____

Client Id* :

_____

Regd. Folio No. :

_____

Name of the proxy holder/
Authorized representative :

_____

* Applicable for shareholder(s) holding shares in dematerialized form.

I further declare that above particulars are true and correct to the best of my knowledge.

Signature: _____

Place:

Date :

Important:

1. Equity Shareholder, proxy holder or the Authorized Representative attending this meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled and signed.
2. Equity Shareholder, proxy holder or the Authorized Representative are requested to bring their copy of notice for reference at the meeting.
3. Equity Shareholders are requested to hand over the enclosed Attendance slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall.

OCL IRON AND STEEL LIMITED

Corporate Identity Number: L27102OR2006PLC008594

Registered Office: VillageLamloi, PO: Garvana,

Rajgangpur, Distt: Sundergarh, Odisha- 770017

Website: www.oclsteel.in; **E-mail:** oclrgp@oclsteel.in

Tel: +91 6624 222 562/563; **Fax:** +91 6624 222 564

COURT CONVENED MEETING OF THE SECURED CREDITORS

Day : Saturday

Date : January 14, 2017

Time : 2.00 PM

Venue : Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017

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IN THE HON'BLE HIGH COURT OF ORISSA; CUTTACK

(Original Jurisdiction)

COPET NO. No. 48 of 2016

In the Matter of:

The Companies Act, 1956 and the Companies Act, 2013, to the extent made effective.

And

In the Matter of:

An application under Sections 391 to 394 read with section 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 along with Rules 67 to 87 of the Companies (Court) Rules, 1959.

And

In the Matter of:

In the matter of Scheme of Arrangement

between

OCL Iron and Steel Limited

and

OISL Auto Limited

and

their respective Shareholders and Creditors

And

In the matter of:

OCL Iron and Steel Limited, a company incorporated under the provisions of the Companies Act, 1956, having its Registered Office situated at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 within the jurisdiction of this Hon'ble Court, represented through it's Authorised Representative, Mr. Yogesh Kapur

…..Applicant Company/Demerged Company/ Transferor Company

NOTICE CONVENING MEETING OF THE SECURED CREDITORS OF

OCL IRON AND STEEL LIMITED

To,

The Secured Creditors of OCL Iron and Steel Limited *(the "**Demerged Company**" or "**Company**" or the "**Applicant Company**", all of which shall have the same meaning)*

TAKE NOTICE that by the order dated October 20, 2016 read with order dated December 01, 2016 in the above mentioned Company Petition No. 48 of 2016 read with Misc. Case no. 28 of 2016 *(hereinafter referred to as "**Order**")*, the Hon'ble High Court of Orissa at Cuttack ("**High Court**") has directed that a meeting of the Secured Creditors of the Applicant Company, be convened and held on Saturday, January 14, 2017 at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 at 2.00 PM for the purpose of considering, and if thought fit, to approve, with or without modification(s) the following resolutions for approving the proposed Scheme of Arrangement between OCL Iron and Steel Limited and OISL Auto Limited and their respective Shareholders and Creditors *(the **"Scheme"***), pursuant to Sections 391 to 394 read with section 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 along with Rules 67 to 87 of the Companies (Court) Rules, 1959:

> *"**RESOLVED THAT** pursuant to the provisions of Sections 391 to 394 read with section 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 along with Rules 67 to 87 of the Companies (Court) Rules, 1959 and subject to the approval of the Hon'ble High Court of Orissa at Cuttack or the National Company Law Tribunal and/or other competent authorities, if any, the Scheme of Arrangement between OCL Iron and Steel Limited ("**Demerged Company**" or "**Company**") and OISL Auto Limited ("**Resulting Company**") and their respective shareholders and creditors (hereinafter referred to as the "**Scheme**"), as circulated along with the notice of the meeting be and is hereby approved."*
>
> *"**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "**the Board**", which term shall include any committee constituted by the Board), be and is hereby authorized to accept and incorporate any modification(s) in the Scheme that may be required, imposed or ordered by the Hon'ble High Court of Orissa at Cuttack and/or other competent authorities, while sanctioning the Scheme, as it deems in its absolute discretion necessary, fit or expedient."*
>
> *"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute such deeds and documents as it deems in its absolute discretion necessary, fit or expedient for implementation of the Scheme or removal of doubts or otherwise, howsoever in relation to the Scheme."*

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, notice is hereby given that a meeting of the Secured Creditors of the Company will be held on Saturday, January 14, 2017 at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 at 2.00 PM, at which time and place, you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or through proxy or through authorized representative, provided that a proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of the Applicant Company at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017, not later than 48 (Forty Eight) hours prior to the commencement of the said meeting.

The High Court has appointed Mr. S.C. Samantaray, Advocate to be the Chairman of the said meeting and Mr. Birender Jee, Whole-time director of the Company to be the Alternate Chairman of the said meeting of the Secured Creditors of the Company.

A copy of the Scheme, the Explanatory Statement under Section 393 of the Companies Act, 1956 read with Section 102 of the Companies Act, 2013, a Form of Proxy and Attendance Slip are enclosed herewith.

Sd/-

Date: December 09, 2016
Place: Cuttack, Odisha

S.C. Samantaray
Chairman appointed for the meeting of the Secured Creditors of OCL Iron and Steel Limited

Registered Office:
Village Lamloi, PO: Garvana,
Rajgangpur, Distt: Sundergarh,
Odisha-770017

Notes:

1. Only the Secured Creditors of the Company who are the Secured Creditors of the Company on June 30, 2016, may attend and vote (*either in person or in Proxy or through Authorized Representative under applicable provisions of the Companies Act, 1956 and the Companies Act, 2013*) at the said meeting.

2. A secured creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a secured creditor of the Company.The Form of Proxy duly completed should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the said meeting.

3. Also, a person who is a minor cannot be appointed as proxy. A blank Proxy form is enclosed with this Notice. All alterations made in the Form of Proxy should be initialed.

4. The authorized representative of a body corporate which is asecured creditor of the Company may attend and vote at the said meeting provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the said meeting is submitted at the meeting.

5. The Secured Creditors are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall.

6. The proxy of a secured creditor who is blind or incapable of writing may be accepted if such creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address. All insertions in the proxy shall be in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of such creditor before he attached his signature or mark.

7. The proxy of the secured creditor who does not know English may be accepted if it is executed in the manner as prescribed above and the witness certifies that it was explained to such secured creditor in the language known to him, and gives the secured creditor’s name in English below the signature.

8. A statement pursuant to Section 393 of the Companies Act, 1956 forms part of this Notice.

9. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

10. M/s S. Khurana & Associates has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

11. The Scrutinizer shall after the conclusion of voting at the meeting, will count the votes casted at the meeting. The Scrutinizer shall submit a Scrutinizer's Report of the total votes casted in favor of or against, if any, not later than three days after the conclusion of the meeting to the Chairman of the meeting. Further, the results declared along with the report of the scrutinizer shall be placed on the website of the Company, immediately after the result is declared by the Chairman.

12. Route Map of the venue of the meeting is given at the end of the Explanatory Statement.

IN THE HON'BLE HIGH COURT OF ORISSA; CUTTACK

(Original Jurisdiction)

COPET NO. No. 48 of 2016

In the Matter of:

The Companies Act, 1956 and the Companies Act, 2013, to the extent made effective.

And

In the Matter of:

An application under Sections 391 to 394 read with section 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 along with Rules 67 to 87 of the Companies (Court) Rules, 1959.

And

In the Matter of:

In the matter of Scheme of Arrangement

between

OCL Iron and Steel Limited

and

OISL Auto Limited

and

their respective Shareholders and Creditors

And

In the matter of:

OCL Iron and Steel Limited, a company incorporated under the provisions of the Companies Act, 1956, having its Registered Office situated at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 within the jurisdiction of this Hon'ble Court, represented through it's Authorised Representative, Mr. Yogesh Kapur

…..Applicant Company/Demerged Company/ Transferor Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 FOR THE COURT CONVENED MEETING OF THE SECURED CREDITORS OF OCL IRON AND STEEL LIMITED

1. Pursuant to the order dated October 20, 2016 read order dated December 01, 2016 passed by the Hon'ble High Court of Orissa at Cuttack (***"High Court"***) in the above mentioned Company Petition No. 48 of 2016 read with Misc. Case no. 28 of 2016 (*hereinafter referred to as "**Order**"*), meeting

of the Secured Creditors of the Company is being convened and held on Saturday, January 14, 2017 at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 at 2.00 PM for the purpose of considering, and if thought fit, to approve, with or without modification(s), Scheme of Arrangement between OCL Iron and Steel Limited and OISL Auto Limited and their respective shareholders and creditors (*hereinafter referred to as the "**Scheme**"*).

2. In pursuance of the Order and as directed therein, the meeting of the Secured Creditors of the Company to be convened and held on Saturday, January 14, 2017 at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 at 2.00 PM at which time and place the Secured Creditors of the Company are requested to attend.

3. The notice along with the copy of the Scheme, the explanatory statement, proxy form and attendance slip in this regard is being has been separately sent to all the secured creditors of the Applicant Company in terms of the Order of the High Court by e-mail whose e-mail ids are registered with the Applicant Company (other than those who have requested for physical copy). The physical copies of the notice of the said meeting are being sent to all other secured creditors at their registered address in terms of the Order of the High Court.Resolution shall be passed at the said meeting by way of Poll (i.e. one share, one vote).

4. The Scheme is made under Sections 391 to 394 read with section 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 along with Rules 67 to 87 of the Companies (Court) Rules, 1959 and has been approved by the Board of Directors of the Company in its Board Meeting held on July 23, 2015 after considering the recommendations of the Audit Committee of the Company, valuation report dated July 22, 2015 issued by independent Chartered Accountants, G.K. Choksi& Co., Fairness Opinion Report dated July 22, 2015 issued by D & A Financial Services (P) Limited, Category-I Merchant Banker, registered with SEBI and Certificate in accordance with Clause 24(i) of the Listing Agreement (*corresponds to clause 5 of sub-para A of Para I of Annexure I to the SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015*) obtained from M/s A.C. Gupta & Associates, regarding the accounting treatment being followed in the Scheme.

5. A copy of the Scheme setting out in detail the terms and conditions of the proposed arrangement is enclosed.

6. **BACKGROUND**

I. OCL Iron and Steel Limited (*hereinafter referred to as "Demerged Company/Applicant Company"or the "Company"*)

1. The Demerged Company was initially promoted by OCL India Limited ("***OCL***") with the primary objective of carrying on the business of manufacturing of sponge iron, steel ingots, billets and power generation through captive power plants. Subsequently, the steel unit of OCL was demerged into the Demerged Company in the year 2007.

2. Share capital of the Demerged Company as on March 31, 2016 is as under:

Authorized Capital	As at March 31, 2016(Rs.)
34,00,00,000 Equity Shares of Re. 1 each	340,000,000
7,00,00,000 Preference Shares of Rs. 10 each	700,000,000
Total	**1,040,000,000**
Issued, Subscribed and Paid-up Capital	
13,41,43,160 Equity Shares of Re. 1 each fully paid-up	134,143,160
5,30,05,000 2% Non-Cumulative Redeemable Preference Shares of Rs. 10 each fully paid-up	530,050,000
Total	**664,193,160**

3. There has been no alteration in the above share capital structure of Demerged Company till the date of the notice.

4. The shares of the Demerged Company are listed on BSE Limited and National Stock Exchange of India Ltd. with effect from August 1, 2008. Later on the Demerged Company also set up state of the art plants for automotive parts to cater to the automotive and other industries, for both domestic as well as export market. At present, there are two business segments in the Demerged Company viz., Iron and Steel Business and Auto Components Business. The Iron and Steel Business is largely based in the State of Odisha whereas the Auto Component Business is based in the State of Rajasthan.

II. OISL Auto Limited (*hereinafter referred to as "Resulting Company"*)

1. The Resulting Company is an unlisted public limited company incorporated under the provisions of the Companies Act, 2013 having its registered office situated in the State of Rajasthan. The Resulting Company is promoted by the Demerged Company and at present is a wholly owned subsidiary company of the Demerged Company. The Resulting Company was set up to undertake the business of manufacturing, trading and distributing all kinds of auto parts & components etc.

2. The share capital of the Resulting Company as on March 31, 2016 is as under:

Authorized Capital	As at March 31, 2016(Rs.)
5,00,000 Equity Shares of Re. 1 each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-up Capital	
5,00,000 Equity Shares of Re. 1 each fully paid-up	5,00,000
Total	5,00,000

3. There has been no alteration in the above share capital structure of the Resulting Company till date of issue of this notice.

7. On the basis of the valuation exercise carried out by Independent Chartered Accountants, G.K. Choksi & Co., the Resulting Company shall issue and allot:

   a) 1,14,00,000, 2% Non-Cumulative Redeemable Preference shares of Rs. 10/- each fully paid up ("***New Preference Shares***") at par on a proportionate basis to each preference shareholder of Demerged Company, whose name is recorded in the register of secured creditors of Demerged Company as preference shareholder as on the Record Date or Book Closure Date;

   b) 13,41,43,160 equity shares of Re. 1/- each ("***New Equity Shares***") at par to each member of Demerged Company whose name is recorded in the register of members of Demerged Company as equity shareholder as on the Record Date or Book Closure Date in the ratio of 1:1 i.e. 1 (one) equity share of Rs. 1 each of the Resulting Company to be issued to the Secured Creditors of the Demerged Company for every 1 (one) equity share of Rs. 1 each held by them in the Demerged Company;

   In case any members' shareholding in the Demerged Company is such that the member becomes entitled to a fraction of New Preference Shares or New Equity Shares in the Resulting Company, such fraction shall be rounded off to the nearest whole integer.

8. The registered office of the Resulting Company is situated in the State of Rajasthan is situated at A-285, Chopanki Industrial Area, Chopanki, Bhiwadi, Rajasthan- 301019 which is within the territorial jurisdiction of this Hon'ble High Court of Rajasthan at Jaipur.

9. The Hon'ble High Court of Rajasthan vide its order dated September 23, 2016 in S.B. Company Application No. 135 of 2016 has dispensed with the requirement of convening meetings of the shareholders and creditors of the Resulting Company. The Resulting Company has thereafter filed a S.B. Company petition no. 29 of 2016 with the Hon'ble High Court of Rajasthan for sanction of the Scheme. The Hon'ble High Court of Rajasthan vide its order dated November 4, 2016 in S.B Company petition no. 29 of 2016 has fixed the final dated of Hearing on January 6, 2017.

10. In terms of the Scheme, the preference share capital of the Demerged Company as on the Appointed Date, i.e., April 1, 2015 shall stand cancelled and extinguished, to the extent of Rs. 11,40,00,000 represented by 1,14,00,000, 2% non-cumulative redeemable preference shares of Rs. 10/- each and further, the share premium received by the Demerged Company on the preference shares so cancelled shall be transferred to the Resulting Company and to that extent, the share premium account of the Demerged Company shall stand reduced accordingly. Also the preference share capital redemption reserve, as appearing in the books of the Demerged Company, shall be transferred proportionately to the extent of the preference share capital being cancelled pursuant to the Scheme over the entire preference share capital as appearing in the books of the Demerged Company.

11. That such cancellation and extinguishment of the preference share capital account, reduction to the share premium account, adjustment in the preference share capital redemption reserve account or capital reserve account etc. of the Demerged Company would not involve either diminution of liability in respect of unpaid share capital or any payment to any of the shareholders of the Demerged Company and shall be considered, to the extent applicable, as a reduction in accordance with provisions of Sections 100 to 103 of the Companies Act, 1956 and/or Section 55 and Section 52 of the Companies

Act, 2013 and the order of the Hon'ble High Court of Orissa at Cuttack sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Companies Act, 1956.

12. The Scheme also involves reduction of share capital of the Resulting Company to the extent of cancellation of equity share capital held by the Demerged Company in the Resulting Company.

13. That the said reduction of the share capital of the Resulting Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 100 to 103 of the Companies Act, 1956.

14. The salient features of the said Scheme are as under:

"

PART I

1. DEFINITIONS

In this scheme of arrangement, unless inconsistent with the meaning or context,the following expressions shall have the following meaning:

1.1. ***"Act"*** *means the Companies Act, 1956 and applicable rules madethere under and includes any amendments, statutory re-enactments, and modification thereof from time to time andincludes the applicable provisions of Companies Act, 2013, if any, and applicable rules made thereunder. In case the relevant provisions of the Companies Act, 2013are notified prior to the effective date (defined hereinafter) beingachieved, this scheme of arrangement shall be deemed to havebeen passed under the relevant provisions of Companies Act,2013 and all references to the Act, sections and rules therein shallbe deemed to include a reference to the relevant provisions of the Companies Act, 2013 and rules made thereunder;*

1.2. ***"Appointed Date****" means April 1, 2015 or such other date as the board of directors of the Demerged Company and the Resulting Company deems fit and proper or such other date as the Hon'ble High Court (defined hereinafter) may direct or such other competent authority, as may be applicable, from which date the assets and liabilities, described herein after, of the Demerged Undertaking (defined herein after) belonging to the Demerged Company shall stand transferred to or vested to or shall be deemed to stand transferred to or vested in the Resulting Company without any further act, instrument, deed or thing;*

1.3. ***"Auto Component Business"*** *means the business of manufacturing of Axle casing, Trumpet Housing, Carrier Planetary Hub, Swivel hub, Axle Arm, Carrier, Brackets, Front Axle Support, Crankcase Machining and Cold Rolled Steel Sections for Auto Segments i.e. Commercial and Passenger vehicles and Non-Auto Segments i.e. Tractors, Agriculture and Construction Equipment;*

1.4. ***"Board of Directors"*** *or* ***"Board"*** *means board of directors of the Demerged Company and Resulting Company and shall also include any duly constituted committee(s) thereof, if any or any person authorized by the board of directors;*

1.5. ***"Companies"*** *means the Demerged Company and Resulting Company, referred collectively;*

1.6. ***"Demerged Company"*** *means OCL Iron And Steel Limited, a public limited Company incorporated under the provisions of Act, having its registered office situated at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Orrisa-770017;*

1.7. ***"Demerged Undertaking"*** *means the entire Auto Component Business of the Demerged Company, having manufacturing units at A-285, Chipanki Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan and Plot No.-SP-259, Industrial Area, Kaharani, ExtnBhiwadi, Rajasthan-301019 and BegampurKhatola, Gurgaon, Haryana, which would be transferred on a going concern basis to the Resulting Company on and from the Appointed Date. Without prejudice to the generality of the above, the Demerged Undertaking shall mean and include:*

a) *all immovable property(ies) of the Demerged Undertaking including tangible assets, land and building, plant and equipment/ machinery and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies and otherwise), capital work-in-progress and all documents of title, receipts and easements in relation thereto, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;*

b) *all movable assets pertaining to and in relation to the Demerged Undertaking, whether in present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal including but not limited to plant and equipment/ machinery, vehicles, bank balances, cash and cash equivalents, investments including non- current investments of all kinds either in equity shares of listed company or unlisted company, if any, or any other investments made by the Demerged Company pertaining/belonging to the Demerged Undertaking, all loans and advances, whether long-term or short-term, secured or unsecured, recoverable in cash or kind or value to be received including interest accrued thereof, if any, all deposits whether with government or semi government, local authorities or any other institution and bodies, including but not limited to amounts receivables from Central Government/ State Government(s) under any of their scheme(s)/plan(s), balances recoverable from Government Authorities, if any, trade receivables, advance tax(es) paid, unutilized Minimum Alternate Tax (MAT) credit, office equipment's, electrical installations, offices, inventories including but not limited to computers, software, furniture & fixtures, other current assets, capital work-in-progress, benefits arising of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Demerged Undertaking;*

c) *All agreements, rights, contracts, entitlements, permits, licenses, approvals, consents, engagements, arrangements and all other privileges and benefits of every kind, if any, nature and description whatsoever relating to the Demerged Company's business, activities and operations pertaining to Demerged Undertaking;*

d) *all the debts (whether secured or unsecured) including but not limited to long-term and short-term borrowings, trade payables, long-term and short-term provisions, deferred tax liabilities, current liabilities (including contingent liabilities), duties and obligations of the Demerged Company of every kind, nature and description whatsoever and howsoever accruing or arising out of, and all loans and borrowings raised or incurred and utilized for its businesses, activities and operations, if any, pertaining to Demerged Undertaking;*

e) *all intellectual property rights (whether registered or unregistered), records, files, papers, data and documents, if any, relating to the Demerged Company's business, activities and*

operations pertaining to Demerged Undertaking;

f) all legal proceedings of whatsoever nature by or against the Demerged Company, if any, pending as on the Appointed Date and relating to the Demerged Undertaking; and

g) all employees engaged in or relating to the Demerged Company's business, activities and operations pertaining to Demerged Undertaking.

h) The broad details of the asset and liabilities comprising of the Demerged Undertaking and figures appearing corresponding to the said assets and liabilities as appearing in the financial statement as at March 31, 2015, are described in the Schedule-I annexed hereto.

1.8. ***"Effective Date"*** *means the last date of the dates on which all the conditions and matters referred to in Clause 16 of this Scheme hereof have been fulfilled. References in this Scheme to the date of "upon coming into effect of this Scheme" or "effectiveness of the Scheme" or "the Scheme becoming effective" shall mean the Effective Date**;***

1.9. ***"High Court" or "Court"*** *means the High Court of Orissa at Cuttack having jurisdiction in relation to the Demerged Company and High Court of Rajasthan at Jaipur having jurisdiction in relation to the Resulting Company (or such other Court/ bench having jurisdiction over Companies involved in the Scheme), depending on the context and applicability, and the term "High Court" or "Court" shall be interpreted accordingly and shall include National Company Law Tribunal, under the Act, as may be applicable;*

1.10. ***"Iron and Steel Business" means****the business of manufacturing, marketing, trading of steel (steel billets and DRI), sponge iron, cold rolling mill for higher value steel products and generation of power through captive power plants;*

1.11. ***"Record Date" or "Book Closure Date"*** *means the date fixed by the Board or committee thereof, of the Demerged Company for the purpose of determining the members of the Demerged Company to whom new equity shares and new preference shares will be allotted and issued by the Resulting Company pursuant to this Scheme or determined in terms of the applicable provisions of the Act or the Companies Act, 2013**;***

1.12. ***"Remaining Undertaking*** *or* ***Remaining Business"*** *means all undertakings, businesses, activities and operations of the Demerged Company other than the Auto Component Business.*

1.13. ***"Resulting Company"*** *means OISL Auto Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at A-285, Chopanki Industrial Area, Chopanki, Bhiwadi, Rajasthan- 301019. The Resulting Company is the wholly owned subsidiary company of the Demerged Company;*

1.14. ***"Scheme" or "the Scheme" or "this Scheme"*** *means this scheme of arrangement in its present form or with any modifications made under Clause 16 of the Scheme as approved or directed by the High Court(s) or any other appropriate authority;*

All terms and words not defined in this Scheme, shall, unlessrepugnant or contrary to the context or meaning thereof, have thesame meaning ascribed to them under the Act and otherapplicable laws, rules, regulations, bye laws for the time being inforce, as the case may be, including any statutory modification orre-enactment thereof from time to time.

4. RATIONALE FOR THE SCHEME

The Boards of Directors of the Companies are of the view that proposed demerger of the Demerged Undertaking belonging to the Demerged Company into the Resulting Company would inter-alia have the following benefits:

a) given the distinct nature of operations of both business segments, it is proposed to hive-off Auto Component Business from Demerged Company into the Resulting Company, which, upon hive-off, is owned by the shareholders of the Demerged Company in the same pproportion in which they own shareholding in the Demerged Company;

b) the demerger would enable greater/ enhanced focus of management in the Auto Component Business thereby facilitating the management to efficiently exploit opportunities for the business;

c) it is expected that the proposed demerger will lead to increased market capitalization of both the Companies which will exceed the market capitalization of the Demerged Company alone thereby unlocking shareholder value;

d) all the manufacturing assets and liabilities relating to Auto Component Business will be housed under one entity, i.e., the Resulting Company which will enable the Demerged Company to improve its business efficiency and focus on its core business, i.e. the Iron and Steel Business;

e) the demerger will thrive in achieving and sustaining competitiveness and development of long-term internal and core competencies;

f) it is believed that the proposed segregation will create enhanced value for shareholders and allow a focus strategy in operations which would be in the best interest of all the stakeholders. The demerger proposed by this Scheme will enable investors to hold investment in businesses with different investment characteristics thereby enabling them to select investments in business which best suit their investment strategies and risk profiles; and

g) the demerger will also provide for independent collaboration and expansion without committing the existing organization in its entirety.

PART- II

5. TRANSFER AND VESTING

5.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking belonging to the Demerged Company shall stand demerged and transferred and be vested in the Resulting Company, on a going concern basis, without any further act, deed, instrument, matter or thing, so as to become on and from the Appointed Date, the undertaking of the Resulting Company and to vest in the Resulting Company, all rights, titles, interests or obligations of the Demerged Undertaking therein, in the manner described herein.

5.2. With effect from the Appointed Date and subject to the provisionsof this Scheme, including in relation to the mode of transfer orvesting, all immovable property of the Demerged Undertaking including tangible assets, land together with building, plant and machinery and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies and/ or otherwise), capital work-in-progress which immovable properties are currently being used for the purpose of and in relation to the Demerged Undertaking and all documents of title, receipts

and easements in relation thereto, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties shall, unless otherwise agreed between the Companies, be transferred to and stand vestedin and/or be deemed to betransferred to and stand vested in the Resulting Companyas agoing concern pursuant to the provisions of Section 391 to 394Aof the Act and all other applicable provisions of the Act so as tobecome, on and from the Appointed Date, the assets, rights, titleandinterests of the Resulting Company. Upon thecoming into effect of the Scheme, the title to such immovableproperties shall be mutated and transferred by appropriateauthorities, in accordance with terms hereof, in favor of theResulting Company. It is expressly clarified that in so far any leasehold properties forming part of the Demerged Undertaking are concerned, the Resulting Company may enter into fresh lease agreements or terminate any lease agreements that are already in existence with any third party.

5.3. *With effect from the Appointed Date and subject to the provisions of this Scheme, including in relation to the mode of transfer or vesting, all rights, titles, interest and privileges in the movable, tangible and intangible properties, assets including plant and equipment, vehicles, bank balances, cash and cash equivalents, investments including non- current investments of all kinds either in equity shares of listed company or unlisted company or any other investments, if any, made by the Demerged Company, all loans and advances, whether long-term or short-term, secured or unsecured, recoverable in cash or kind or value to be received including interest accrued thereof, all deposits whether with government or semi government, local authorities or any other institution and bodies, including but not limited to amounts receivables from Central Government/ state government(s) under any of their scheme/plans, balances recoverable from government authorities, advance tax(es) paid, if any, unutilized Minimum Alternate Tax (MAT) credit, office equipment's, electrical installations, offices, inventories including but not limited to computers, software, furniture & fixtures, trade receivables, other current assets, capital work-in-progress, benefits arising of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company, intellectual property (whether registered or unregistered), if any, pertaining to the Demerged Undertaking, shall be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Resulting Companyas a going concern pursuant to the provisions of Section 391 to 394A of the Act and all other applicable provisions of the Act so as to become, on and from the Appointed Date, the assets, rights, title and interests of the Resulting Company.*

5.4. *All theassets, as mentioned herein above, that have accrued or which may accrue to theDemerged Companypertaining to the Demerged Undertaking on or after the Appointed Date shallpursuant to the provisions of Section 394 of the Act and withoutany further act, instrument or deed, be transferred to and standvested in and/or be deemed to have been transferred to and standvested in and be available to the Resulting Company.*

5.5. *Without prejudice to clause 5.2, clause 5.3 and clause 5.4 as above, upon theScheme becoming effective, in respect of such of the aassets, as mentioned herein above,of the Demerged Company pertaining to the Demerged Undertakingas are movable in nature, orincorporeal property, or are otherwise capable of transfer bymanual delivery or transferring possession or by endorsement and/ or delivery, along withsuch other documents as may be necessary to the end and intentthat the property therein upon such transfer become the property,assets, rights, title, interest and*

authorities of the Resulting Company in pursuance of section 394 of the Act without anyfurther act, instrument or deed. In respect of such of the assets other than those referred to hereinabove, the same shallalso, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and standvested in the Resulting Companypursuant to the effectiveness ofthis Scheme.

5.6. With effect from the Appointed Date & upon coming to effect ofthe Scheme:

a) All the licenses, rights, claims, including refund claims lyingwith any statutory authority which may accrue to theDemerged Company pertaining to the Demerged Undertaking, if any, shall, pursuant to the provisions ofsection 394 of the Act, without any further act, instrument ordeed, be and stand transferred to and vested in and or bedeemed to have been transferred to and stand vested in and beavailable to the Resulting Company. The Resulting Company shall file the relevant intimations, if required, for therecord of the statutory authorities who shall take them on fileand record the change of name pursuant to Scheme becoming effective.

*b) The entire taxes, direct and indirect or any other taxes, including but not limited to prepaid taxesbeing tax deducted at source (TDS)/advance tax, MinimumAlternate Tax (MAT) credits, sales tax, value added tax (VAT) and also self-assessment taxes, ifany, paid by the Demerged Company under the Income Tax Act, 1961 (hereinafter referred to as "**IT Act**") or any other statute, pertaining to the Demerged Undertaking for the period commencing from the Appointed Date,shall be deemed to be the taxes paid by or for the benefit ofthe Resulting Company and credit for such taxesshall beallowed to the Resulting Company notwithstanding thatcertificates or challans or orders for such taxes are in the nameof the Demerged Company and not in the name of theResulting Company. The Resulting Company shall, after theEffective Date, be entitled to file with the authoritiesconcerned the relevant return(s) as required under the IT Actor any other statutes/ laws for the period after the Appointed Datenotwithstanding that the period for filing such return may haveelapsed. Further Resulting Company shall, after the EffectiveDate, be entitled to revise the relevant returns, if any, filed bythe Demerged Company for any year, if so necessitated orconsequent to this Scheme, notwithstanding that the timeprescribed for such revision may have elapsed.*

c) Upon the coming into effect of the Scheme all kinds of intellectual property rights, ifany, whether or not registered with the relevant authorities concerned orapplications submitted at any time on or before the Effective Date by the Demerged Company or by the employees /officers / directors of Demerged Company for the benefit or which may pertain tothe Demerged Undertaking, if any, shall stand transferred to andvested along with all the undertakings in the name ofResulting Company without any further act, instrument ordeed.

d) With effect from the Effective Date and until such time thenames of the bank accounts of the Demerged Company in relation to the Demerged Undertaking, if any, arereplaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of theDemerged Company in relation to the Demerged Undertaking, in so far as may be necessary. Thebanks shall continue to honour the cheques, other

negotiableinstruments, payment orders and instructions issued/ signed bythe Demerged Company or signed by the existing signatoriesof the Demerged Company for payment after the EffectiveDate. Similarly, all cheques and other negotiable instrumentsreceived in the name of Demerged Companyin relation to the Demerged Undertaking, w.e.f. theEffective Date and until such time shall be for and on account of the Resulting Company and accordingly to be accepted by thebankers of Demerged Company and credited to the account of Resulting Company.

5.7. Upon the coming into effect of the Scheme and with effect fromthe Appointed Date:

a) All secured or unsecured debts, liabilities including but not limited to deferred tax liabilities, contingent liabilities,current liabilities, non-current liabilities, statutory payables,TDS payable, expenses payable and other current liabilities orother advances received, whether disclosed or undisclosed,whether accounted for in the books of accounts or not, duties, taxes, statutory expenses, short-term and long-term provisions andobligations, if any, of the Demerged Company along withany charge, encumbrance, lien or security thereon, if any, in relation to the Demerged Undertakingshall also be vested or be deemed to be and stand vested, without anyfurther act, instrument or deed, to the Resulting Company,pursuant to the provisions of Section 394 of the Act so as tobecome the debts, liabilities, duties and obligations of theResulting Company. Further that it shall not be necessary toobtain separate consent of any third party or other person whois a party to any contract or arrangement by virtue of whichsuch debts, liabilities, duties and obligations have arisen inorder to give effect to the provisions of this sub-clause.

b) If there are any general or multipurpose borrowings in the books of account of the Demerged Company, so much of the amount of the general purpose borrowings or multipurpose borrowing, as standing in the same proportion in which the value of the assets transferred pursuant to the Scheme bears to the total value of the assets of such Demerged Company immediately before the demerger, shall also stand transferred to the Resulting Company pursuant to the Scheme.

c) Where any of the liabilities and obligations of the Demerged Company pertaining to the Demerged Undertaking as on the Appointed Date transferred to theResulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the EffectiveDate, such discharge shall be deemed to have been for and onaccount of the Resulting Company.

d) All loans raised and utilized and all debts, duties,undertakings, liabilities and obligations incurred or undertakenby the Demerged Company in relation to the Demerged Undertaking after the Appointed Date andprior to the Effective Date shall be deemed to have beenraised, used, incurred or undertaken for and on behalf of theResulting Company and to the extent they are outstanding onthe Effective Date, shall, upon the coming into effect of theScheme, pursuant to the provisions of Section 394(2) of theAct, without any further act, instrument or deed be and standtransferred to and vested in or be deemed to have beentransferred to and vested in the Resulting Company and shallbecome the debt, duties, undertakings, liabilities andobligations of the Resulting Company.

5.8. Upon the Scheme becoming effective subject to applicable law(s) for the time being in force, license(s), permission(s), approval(s), registration(s) with any regulatory authority, wherever applicable, and/or consents held by the Demerged Company pertaining to the Demerged Undertaking, and not surrendered, shall stand vested in Resulting Company, with effect from the Appointed Date (save andexcept as otherwise specified in this Scheme), without any furtheract, deed, instrument, matter or thing, shall be appropriately registered withthe concerned statutory authority(ies) in favour of the Resulting Company. The benefits of all license(s), permission(s),approval(s), registration(s) with any regulatory authority pertaining to the Demerged Undertaking, wherever applicable on the Demerged Company shall vest in and become available to the Resulting Company pursuant to the Scheme becoming effective. However, if any statutory license(s), permission(s), approval(s),registration(s) with any regulatory authority, wherever applicable, and/or consents held by the Demerged Companythat are not required by the Resulting Company, will,if required, by applicable law(s), be cancelled or surrendered by the Demerged Company.

5.9. This Scheme complies with the conditions relating to "demerger" as specified under section 2(19AA) of the IT Act. If any term or provision of this Scheme is found or interpreted to be inconsistent with the said provision at a later date, including resulting from an amendment of law or for any other reason, whatsoever, then the provisions of such amended section(s) of the IT Act shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with conditions contained in section 2(19AA) of the IT Act. Such modification shall however not affect other parts of this Scheme.

5.10. It is expressly clarified that, in case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Auto Component Business, i.e. the Demerged Undertaking, or whether it arises out of the activities or operations of the Auto Component Business, the same shall be decided by mutual agreement between Board of Directors of the Companies.

6. CONSIDERATION

6.1. Upon the coming into effect of this Scheme and in consideration of the demerger of the Demerged Undertaking belonging to the Demerged Undertaking in Resulting Company and pursuant to this Scheme:

*a) Resulting Company shall, without any further act or deed, issue and allot 1,14,00,000, 2% Non-Cumulative Redeemable Preference shares of Rs. 10/- each fully paid up (hereinafter also referred to as the **"New Preference Shares"**) at par on a proportionate basis to each preference shareholder of Demerged Company, whose name is recorded in the register of members of Demerged Company as preference shareholder as on the Record Date or Book Closure Date;*

*b) Resulting Company shall, without any further act or deed, issue and allot 13,41,43,160 equity shares of Re. 1/- each (hereinafter also referred to as the **"New Equity Shares"**) at par to each member of Demerged Company whose name is recorded in the register of members of Demerged Company as equity shareholder as on the Record Date or Book*

Closure Date in the ratio of 1:1 i.e. 1 (one) equity share of Rs. 1 each of the Resulting Company to be issued to the equity shareholders of the Demerged Company for every 1 (one) equity share of Rs. 1 each held by them in the Demerged Company;

c) *In case any members' shareholding in the Demerged Company is such that the member becomes entitled to a fraction of New Preference Shares or New Equity Shares in the Resulting Company, such fraction shall be rounded off to the nearest whole integer;*

d) *The New Preference Shares and the New Equity Shares shall be subject to the Memorandum and Articles of Association of the Resulting Company;*

e) *The New Preference Shares shall be issued by the Resulting Company in physical form, unless otherwise notified in writing by any of the preference shareholder of the Demerged Company, and on the same terms and conditions as they were originally issued to the preference shareholders of the Demerged Company on the Record Date as may be determined by the Board of Directors of Demerged Company or a Committee thereof, and the period of redemption of the New Preference Shares issued by the Resulting Company shall be determined as if they were originally issued by the Demerged Company. Correspondingly, to the extent of New Preference Shares issued by the Resulting Company to the preference shareholder of the Demerged Company, the preference shares so held by the preference shareholders of the Demerged Company, equivalent to the value of the New Preference Shares, shall stand cancelled in the hands of the preference shareholders of the Demerged Company and accordingly necessary adjustments shall be made by the Demerged Company in its financial statements. In the event such notice has not been received by the Resulting Company in respect of any of the preference shareholder of the Demerged Company as on the Record Date, the New Preference Shares shall be issued to such members in physical form.*

f) *The New Equity Shares shall be issued in dematerialized form, unless otherwise notified in writing by any of the Equity Shareholder of the Demerged Company, and on the same terms and conditions as they were originally issued, on the Record Date as may be determined by the Board of Directors of Demerged Company or a Committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the equity shareholder of the Demerged Company as on the Record Date, the New Equity Share shall be issued to such members in dematerialized form provided that such members shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event any shareholder has notified the Resulting Company, as contemplated above that they desire to be issued shares in the physical form or if the details furnished by any member do not permit electronic credit of the shares of Resulting Company, then Resulting Company shall issue New Preference Shares and/or the New Equity Shares in physical form to such shareholders;*

g) *The new shares allotted by the Resulting Company shall remain frozen in the depositories systems till listing /trading permission will be given by designated Stock Exchange;*

h) Approval of this Scheme by the shareholders of Resulting Company shall be deemed to mean that the said shareholders have also accorded all relevant consents under the Act for the issue and allotment of New Preference Shares and the New Equity Shares by Resulting Company to preference shareholder and equity shareholder of the Demerged Company; and

*i) Issuance of New Preference Shares and the New Equity Shares shall be made pursuant to the circular(s) issued by the Securities Exchange Board of India on February 4, 2013 bearing no. CIR/CFD/DIL/5/2013 and on May 21, 2013 bearing no. CIR/CFD/DIL/8/2013 (hereinafter referred to as "**SEBI Circulars**").*

*6.2. The New Equity Shares issued by the Resulting Companyshallbe listed and/ or admitted to trading on the National StockExchange of India Ltd. and/or the BSE Limited and on suchother stock exchanges on which the existing equity shares of theDemerged Companyare listed at the Record Date (herein aftercollectively referred to as the **"Stock Exchanges"**). TheResulting Companyshall enter into such arrangement(s) andgive such confirmation(s) and/or undertaking(s) as may benecessary in accordance with the applicable laws or regulationsfor complying with the formalities of the Stock Exchanges. Onsuch formalities being fulfilled, the Stock Exchanges shall listand/or admit the New Equity Shares for purpose of trading on thefloor of the Stock Exchanges.*

6.3. The Resulting Companyshall, if and to the extent required,apply for and obtain any approval(s) from concerned regulatoryauthority(ies) for the issue and allotment of the New Equity Shares and New Preference Shares to the members of the Demerged Company, whereverapplicable, under the provisions of the Scheme.

8. EMPLOYEES

8.1. Upon the Scheme becoming effective, all staff, workmen andpermanent employees of the Demerged Company pertaining to the Demerged Undertaking, if any, whoare in service on the Effective Date shall be deemed to havebecome staff, workmen and employees (as the case may be) of theResulting Company with effect from the Appointed Date withoutany break or interruption in their service, on same terms andconditions on which they are engaged as on the Effective Dateand the terms and conditions and benefits deriving, beingdeposited in any provident fund, gratuity scheme, etc, if any, oftheir employment with the Resulting Company shall in no eventbe less favorable than those applicable to them with reference tothe Demerged Company on the Effective Date.

8.2. The Resulting Company will file the relevant intimations to thestatutory authorities concerned who shall take the same on recordand endorse the name of the Resulting Company for theDemerged Company.

8.3. Subject to other provisions contained in this Scheme all contracts,deeds, understandings, bonds, guarantees, agreements,instruments and writings and benefits of whatsoever nature, ifany, pertaining to the Demerged Undertaking , to which any of the Demerged Company is a party andsubsisting or having effect on the Effective Date, shall remain infull force and effect against or in favour of the Resulting Company and may be enforced by or against the Resulting Company

as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a partythereto.

11. ACCOUNTING TREATMENT

11.1. Accounting treatment in the books of the Demerged Company:

a) The Demerged Company shall, upon the Scheme becoming effective, record the deletion of the respective assets and liabilities of the Demerged Undertaking vested in Resulting Company, pursuant to this Scheme, at their respective book values;

b) Any inter-unit loans and advances and other dues outstanding as of the Appointed Date between the Iron and Steel Business unit of the Demerged Company and Auto Component Business unit of the Demerged Company, as demerged in to the Resulting Company, will stand recoverable/payable, as the case may be;

c) The preference share capital of the Demerged Company as on the Appointed Date shall stand cancelled and extinguished, to the extent of Rs. 11,40,00,000 represented by 1,14,00,000, 2 % Non-Cumulative Redeemable Preference Shares of Rs. 10/- each.

e) The share premium received by the Demerged Company on the preference shares so cancelled, in terms of clause 6.1 (e) of this Scheme, shall stand transferred to the Resulting Company and to that extent, the share premium account of the Demerged Company shall stand reduced accordingly. Similarly the preference share capital redemption reserve, as appearing in the books of the Demerged Company, shall be transferred proportionately to the extent of the preference share capital being cancelled pursuant to this Scheme over the entire preference share capital as appearing in the books of the Demerged Company.

f) Upon the Scheme becoming effective, the amount under surplus in the profit and loss account amounting to Rupees 41,44,03,451.14, as on the Appointed Date, pertaining to the Demerged Undertaking of the Demerged Company shall stand transferred to the Resulting Company and corresponding amount shall be adjusted from the profit and loss account of the Demerged Company;

g) Any surplus or deficit arising between the book value of the all assets over book value of the all liabilities of the Demerged Undertaking vested in the Resulting Company, as further reduced by the transfer to the Resulting Company of preference share capital redemption reserve, securities premium reserve and surplus in the profit and loss account, shall be adjusted in the books of the Demerged Company against the following, in the order specified:

- *Capital Reserve Account;*
- *Securities Premium Account; and*
- *General Reserve;*
- *Profit and Loss Account*

h) Any such cancellation of the preference share capital account, reduction to the share premium account, adjustment in the preference share capital redemption reserve account or capital reserve account etc. of the Demerged Company shall be considered, to the extent applicable, as a reduction in accordance with provisions of Sections 100 to 103 of the Act and/or Section 55 and Section 52 of the Companies Act, 2013 and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act.

i) Notwithstanding the above, the Board of Directors of the Demerged Company, in consultation with its statutory auditors, shall be authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013 and generally accepted accounting principles.

11.2. ***Accounting treatment in the books of the Resulting Company:***

a) Resulting Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Demerged Undertaking, including the inter-unit balances between the Auto Component Business unit and Iron and Steel Business unit, vested in it pursuant to this Scheme, at their respective book values;

b) Resulting Company shall also record the preference share capital redemption reserve, share premium account, surplus in the profit and loss account, so transferred from the books of the Demerged Company pursuant to this Scheme, at their respective book values.

c) Upon the Scheme becoming effective and upon the shares being issued to the shareholders of the Demerged Company under para 6 of this Scheme the entire investment of the Demerged Company in the equity share capital of the Resulting Company, as on the Appointed Date, will stand cancelled and be reduced, and, the Resulting Company shall pay to the Demerged Company a sum equal to the face value of each equity share so cancelled and reduced held by the Demerged Company in the Resulting Company.

d) Resulting Company shall credit its Share Capital Account with the aggregate face value of the New Preference Shares and New Equity Shares issued to the shareholders of the Demerged Company;

e) Any excess in the value of net assets, net liabilities and the general reserves of Demerged Undertaking transferred to the Resulting Company pursuant to the order of the High Court over the face value of the New Preference Shares and New Equity Shares allotted by the Resulting Company shall be credited to capital reserve account of the Resulting Company. In case the result of the above is negative, such result must be accounted for as a "Goodwill" account. The goodwill, if any, arising pursuant to the Scheme shall be amortized over a period of 5 years and tested for impairment at the end of each reporting period, in accordance with prescribed Accounting Standards issued by The Institute of Chartered Accountants of India and generally accepted accounting principles;

f) In case of any differences in accounting policy between the Resulting Company and the Demerged Company, the impact of such differences shall be quantified and adjusted in the

General Reserve Account of the Resulting Company to ensure that the true financial statements of the Resulting Company on the Appointed Date are on the basis of consistent accounting policy;

g) *Upon the Scheme becoming effective, the Resulting Company, shall credit its reserves account with the balance under the head securities premium reserve, surplus (profit and loss) and the preference redemption reserve account, to the extent forming part of the Demerged Undertaking, transferred from the Demerged Company as on the Appointed Date; and*

h) *Any such cancellation of the equity share capital of the Resulting Company shall be considered, to the extent applicable, as a reduction in accordance with provisions of Sections 100 to 103 of the Act and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act.*

i) *Notwithstanding the above, the Board of Directors of the Resulting Company or a Committee thereof, in consultation with its statutory auditors, shall be authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013 and generally accepted accounting principles.*

PART III

GENERAL TERMS AND CONDITIONS

16. CONDITIONALITY OF THE SCHEME

The Scheme is and shall be conditional upon and subject to:

16.1. The occurrence of the Appointed Date.

16.2. The Scheme being approved by the requisite majorities in numberand value of such classes of persons including the respectivemembers and/or creditors of the Demerged Company and theResulting Company as prescribed under the Act or as may bedirected by the High Court or any other appropriate authority asmay be applicable except to the extent as may be waived by theCourt and/or any other competent authority as may be applicable.

16.3. The sanction of this Scheme by the High Court or any otherappropriate authority under Section 391 to 394 and otherapplicable provisions, if any, of the Act in favour of theResulting Company and the Demerged Company.

16.4. Certified copy of the Orders of the High Court sanctioning theScheme being filed with the Registrar of Companies, Rajasthan and the Registrar of Companies,Odisha bythe Companies.

16.5. The requisite(s), consent(s), approval(s) or permission(s) of statutory or regulatory authorities, if any, which by law may be necessary for the implementation of this Scheme, being obtained, including approvals as may be required from any other authority as referred in Clause 15.2 of this Scheme above.

18. INCREASE IN AUTHORISED CAPITAL OF THE RESULTING COMPANY AND CONSEQUENT REDUCTION OF THE AUTHORISED CAPITAL OF THE DEMERGED COMPANY

18.1. Upon the Scheme becoming effective, the Authorised Share Capital of the Demerged Company, to the extent of Rs. 31,00,00,000 (Rupees Thirty One Crores only) will get transferred to the Resulting Company and accordingly, the Authorised Share Capital of the Resulting Company shall stand increased by Rs. 31,00,00,000 (Rupees Thirty One Crores only) to Rs. 31,05,00,000 (Rupees Thirty One Crores and Five Lacs only).

18.2. The Authorised Share Capital of the Demerged Company shall automatically stand reduced to Rs. 73,00,00,000 (Rupees Seventy Three Crores Only), as on the Effective Date, without any further, act, deed, instrument or thing. The Authorised Share Capital of the Demerged Company and the Resulting Company shall, as on the Effective Date, be classified into Equity Share Capital and Preference Share Capital.

18.3. Accordingly the words and figures in Clause V of the Memorandum of Association of the Demerged Company shall stand modified and be substituted to read as follows:

"V(a) The authorized share capital of the Company is Rs. 73,00,00,000/- (Rupees Seventy Three Crores Only) consisting of 17,00,00,000 (Seventeen Crore) Equity Shares of Re. 1/- (Rupee One) each and 5,60,00,000 (Five Crores and Sixty Lacs) preference shares of Rs. 10/- (Rupees Ten) each with such rights, privileges and conditions attached thereto as may be determined by the Company in general meeting at the time of issue. The Company has and shall always have power to divide the share capital, for the time being, into several classes and to increase or reduce its capital from time to time and to vary, modify or abrogate any rights, privileges or conditions attached to any class of shares in such manner as may for the time being provided by the regulations of the Company."

18.4. Further, the words and figures in Clause V of the Memorandum of Association of the Resulting Company shall stand modified and be substituted to read as follows:

V The authorized share capital of the Company is Rs. 31,05,00,000/- (Rupees Thirty One Crores and Five Lacs Only) consisting of 17,05,00,000 (Seventeen Crores and Five Lacs) Equity Shares of Re. 1/- (Rupee One) each and 14,00,00,000 (Fourteen Crores) preference shares of Rs. 10/- (Rupees Ten) each with such rights, privileges and conditions attached thereto as may be determined by the Company in general meeting at the time of issue. The Company has and shall always have power to divide the share capital, for the time being, into several classes and to increase or reduce its capital from time to time and to vary, modify or abrogate any rights, privileges or conditions attached to any class of shares in such manner as may for the time being provided by the regulations of the Company."

18.5. It is expressly clarified that the filing fee and stamp duty already paid by the Demerged Company on its Authorized Share Capital, which is being transferred to the Resulting Company in terms of Clause 18.1 above, shall be deemed to have been paid by the Resulting Company and accordingly, the Resulting Company shall not be required to pay any fee / stamp duty

*on the Authorized Share Capital so increased. However, the Resulting Company and the Demerged Company shall file the amended copy of its Memorandum of Association with the concerned Registrar of Companies (the **"RoC"**) within 30 days from the Effective Date and the ROC shall take the same on record.*

18.6. It is hereby clarified that for the purposes of clause 18 of this Scheme, the consent of the shareholders of the Demerged Company and the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under any applicable provisions of the Act, would be required to be separately passed.

The aforesaid are only salient features of the Scheme. The complete Scheme has been enclosed herewith.

15. The extent of the shareholding of the directors of Company in the Demerged Company and the Resulting Company in either singly or jointly, as on November 30, 2016 is as under:

S. No.	Name of the Director	Position	Equity share held in Demerged Company	Equity share held in Resulting Company
1	Mr.Yogesh Kapur	Chariman	Nil	Nil
2	Mr.Birendra Jee	Managing Director	Nil	Nil
3	Mr.Sanjay Tiku	Director	Nil	Nil
4.	Mr.Aditya Malhotra	Director	Nil	Nil
5	Mr.Vinod Kumar Uppal	Director	Nil	Nil
6.	Ms.Ankita Wadhawan	Director	Nil	Nil

16. The Scheme is not intended to grant any benefit, to the Directors or Key Managerial Personnel of the Applicant Company and the Resulting Company.

17. The directors of the Applicant Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in these Companies, or to the extent that the said directors are common directors in these Companies, or to the extent that the said directors are partners, members of these companies, firms, association of persons and/or bodies corporate, if any, that hold shares in any of these companies or to the extent they may be allotted shares in the Applicant Company as a result of the Scheme. Save as aforesaid, none of the directors shall be deemed to be concerned and /or interested in the arrangement embodied in the Scheme.

18. There are no investigation proceedings pending under Sections 245, 247 and 250A (to the extent not repealed) of the Act, and Sections 210, 214, 215, 216, 217, 219, 220, 223, 224, 225, 227 and Section 228 (to the extent applicable) of the Companies Act, 2013 against the Company or the Resulting Company.

19. The Scheme does not in any way violate, override or limit the provisions of securities laws or requirements of the stock exchange(s).

20. The Applicant Companyhas filed company petition for approval of the Scheme in the Hon'ble High Court of Orissa at Cuttack.

21. The proposed Scheme is in the best interests of the Applicant Company and their respective shareholders and creditors.

22. The copies of the documents mentioned below are available for inspection at the Registered Office of the Company during business hours, i.e. 10.00 A.M.to 04.00 P.Mon all working days except Saturdays, Sundays and public holidays, prior to the date of the meeting and at the venue of the meeting on Saturday, January 14, 2017 at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 from 10.00 AM upto the conclusion of the meeting.

    a) Copy of the order dated October 20, 2016 and December 01, 2016 passed by Hon'ble High Court of Orissa; Cuttack passed in Company Petition No. 48 of 2016 and Misc. case no. 28 of 2016 directing the convening of the meeting of the Secured Creditors of the Company;

    b) Scheme of Arrangement between OCL Iron and Steel Limited and OISL Auto Limited and their respective shareholders and creditors;

    c) Memorandum and Articles of Association of the Company and Resulting Company; and

    d) Audited Financial Statements of the Company and the Transferee Company for the financial year ended March 31, 2016.

23. This Explanatory Statement may be treated as a statement under Section 393 of the Companies Act, 1956.

24. A copy of the Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge during business hours i.e.10.00 AMto 04.00 PM on all working days except Saturdays, Sundays and public holidays from the Registered Office of the Company and the same can also be downloaded from the website of the Company or may be obtained from the office of the Advocate, Mr. Ipsit A. Acharya, 5F/849, CDA-9, Cuttack-753014.

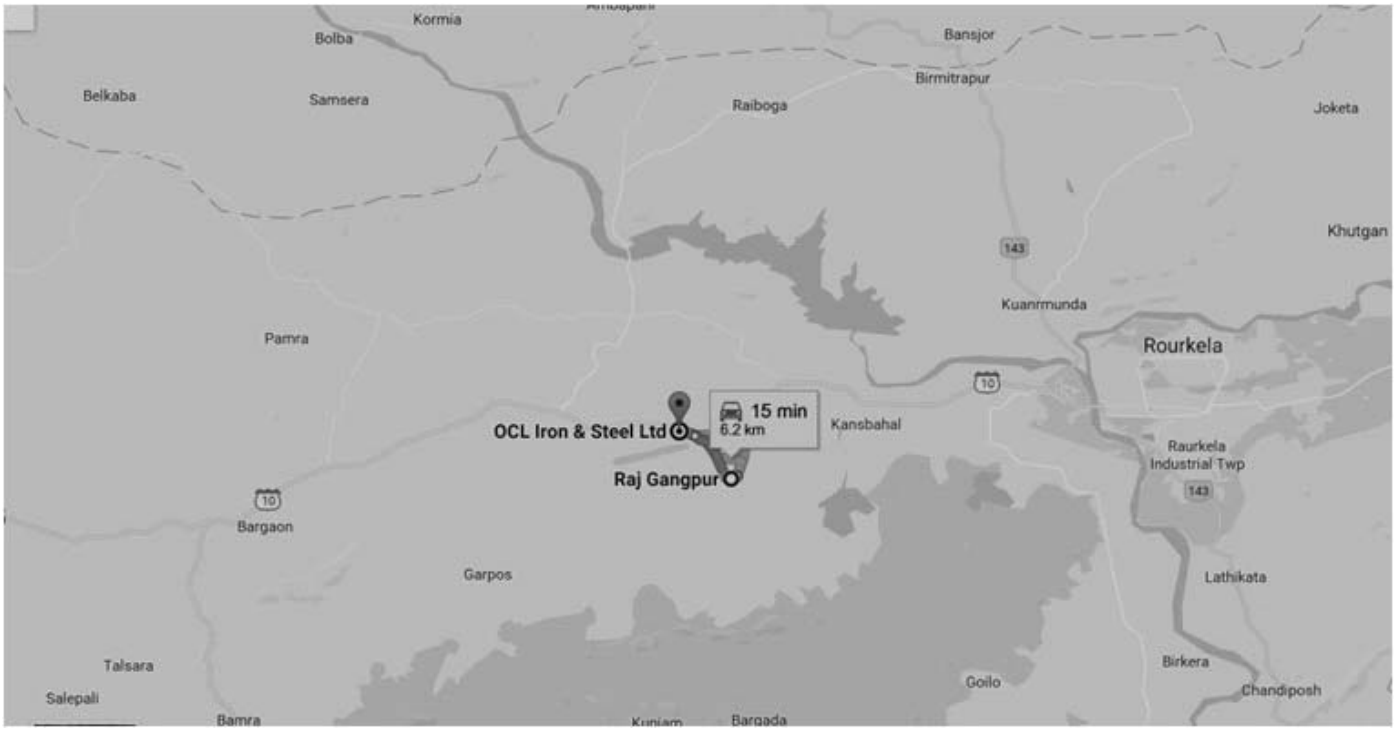
Sd/-

Date: December 09, 2016
Place: Cuttack, Odisha

S.C. Samantaray
Chairman appointed for the meeting of the Secured Creditors of OCL Iron and Steel Limited

Registered Office:
Village Lamloi, PO: Garvana,
Rajgangpur, Distt: Sundergarh,
Odisha-770017

Route Map to the meeting venue:



SCHEME OF ARRANGEMENT
BETWEEN
OCL IRON AND STEEL LIMITED
AND
OISL AUTO LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This scheme of arrangement is presented under Sections 391 to 394 of the Companies Act, 1956 for the demerger of the Demerged Undertaking (*defined herein after*) of OCL Iron and Steel Limited (**"Demerged Company"**) into OISL Auto Limited (**"Resulting Company"**).

PARTS OF THE SCHEME

This scheme of arrangement is divided into the following parts:

PART I deals with the definitions, share capital, background of Demerged Company and Resulting Company and rationale for this scheme of arrangement;

PART II deals with the transfer and vesting of Demerged Undertaking (*i.e. auto components undertaking, as defined herein after*) of Demerged Company into Resulting Company, as a going concern;

PART III deals with general terms and conditions applicable to this scheme of arrangement.

PART I

1. DEFINITIONS

In this scheme of arrangement, unless inconsistent with the meaning or context, the following expressions shall have the following meaning:

1.1. **"Act"** means the Companies Act, 1956 and applicable rules made there under and includes any amendments, statutory re- enactments, and modification thereof from time to time and includes the applicable provisions of Companies Act, 2013, if any, and applicable rules made there under. In case the relevant provisions of the Companies Act, 2013 are notified prior to the effective date (*defined hereinafter*) being achieved, this scheme of arrangement shall be deemed to have been passed under the relevant provisions of Companies Act, 2013 and all references to the Act, sections and rules therein shall be deemed to include a reference to the relevant provisions of the Companies Act, 2013 and rules made thereunder;

1.2. **"Appointed Date**" means April 1, 2015 or such other date as the board of directors of the Demerged Company and the Resulting Company deems fit and proper or such other date as the Hon'ble High Court (*defined hereinafter*) may direct or such other competent authority, as may be applicable, from which date the assets and liabilities, described herein after, of the Demerged Undertaking (*defined herein after*) belonging to the Demerged Company shall stand transferred to or vested to or shall be

deemed to stand transferred to or vested in the Resulting Company without any further act, instrument, deed or thing;

1.3. **"Auto Component Business"** means the business of manufacturing of Axle casing, Trumpet Housing, Carrier Planetary Hub, Swivel hub, Axle Arm, Carrier, Brackets, Front Axle Support, Crankcase Machining and Cold Rolled Steel Sections for Auto Segments i.e. Commercial and Passenger vehicles and Non-Auto Segments i.e. Tractors, Agriculture and Construction Equipment;

1.4. **"Board of Directors"** or **"Board"** means board of directors of the Demerged Company and Resulting Company and shall also include any duly constituted committee(s) thereof, if any or any person authorized by the board of directors;

1.5. **"Companies"** means the Demerged Company and Resulting Company, referred collectively;

1.6. **"Demerged Company"** means OCL Iron And Steel Limited, a public limited Company incorporated under the provisions of Act, having its registered office situated at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Orrisa-770017;

1.7. **"Demerged Undertaking"** means the entire Auto Component Business of the Demerged Company, having manufacturing units at A-285, Chipanki Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan and Plot No.-SP-259, Industrial Area, Kaharani, Extn Bhiwadi, Rajasthan-301019 and Begampur Khatola, Gurgaon, Haryana, which would be transferred on a going concern basis to the Resulting Company on and from the Appointed Date. Without prejudice to the generality of the above, the Demerged Undertaking shall mean and include:

a) all immovable property(ies) of the Demerged Undertaking including tangible assets, land and building, plant and equipment/ machinery and structures standing thereon (*whether freehold, leasehold, leave and licensed, right of way, tenancies and otherwise*), capital work-in-progress and all documents of title, receipts and easements in relation thereto, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;

b) all movable assets pertaining to and in relation to the Demerged Undertaking, whether in present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal including but not limited to plant and equipment/ machinery, vehicles, bank balances, cash and cash equivalents, investments including non- current investments of all kinds either in equity shares of listed company or unlisted company, if any, or any other investments made by the Demerged Company pertaining/belonging to the Demerged Undertaking, all loans and advances, whether long-term or short-term, secured or unsecured, recoverable in cash or kind or value to be received including interest accrued thereof, if any, all deposits whether with government or semi government, local authorities or any other institution and bodies, including but not limited to amounts receivables from Central Government/ State Government(s) under any of their scheme(s)/plan(s), balances recoverable from Government Authorities, if any, trade receivables, advance tax(es) paid, unutilized Minimum Alternate Tax (MAT) credit, office equipment's, electrical installations, offices, inventories including but not limited to computers, software, furniture & fixtures, other current assets, capital work-in-progress, benefits arising of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Demerged Undertaking;

c) All agreements, rights, contracts, entitlements, permits, licenses, approvals, consents, engagements, arrangements and all other privileges and benefits of every kind, if any, nature and description whatsoever relating to the Demerged Company's business, activities and operations pertaining to Demerged Undertaking;

d) all the debts *(whether secured or unsecured)* including but not limited to long-term and short-term borrowings, trade payables, long-term and short-term provisions, deferred tax liabilities, current liabilities *(including contingent liabilities)*, duties and obligations of the Demerged Company of every kind, nature and description whatsoever and howsoever accruing or arising out of, and all loans and borrowings raised or incurred and utilized for its businesses, activities and operations, if any, pertaining to Demerged Undertaking;

e) all intellectual property rights (*whether registered or unregistered*), records, files, papers, data and documents, if any, relating to the Demerged Company's business, activities and operations pertaining to Demerged Undertaking;

f) all legal proceedings of whatsoever nature by or against the Demerged Company, if any, pending as on the Appointed Date and relating to the Demerged Undertaking; and

g) all employees engaged in or relating to the Demerged Company's business, activities and operations pertaining to Demerged Undertaking.

h) The broad details of the asset and liabilities comprising of the Demerged Undertaking and figures appearing corresponding to the said assets and liabilities as appearing in the financial statement as at March 31, 2015, are described in the Schedule-I annexed hereto.

1.8. **"Effective Date"** means the last date of the dates on which all the conditions and matters referred to in Clause 16 of this Scheme hereof have been fulfilled. References in this Scheme to the date of "upon coming into effect of this Scheme" or "effectiveness of the Scheme" or "the Scheme becoming effective" shall mean the Effective Date**;**

1.9. **"High Court" or "Court"** means the High Court of Orissa at Cuttack having jurisdiction in relation to the Demerged Company and High Court of Rajasthan at Jaipur having jurisdiction in relation to the Resulting Company (*or such other Court/ bench having jurisdiction over Companies involved in the Scheme*), depending on the context and applicability, and the term "High Court" or "Court" shall be interpreted accordingly and shall include National Company Law Tribunal, under the Act, as may be applicable;

1.10. **"Iron and Steel Business" means** the business of manufacturing, marketing, trading of steel (steel billets and DRI), sponge iron, cold rolling mill for higher value steel products and generation of power through captive power plants;

1.11. **"Record Date" or "Book Closure Date"** means the date fixed by the Board or committee thereof, of the Demerged Company for the purpose of determining the members of the Demerged Company to whom new equity shares and new preference shares will be allotted and issued by the Resulting Company pursuant to this Scheme or determined in terms of the applicable provisions of the Act or the Companies Act, 2013**;**

1.12. **"Remaining Undertaking** or **Remaining Business"** means all undertakings, businesses, activities and operations of the Demerged Company other than the Auto Component Business.

1.13. **"Resulting Company"** means OISL Auto Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at A-285, Chopanki Industrial Area, Chopanki, Bhiwadi, Rajasthan- 301019. The Resulting Company is the wholly owned subsidiary company of the Demerged Company;

1.14. **"Scheme" or "the Scheme" or "this Scheme"** means this scheme of arrangement in its present form or with any modifications made under Clause 16 of the Scheme as approved or directed by the High Court(s) or any other appropriate authority;

All terms and words not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws for the time being in force, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

2.1. Share capital of the Demerged Company as on 31.03.2015 is as under:

Authorized Capital	**As at March 31, 2015 (Rs.)**
34,00,00,000 Equity Shares of Re. 1 each	340,000,000
7,00,00,000 Preference Shares of Rs. 10 each	700,000,000
Total	**1,040,000,000**
Issued, Subscribed and Paid-up Capital	
13,41,43,160 Equity Shares of Re. 1 each fully paid-up	134,143,160
5,30,05,000 2% Non-Cumulative Redeemable Preference Shares of Rs. 10 each fully paid-up	530,050,000
Total	**664,193,160**

2.2. The share capital of the Resulting Company as on 23.06.2015 is as under:

Authorized Capital	**As at June 23, 2015 (Rs.)**
5,00,000 Equity Shares of Re. 1 each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-up Capital	
5,00,000 Equity Shares of Re. 1 each fully paid-up	5,00,000
Total	5,00,000

2.3. There has been no alteration in the above share capital structure of Demerged Company and the Resulting Company till the date of approval by the Board of Directors to this Scheme.

2.4. It is provided that till the Scheme becomes effective, Demerged Company and Resulting Company are free to alter their authorized, issued, subscribed or paid up share capital as required by respective business requirements, subject to the necessary approvals from their respective Boards and member, if required.

3. BACKGROUND

3.1. The Demerged Company was initially promoted by OCL India Limited ("**OCL**") with the primary objective of carrying on the business of manufacturing of sponge iron, steel ingots, billets and power generation through captive power plants. Subsequently, the steel unit of OCL was demerged into the Demerged Company in the year 2007. The shares of the Demerged Company are listed on BSE Limited and National Stock Exchange of India Ltd. with effect from August 1, 2008. Later on the Demerged Company also set up state of the art plants for automotive parts to cater to the automotive and other industries, for both domestic as well as export market. At present, there are two business segments in the Demerged Company viz., Iron and Steel Business and Auto Components Business. The Iron and Steel Business is largely based in the State of Odisha whereas the Auto Component Business is based in the State of Rajasthan.

3.2. The Resulting Company is an unlisted public limited company incorporated under the provisions of the Companies Act, 2013 having its registered office situated in the State of Rajasthan. The Resulting Company is promoted by the Demerged Company and at present is a wholly owned subsidiary company of the Demerged Company. Resulting Company was set up to undertake the business of manufacturing, trading and distributing all kinds of auto parts & components etc.

4. RATIONALE FOR THE SCHEME

The Boards of Directors of the Companies are of the view that proposed demerger of the Demerged Undertaking belonging to the Demerged Company into the Resulting Company would *inter-alia* have the following benefits:

a) given the distinct nature of operations of both business segments, it is proposed to hive-off Auto Component Business from Demerged Company into the Resulting Company, which, upon hive-off, is owned by the shareholders of the Demerged Company in the same pproportion in which they own shareholding in the Demerged Company;

b) the demerger would enable greater/ enhanced focus of management in the Auto Component Business thereby facilitating the management to efficiently exploit opportunities for the business;

c) it is expected that the proposed demerger will lead to increased market capitalization of both the Companies which will exceed the market capitalization of the Demerged Company alone thereby unlocking shareholder value;

d) all the manufacturing assets and liabilities relating to Auto Component Business will be housed under one entity, i.e., the Resulting Company which will enable the Demerged Company to improve its business efficiency and focus on its core business, i.e. the Iron and Steel Business;

e) the demerger will thrive in achieving and sustaining competitiveness and development of long-term internal and core competencies;

f) it is believed that the proposed segregation will create enhanced value for shareholders and allow a focus strategy in operations which would be in the best interest of all the stakeholders. The demerger proposed by this Scheme will enable investors to hold investment in businesses with different investment characteristics thereby enabling them to select investments in business which best suit their investment strategies and risk profiles; and

g) the demerger will also provide for independent collaboration and expansion without committing the existing organization in its entirety.

PART- II

5. TRANSFER AND VESTING

5.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking belonging to the Demerged Company shall stand demerged and transferred and be vested in the Resulting Company, on a going concern basis, without any further act, deed, instrument, matter or thing, so as to become on and from the Appointed Date, the undertaking of the Resulting Company and to vest in the Resulting Company, all rights, titles, interests or obligations of the Demerged Undertaking therein, in the manner described herein.

5.2. With effect from the Appointed Date and subject to the provisions of this Scheme, including in relation to the mode of transfer or vesting, all immovable property of the Demerged Undertaking including tangible assets, land together with building, plant and machinery and structures standing thereon *(whether freehold, leasehold, leave and licensed, right of way, tenancies and/or otherwise)*, capital work-in-progress which immovable properties are currently being used for the purpose of and in relation to the Demerged Undertaking and all documents of title, receipts and easements in relation thereto, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties shall, unless otherwise agreed between the Companies, be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Resulting Company as a going concern pursuant to the provisions of Section 391 to 394A of the Act and all other applicable provisions of the Act so as to become, on and from the Appointed Date, the assets, rights, title and interests of the Resulting Company. Upon the coming into effect of the Scheme, the title to such immovable properties shall be mutated and transferred by appropriate authorities, in accordance with terms hereof, in favor of the Resulting Company. It is expressly clarified that in so far any leasehold properties forming part of the Demerged Undertaking are concerned, the Resulting Company may enter into fresh lease agreements or terminate any lease agreements that are already in existence with any third party.

5.3. With effect from the Appointed Date and subject to the provisions of this Scheme, including in relation to the mode of transfer or vesting, all rights, titles, interest and privileges in the movable, tangible and intangible properties, assets including plant and equipment, vehicles, bank balances, cash and cash equivalents, investments including non- current investments of all kinds either in equity shares of listed company or unlisted company or any other investments, if any, made by the Demerged Company, all loans and advances, whether long-term or short-term, secured or unsecured, recoverable in cash or kind or value to be received

including interest accrued thereof, all deposits whether with government or semi government, local authorities or any other institution and bodies, including but not limited to amounts receivables from Central Government/ state government(s) under any of their scheme/plans, balances recoverable from government authorities, advance tax(es) paid, if any, unutilized Minimum Alternate Tax (MAT) credit, office equipment's, electrical installations, offices, inventories including but not limited to computers, software, furniture & fixtures, trade receivables, other current assets, capital work-in-progress, benefits arising of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company, intellectual property (*whether registered or unregistered*), if any, pertaining to the Demerged Undertaking, shall be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Resulting Company as a going concern pursuant to the provisions of Section 391 to 394A of the Act and all other applicable provisions of the Act so as to become, on and from the Appointed Date, the assets, rights, title and interests of the Resulting Company.

5.4. All the assets, as mentioned herein above, that have accrued or which may accrue to the Demerged Company pertaining to the Demerged Undertaking on or after the Appointed Date shall pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, be transferred to and stand vested in and/or be deemed to have been transferred to and stand vested in and be available to the Resulting Company.

5.5. Without prejudice to clause 5.2, clause 5.3 and clause 5.4 as above, upon the Scheme becoming effective, in respect of such of the aassets, as mentioned herein above, of the Demerged Company pertaining to the Demerged Undertaking as are movable in nature, or incorporeal property, or are otherwise capable of transfer by manual delivery or transferring possession or by endorsement and/ or delivery, along with such other documents as may be necessary to the end and intent that the property therein upon such transfer become the property, assets, rights, title, interest and authorities of the Resulting Company in pursuance of section 394 of the Act without any further act, instrument or deed. In respect of such of the assets other than those referred to hereinabove, the same shall also, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and stand vested in the Resulting Company pursuant to the effectiveness of this Scheme.

5.6. With effect from the Appointed Date & upon coming to effect of the Scheme:

a) All the licenses, rights, claims, including refund claims lying with any statutory authority which may accrue to the Demerged Company pertaining to the Demerged Undertaking, if any, shall, pursuant to the provisions of section 394 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and stand vested in and be available to the Resulting Company. The Resulting Company shall file the relevant intimations, if required, for the record of the statutory authorities who shall take them on file and record the change of name pursuant to Scheme becoming effective.

b) The entire taxes, direct and indirect or any other taxes, including but not limited to prepaid taxes being tax deducted at source (TDS)/advance tax, Minimum Alternate Tax (MAT) credits, sales tax, value added tax (VAT) and also self-assessment taxes, if any, paid by the Demerged Company under the Income Tax Act, 1961 *(hereinafter referred to as "**IT Act**")* or any other statute, pertaining to the Demerged Undertaking for the period commencing from the Appointed Date, shall be deemed to be the taxes paid by or for the benefit of the Resulting Company and

credit for such taxes shall be allowed to the Resulting Company notwithstanding that certificates or challans or orders for such taxes are in the name of the Demerged Company and not in the name of the Resulting Company. The Resulting Company shall, after the Effective Date, be entitled to file with the authorities concerned the relevant return(s) as required under the IT Act or any other statutes/ laws for the period after the Appointed Date notwithstanding that the period for filing such return may have elapsed. Further Resulting Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Demerged Company for any year, if so necessitated or consequent to this Scheme, notwithstanding that the time prescribed for such revision may have elapsed.

c) Upon the coming into effect of the Scheme all kinds of intellectual property rights, if any, whether or not registered with the relevant authorities concerned or applications submitted at any time on or before the Effective Date by the Demerged Company or by the employees / officers / directors of Demerged Company for the benefit or which may pertain to the Demerged Undertaking, if any, shall stand transferred to and vested along with all the undertakings in the name of Resulting Company without any further act, instrument or deed.

d) With effect from the Effective Date and until such time the names of the bank accounts of the Demerged Company in relation to the Demerged Undertaking, if any, are replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company in relation to the Demerged Undertaking, in so far as may be necessary. The banks shall continue to honour the cheques, other negotiable instruments, payment orders and instructions issued/ signed by the Demerged Company or signed by the existing signatories of the Demerged Company for payment after the Effective Date. Similarly, all cheques and other negotiable instruments received in the name of Demerged Company in relation to the Demerged Undertaking, w.e.f. the Effective Date and until such time shall be for and on account of the Resulting Company and accordingly to be accepted by the bankers of Demerged Company and credited to the account of Resulting Company.

5.7. Upon the coming into effect of the Scheme and with effect from the Appointed Date:

a) All secured or unsecured debts, liabilities including but not limited to deferred tax liabilities, contingent liabilities, current liabilities, non-current liabilities, statutory payables, TDS payable, expenses payable and other current liabilities or other advances received, whether disclosed or undisclosed, whether accounted for in the books of accounts or not, duties, taxes, statutory expenses, short-term and long-term provisions and obligations, if any, of the Demerged Company along with any charge, encumbrance, lien or security thereon, if any, in relation to the Demerged Undertaking shall also be vested or be deemed to be and stand vested, without any further act, instrument or deed, to the Resulting Company, pursuant to the provisions of Section 394 of the Act so as to become the debts, liabilities, duties and obligations of the Resulting Company. Further that it shall not be necessary to obtain separate 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.

b) If there are any general or multipurpose borrowings in the books of account of the Demerged Company, so much of the amount of the general purpose borrowings or multipurpose borrowing,

as standing in the same proportion in which the value of the assets transferred pursuant to the Scheme bears to the total value of the assets of such Demerged Company immediately before the demerger, shall also stand transferred to the Resulting Company pursuant to the Scheme.

c) Where any of the liabilities and obligations of the Demerged Company pertaining to the Demerged Undertaking as on the Appointed Date transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.

d) All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of the Scheme, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company and shall become the debt, duties, undertakings, liabilities and obligations of the Resulting Company.

5.8. Upon the Scheme becoming effective subject to applicable law(s) for the time being in force, license(s), permission(s), approval(s), registration(s) with any regulatory authority, wherever applicable, and/or consents held by the Demerged Company pertaining to the Demerged Undertaking, and not surrendered, shall stand vested in Resulting Company, with effect from the Appointed Date (*save and except as otherwise specified in this Scheme*), without any further act, deed, instrument, matter or thing, shall be appropriately registered with the concerned statutory authority(ies) in favour of the Resulting Company. The benefits of all license(s), permission(s), approval(s), registration(s) with any regulatory authority pertaining to the Demerged Undertaking, wherever applicable on the Demerged Company shall vest in and become available to the Resulting Company pursuant to the Scheme becoming effective. However, if any statutory license(s), permission(s), approval(s), registration(s) with any regulatory authority, wherever applicable, and/or consents held by the Demerged Company that are not required by the Resulting Company, will, if required, by applicable law(s), be cancelled or surrendered by the Demerged Company.

5.9. This Scheme complies with the conditions relating to "demerger" as specified under section 2(19AA) of the IT Act. If any term or provision of this Scheme is found or interpreted to be inconsistent with the said provision at a later date, including resulting from an amendment of law or for any other reason, whatsoever, then the provisions of such amended section(s) of the IT Act shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with conditions contained in section 2(19AA) of the IT Act. Such modification shall however not affect other parts of this Scheme.

5.10. It is expressly clarified that, in case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Auto Component Business, i.e. the Demerged Undertaking, or whether it arises out of the activities or operations of the Auto Component Business, the same shall be decided by mutual agreement between Board of Directors of the Companies.

6. CONSIDERATION

6.1. Upon the coming into effect of this Scheme and in consideration of the demerger of the Demerged Undertaking belonging to the Demerged Undertaking in Resulting Company and pursuant to this Scheme:

(a) Resulting Company shall, without any further act or deed, issue and allot 1,14,00,000, 2% Non-Cumulative Redeemable Preference shares of Rs. 10/- each fully paid up *(hereinafter also referred to as the **"New Preference Shares"**)* at par on a proportionate basis to each preference shareholder of Demerged Company, whose name is recorded in the register of members of Demerged Company as preference shareholder as on the Record Date or Book Closure Date;

(b) Resulting Company shall, without any further act or deed, issue and allot 13,41,43,160 equity shares of Re. 1/- each *(hereinafter also referred to as the **"New Equity Shares"**)* at par to each member of Demerged Company whose name is recorded in the register of members of Demerged Company as equity shareholder as on the Record Date or Book Closure Date in the ratio of 1:1 i.e. 1 (one) equity share of Rs. 1 each of the Resulting Company to be issued to the equity shareholders of the Demerged Company for every 1 (one) equity share of Rs. 1 each held by them in the Demerged Company;

(c) In case any members' shareholding in the Demerged Company is such that the member becomes entitled to a fraction of New Preference Shares or New Equity Shares in the Resulting Company, such fraction shall be rounded off to the nearest whole integer;

(d) The New Preference Shares and the New Equity Shares shall be subject to the Memorandum and Articles of Association of the Resulting Company;

(e) The New Preference Shares shall be issued by the Resulting Company in physical form, unless otherwise notified in writing by any of the preference shareholder of the Demerged Company, and on the same terms and conditions as they were originally issued to the preference shareholders of the Demerged Company on the Record Date as may be determined by the Board of Directors of Demerged Company or a Committee thereof, and the period of redemption of the New Preference Shares issued by the Resulting Company shall be determined as if they were originally issued by the Demerged Company. Correspondingly, to the extent of New Preference Shares issued by the Resulting Company to the preference shareholder of the Demerged Company, the preference shares so held by the preference shareholders of the Demerged Company, equivalent to the value of the New Preference Shares, shall stand cancelled in the hands of the preference shareholders of the Demerged Company and accordingly necessary adjustments shall be made by the Demerged Company in its financial statements. In the event such notice has not been received by the Resulting Company in respect of any of the preference shareholder of the Demerged Company as on the Record Date, the New Preference Shares shall be issued to such members in physical form.

(f) The New Equity Shares shall be issued in dematerialized form, unless otherwise notified in writing by any of the Equity Shareholder of the Demerged Company, and on the same terms and conditions as they were originally issued, on the Record Date as may be determined by the Board of Directors of Demerged Company or a Committee thereof. In the event that such notice

has not been received by the Resulting Company in respect of any of the equity shareholder of the Demerged Company as on the Record Date, the New Equity Share shall be issued to such members in dematerialized form provided that such members shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event any shareholder has notified the Resulting Company, as contemplated above that they desire to be issued shares in the physical form or if the details furnished by any member do not permit electronic credit of the shares of Resulting Company, then Resulting Company shall issue New Preference Shares and/or the New Equity Shares in physical form to such shareholders;

(g) The new shares allotted by the Resulting Company shall remain frozen in the depositories systems till listing /trading permission will be given by designated Stock Exchange;

(h) Approval of this Scheme by the shareholders of Resulting Company shall be deemed to mean that the said shareholders have also accorded all relevant consents under the Act for the issue and allotment of New Preference Shares and the New Equity Shares by Resulting Company to preference shareholder and equity shareholder of the Demerged Company; and

(i) Issuance of New Preference Shares and the New Equity Shares shall be made pursuant to the circular(s) issued by the Securities Exchange Board of India on February 4, 2013 bearing no. CIR/CFD/DIL/5/2013 and on May 21, 2013 bearing no. CIR/CFD/DIL/8/2013 *(hereinafter referred to as "**SEBI Circulars**").*

6.2. The New Equity Shares issued by the Resulting Company shall be listed and/ or admitted to trading on the National Stock Exchange of India Ltd. and/or the BSE Limited and on such other stock exchanges on which the existing equity shares of the Demerged Company are listed at the Record Date *(herein after collectively referred to as the **"Stock Exchanges"**).* The Resulting Company shall enter into such arrangement(s) and give such confirmation(s) and/or undertaking(s) as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges. On such formalities being fulfilled, the Stock Exchanges shall list and/or admit the New Equity Shares for purpose of trading on the floor of the Stock Exchanges.

6.3. The Resulting Company shall, if and to the extent required, apply for and obtain any approval(s) from concerned regulatory authority(ies) for the issue and allotment of the New Equity Shares and New Preference Shares to the members of the Demerged Company, wherever applicable, under the provisions of the Scheme.

7. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

7.1. The Demerged Company shall carry on the business of the Demerged Undertaking and other incidental matters with due prudence in the same manner as carried before and shall not (without the prior written consent of the Resulting Company), alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Demerged Undertaking or any part thereof except in the ordinary course of business.

7.2. With effect from the Appointed Date and upto, and including, the Effective Date, the Demerged Company shall not sell, transfer or alienate, charge, mortgage or encumber or otherwise deal with or dispose of Demerged Undertaking or any part thereof save and except in each case:

(a) if the same is in the ordinary course of business of the Demerged Undertaking as carried on by the Demerged Company as on the date of filing this Scheme with the High Court; or

(b) if the same is expressly permitted by this Scheme; or

(c) if the prior written consent of the Board of the Resulting Company has been obtained.

Notwithstanding the above, the Demerged Company will not, in any event, transfer or otherwise dispose of or create any form of encumbrance in any manner over the shares held by the Demerged Company in the Resulting Company, without prior approval of the Resulting Company in this regard.

7.3. Save and except as otherwise specified in this Scheme, any income or profit accruing or arising to the Demerged Company or expenditure or losses arising or incurred or suffered by the Demerged Company pertaining to the business(s) of the Demerged Undertaking from the Appointed Date and till the Effective Date shall for all purposes be treated as the income or profits or losses or expenditures, as the case may be, of the Resulting Company.

7.4. All estate(s), asset(s), right(s), title(s), interest(s) and authority(ies) pertaining to the Demerged Undertaking accrued to and/or acquired by the Demerged Company after the Appointed Date and prior to the Effective Date shall have been or deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall upon the coming into effect of this Scheme, pursuant to the provisions of section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Resulting Company to that extent and shall become the estate(s), asset(s), right(s), title(s), interest(s) and authority(ies) of the Resulting Company.

7.5. Until the Effective Date, the holders of shares of the Demerged Company shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under the Articles of Association of the Demerged Company including the right to receive dividends.

8. EMPLOYEES

8.1. Upon the Scheme becoming effective, all staff, workmen and permanent employees of the Demerged Company pertaining to the Demerged Undertaking, if any, who are in service on the Effective Date shall be deemed to have become staff, workmen and employees *(as the case may be)* of the Resulting Company with effect from the Appointed Date without any break or interruption in their service, on same terms and conditions on which they are engaged as on the Effective Date and the terms and conditions and benefits deriving, being deposited in any provident fund, gratuity scheme, etc, if any, of their employment with the Resulting Company shall in no event be less favorable than those applicable to them with reference to the Demerged Company on the Effective Date.

8.2. The Resulting Company will file the relevant intimations to the statutory authorities concerned who shall take the same on record and endorse the name of the Resulting Company for the Demerged Company.

8.3. Subject to other provisions contained in this Scheme all contracts, deeds, understandings, bonds, guarantees, agreements, instruments and writings and benefits of whatsoever nature, if any, pertaining to the Demerged Undertaking , to which any of the Demerged Company is a party and subsisting or having effect on the Effective Date, shall remain in full force and effect against or in favour of the

Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.

9. CONTRACTS, DEEDS, RESOLUTIONS, ETC.

9.1. Subject to other provisions contained in this Scheme all contracts, deeds, understandings, bonds, guarantees, agreements, instruments and writings and benefits of whatsoever nature, if any, pertaining to the Demerged Undertaking , to which any of the Demerged Company is a party and subsisting or having effect on the Effective Date, shall remain in full force and effect against or in favour of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.

10. LEGAL PROCEEDINGS

10.1. If any suit, appeal or other proceedings of whatsoever nature by or against the Demerged Company in relation to the Demerged Undertaking is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the demerger of the Demerged Undertaking or anything contained in this Scheme, but the said suit, appeal, or other legal proceedings, as the case maybe, may be continued, prosecuted and enforced, as the case may be, by or against the Resulting Company and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Demerged Company, as if this Scheme has not been made. In the event that the legal proceedings referred to herein require the Demerged Company and/or the Resulting Company to be jointly treated as parties thereto, the Resulting Company shall be added as party to such proceedings.

10.2. On and from the Effective Date, the Resulting Company may, if required, initiate any legal proceedings in relation to Demerged Undertaking in its own name, whether pertaining to the period prior to the Appointed Date or thereafter.

11. ACCOUNTING TREATMENT

11.1. **Accounting treatment in the books of the Demerged Company:**

a) The Demerged Company shall, upon the Scheme becoming effective, record the deletion of the respective assets and liabilities of the Demerged Undertaking vested in Resulting Company, pursuant to this Scheme, at their respective book values;

b) Any inter-unit loans and advances and other dues outstanding as of the Appointed Date between the Iron and Steel Business unit of the Demerged Company and Auto Component Business unit of the Demerged Company, as demerged in to the Resulting Company, will stand recoverable/ payable, as the case may be;

c) The preference share capital of the Demerged Company as on the Appointed Date shall stand cancelled and extinguished, to the extent of Rs. 11,40,00,000 represented by 1,14,00,000, 2 % Non-Cumulative Redeemable Preference Shares of Rs. 10/- each.

e) The share premium received by the Demerged Company on the preference shares so cancelled, in terms of clause 6.1 (e) of this Scheme, shall stand transferred to the Resulting Company and to that extent, the share premium account of the Demerged Company shall stand reduced accordingly. Similarly the preference share capital redemption reserve, as appearing in the books

of the Demerged Company, shall be transferred proportionately to the extent of the preference share capital being cancelled pursuant to this Scheme over the entire preference share capital as appearing in the books of the Demerged Company.

f) Upon the Scheme becoming effective, the amount under surplus in the profit and loss account amounting to Rupees 41,44,03,451.14, as on the Appointed Date, pertaining to the Demerged Undertaking of the Demerged Company shall stand transferred to the Resulting Company and corresponding amount shall be adjusted from the profit and loss account of the Demerged Company;

g) Any surplus or deficit arising between the book value of the all assets over book value of the all liabilities of the Demerged Undertaking vested in the Resulting Company, as further reduced by the transfer to the Resulting Company of preference share capital redemption reserve, securities premium reserve and surplus in the profit and loss account, shall be adjusted in the books of the Demerged Company against the following, in the order specified:

- Capital Reserve Account;
- Securities Premium Account; and
- General Reserve;
- Profit and Loss Account

h) Any such cancellation of the preference share capital account, reduction to the share premium account, adjustment in the preference share capital redemption reserve account or capital reserve account etc. of the Demerged Company shall be considered, to the extent applicable, as a reduction in accordance with provisions of Sections 100 to 103 of the Act and/or Section 55 and Section 52 of the Companies Act, 2013 and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act.

i) Notwithstanding the above, the Board of Directors of the Demerged Company, in consultation with its statutory auditors, shall be authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013 and generally accepted accounting principles.

11.2. **Accounting treatment in the books of the Resulting Company:**

a) Resulting Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Demerged Undertaking, including the inter-unit balances between the Auto Component Business unit and Iron and Steel Business unit, vested in it pursuant to this Scheme, at their respective book values;

b) Resulting Company shall also record the preference share capital redemption reserve, share premium account, surplus in the profit and loss account, so transferred from the books of the Demerged Company pursuant to this Scheme, at their respective book values.

c) Upon the Scheme becoming effective and upon the shares being issued to the shareholders of the Demerged Company under para 6 of this Scheme the entire investment of the Demerged

Company in the equity share capital of the Resulting Company, as on the Appointed Date, will stand cancelled and be reduced, and, the Resulting Company shall pay to the Demerged Company a sum equal to the face value of each equity share so cancelled and reduced held by the Demerged Company in the Resulting Company.

d) Resulting Company shall credit its Share Capital Account with the aggregate face value of the New Preference Shares and New Equity Shares issued to the shareholders of the Demerged Company;

e) Any excess in the value of net assets, net liabilities and the general reserves of Demerged Undertaking transferred to the Resulting Company pursuant to the order of the High Court over the face value of the New Preference Shares and New Equity Shares allotted by the Resulting Company shall be credited to capital reserve account of the Resulting Company. In case the result of the above is negative, such result must be accounted for as a "Goodwill" account. The goodwill, if any, arising pursuant to the Scheme shall be amortized over a period of 5 years and tested for impairment at the end of each reporting period, in accordance with prescribed Accounting Standards issued by The Institute of Chartered Accountants of India and generally accepted accounting principles;

f) In case of any differences in accounting policy between the Resulting Company and the Demerged Company, the impact of such differences shall be quantified and adjusted in the General Reserve Account of the Resulting Company to ensure that the true financial statements of the Resulting Company on the Appointed Date are on the basis of consistent accounting policy;

g) Upon the Scheme becoming effective, the Resulting Company, shall credit its reserves account with the balance under the head securities premium reserve, surplus (profit and loss) and the preference redemption reserve account, to the extent forming part of the Demerged Undertaking, transferred from the Demerged Company as on the Appointed Date; and

h) Any such cancellation of the equity share capital of the Resulting Company shall be considered, to the extent applicable, as a reduction in accordance with provisions of Sections 100 to 103 of the Act and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act.

i) Notwithstanding the above, the Board of Directors of the Resulting Company or a Committee thereof, in consultation with its statutory auditors, shall be authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013 and generally accepted accounting principles.

12. SAVING OF CONCLUDED TRANSACTIONS

12.1. The transfer and vesting of the asset(s), liability(ies), reserves, provisions, and obligation(s) relating to the Demerged Undertaking of the Demerged Company, as described under clause 5 of this Scheme above, and the continuance of the proceedings by or against the Resulting Company, under clause 10 of this Scheme above shall not in any way affect any transaction(s) or proceeding(s) in relation to the Demerged Undertaking already completed by the Demerged Company, on and after the Appointed Date to the end and intent that the Resulting Company accepts all acts, deeds, matters and things

done and executed by and/ or on behalf of the Demerged Undertaking, as acts, deeds and things done and executed by and on behalf of the Resulting Company.

13. REMAINING UNDERTAKING TO CONTINUE WITH DEMERGED COMPANY

13.1. The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.

(a) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Undertaking (*including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Undertaking*) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall not in any event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company, which relate to the Remaining Undertaking.

(b) If proceedings are taken against any of the Resulting Company in respect of the matters referred to in sub-clause (a) above, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

13.2. With effect from the Appointed Date and up to and including the Effective Date:

(a) the Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking for and on its own behalf;

(b) all profits accruing to the Demerged Company thereon or losses arising or incurred by it *(including the effect of taxes, if any, thereon)* relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and

(c) All assets and properties acquired by the Demerged Company in relation to the Remaining Undertaking on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

PART III

GENERAL TERMS AND CONDITIONS

14. APPLICATION TO HIGH COURT

14.1. The Demerged Company and the Resulting Company shall make necessary applications / petitions with the respective High Courts under section 391 to 394 of the Act and other applicable provisions, if any under the Act or any other law for the time being in force, for the sanction of this Scheme.

15. MODIFICATIONS/AMENDMENTS TO THE SCHEME

15.1. The Demerged Company and the Resulting Company by their respective Board, may assent to/ make and/or consent to any modifications/ amendments to this Scheme or to any conditions or limitations that the High Court and/or any other authority under any law may deem fit to direct or impose, or

which may otherwise be considered necessary, desirable or appropriate by them *(i.e. the Board*). The Demerged Undertaking and the Resulting Company by their respective Board be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise however arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

15.2. The term, any other authority referred to in Clause 15.1 above, shall specifically include:

(i) the Stock Exchanges with which the Demerged Company shall file a copy of this Scheme under sub-clause (f) of Clause 24 of the Listing Agreement of the respective Stock Exchanges; and

(ii) the regulatory authorities.

15.3. If any part of this Scheme is considered invalid, ruled illegal by any court of a competent jurisdiction, or unenforceable under present or future law(s), then such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any of the Companies or their respective members or creditors, in which case the Scheme will be modified to such extent, as will best preserve for them the benefits and obligations of the Scheme, including but not limited to such part.

16. CONDITIONALITY OF THE SCHEME

The Scheme is and shall be conditional upon and subject to:

16.1. The occurrence of the Appointed Date.

16.2. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Demerged Company and the Resulting Company as prescribed under the Act or as may be directed by the High Court or any other appropriate authority as may be applicable except to the extent as may be waived by the Court and/ or any other competent authority as may be applicable.

16.3. The sanction of this Scheme by the High Court or any other appropriate authority under Section 391 to 394 and other applicable provisions, if any, of the Act in favour of the Resulting Company and the Demerged Company.

16.4. Certified copy of the Orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Rajasthan and the Registrar of Companies, Odisha by the Companies.

16.5. The requisite(s), consent(s), approval(s) or permission(s) of statutory or regulatory authorities, if any, which by law may be necessary for the implementation of this Scheme, being obtained, including approvals as may be required from any other authority as referred in Clause 15.2 of this Scheme above.

17. EFFECT OF NON-RECEIPT OF APPROVALS

17.1. In the event any of the said sanctions and approvals referred to in Clause 15 of this Scheme above not being obtained and/ or the Scheme not being sanctioned by the High Court or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated herein under 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 if specifically provided in the Scheme or as may otherwise arise in law and agreed between some or all of the respective parties to this Scheme.

18. INCREASE IN AUTHORISED CAPITAL OF THE RESULTING COMPANY AND CONSEQUENT REDUCTION OF THE AUTHORISED CAPITAL OF THE DEMERGED COMPANY

18.1. Upon the Scheme becoming effective, the Authorised Share Capital of the Demerged Company, to the extent of Rs. 31,00,00,000 (*Rupees Thirty One Crores only*) will get transferred to the Resulting Company and accordingly, the Authorised Share Capital of the Resulting Company shall stand increased by Rs. 31,00,00,000 (*Rupees Thirty One Crores only*) to Rs. 31,05,00,000 (*Rupees Thirty One Crores and Five Lacs only*).

18.2. The Authorised Share Capital of the Demerged Company shall automatically stand reduced to Rs. 73,00,00,000 (*Rupees Seventy Three Crores Only*), as on the Effective Date, without any further, act, deed, instrument or thing. The Authorised Share Capital of the Demerged Company and the Resulting Company shall, as on the Effective Date, be classified into Equity Share Capital and Preference Share Capital.

18.3. Accordingly the words and figures in Clause V of the Memorandum of Association of the Demerged Company shall stand modified and be substituted to read as follows:

"V(a) The authorized share capital of the Company is Rs. 73,00,00,000/- (Rupees Seventy Three Crores Only) consisting of 17,00,00,000 (Seventeen Crore) Equity Shares of Re. 1/- (Rupee One) each and 5,60,00,000 (Five Crores and Sixty Lacs) preference shares of Rs. 10/- (Rupees Ten) each with such rights, privileges and conditions attached thereto as may be determined by the Company in general meeting at the time of issue. The Company has and shall always have power to divide the share capital, for the time being, into several classes and to increase or reduce its capital from time to time and to vary, modify or abrogate any rights, privileges or conditions attached to any class of shares in such manner as may for the time being provided by the regulations of the Company."

18.4. Further, the words and figures in Clause V of the Memorandum of Association of the Resulting Company shall stand modified and be substituted to read as follows:

V The authorized share capital of the Company is Rs. 31,05,00,000/- (Rupees Thirty One Crores and Five Lacs Only) consisting of 17,05,00,000 (Seventeen Crores and Five Lacs) Equity Shares of Re. 1/- (Rupee One) each and 14,00,00,000 (Fourteen Crores) preference shares of Rs. 10/- (Rupees Ten) each with such rights, privileges and conditions attached thereto as may be determined by the Company in general meeting at the time of issue. The Company has and shall always have power to divide the share capital, for the time being, into several classes and to increase or reduce its capital from time to time and to vary, modify or abrogate any rights, privileges or conditions attached to any class of shares in such manner as may for the time being provided by the regulations of the Company."

18.5. It is expressly clarified that the filing fee and stamp duty already paid by the Demerged Company on its Authorized Share Capital, which is being transferred to the Resulting Company in terms of Clause

18.1 above, shall be deemed to have been paid by the Resulting Company and accordingly, the Resulting Company shall not be required to pay any fee / stamp duty on the Authorized Share Capital so increased. However, the Resulting Company and the Demerged Company shall file the amended copy of its Memorandum of Association with the concerned Registrar of Companies (the **"RoC"**) within 30 days from the Effective Date and the ROC shall take the same on record.

18.6. It is hereby clarified that for the purposes of clause 18 of this Scheme, the consent of the shareholders of the Demerged Company and the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under any applicable provisions of the Act, would be required to be separately passed.

19. COSTS, CHARGES AND EXPENSES

19.1. All costs, charges, taxes including duties, levies and other expenses, if any *(save as expressly otherwise agreed)* arising out of, in connection to or in relation to or incurred in carrying out and implementing this Scheme and to put it into operation shall be borne and paid by the Resulting Company. It is expressly clarified that wherever the chargeability of duties, taxes etc are dependent upon the order of the High Court, being instrument in nature of conveyance, then in that case, the order of the Rajasthan High Court shall be considered as the principal instrument, being finally executed, for the purposes of payments of duties, fees, cess, taxes etc., if any, and that the Resulting Company shall be liable to pay all such duties, fees, cess, taxes etc., if any, in this regard.

20. DIFFERENCES

20.1. In case any doubt or difference or issue *(in relation to the Scheme)* arises between the Demerged Company and the Resulting Company, any of their shareholders, creditors, employees or persons, entitled to or claiming any right to any New Equity Shares in the Resulting Company or as to the interpretation of any term of this Scheme or implementation of this Scheme, after the Scheme becomes effective, then the Board of the Resulting Company shall resolve all such disputes and its decision shall be final and binding on all concerned.

Schedule-I

Details of Assets of Demerged Undertaking as at March 31, 2015	
Assets	**Amount (in Rs)**
Non-current Assets	
Tangible Assets	5,20,43,65,322.19
Capital work-in-progress	1,98,49,23,920.41
Non-current investments	5,00,000.00
Long-term Loans and advances	4,11,44,566.00
Current Assets	
Inventories	21,12,48,751.87
Trade receivables	25,78,84,008.98
Cash and cash equivalents	6,52,79,710.34
Short-term Loans and advances	2,208,55,527.96
Other current assets	0.00
Total	**7,98,62,01,807.76**

Details of Liabilities of Demerged as at March 31, 2015	
Liabilities	**Amount (in Rs.)**
Non- Current liabilities	
Long-term Borrowings	4,85,50,84,800.00
Deferred Tax Liabilities (net)	27,61,86,924.07
Long-term Provisions	19,39,260.00
Current Liabilities	
Short-term Borrowings	50,95,411.00
Trade Payables	6,25,03,877.21
Other Current Liabilities	1,05,12,06,539.34
Short-term Provisions	38,355.00
Sub-total	**6,25,20,55,166.62**
Share Premium Amount (pertaining to the preference share capital to be issued by the Resulting Company and corresponding reduction of the same in the Demerged Company)	**102,60,00,000.00**
Proportionate amount of the Preference Share Capital Redemption Reserve	**4,56,00,000.00**
Surplus amount of the profit and loss account	**41,44,03,481.14**

IN THE HON'BLE HIGH COURT OF ORISSA; CUTTACK

(Original Jurisdiction)

COPET NO. No. 48 of 2016

In the Matter of:

The Companies Act, 1956 and the Companies Act, 2013, to the extent made effective.

And

In the Matter of:

An application under Sections 391 to 394 read with section 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 along with Rules 67 to 87 of the Companies (Court) Rules, 1959.

And

In the Matter of:

In the matter of Scheme of Arrangement

between

OCL Iron and Steel Limited

and

OISL Auto Limited

and

their respective Shareholders and Creditors

And

In the matter of:

OCL Iron and Steel Limited, a company incorporated under the provisions of the Companies Act, 1956, having its Registered Office situated at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 within the jurisdiction of this Hon'ble Court, represented through it's Authorised Representative, Mr. Yogesh Kapur

…..Applicant Company/Demerged Company/ Transferor Company

FORM OF PROXY

I/We, the undersigned, as the Secured Creditor(s) of OCL Iron and Steel Limited (the above named Applicant) do hereby appoint Shri/Smt/Ms _____ of _____ and failing him/her Shri/Smt/Ms _____ of _____as my /our Proxy, to act for me/ us at the meeting of the Secured Creditors of the Company to be held on Saturday, January 14, 2017 at Village Lamloi, PO: Garvana,

Rajgangpur, Distt: Sundergarh, Odisha-770017 at 2.00 PM for the purpose of considering, and if thought fit, to approve, with or without modification(s), the Scheme of Arrangement between OCL Iron and Steel Limited and OISL Auto Limited and their respective shareholders and creditors at such meeting and any adjournment / adjournments thereof to vote, for me / us and in my / our name(s) *(here, "if for" insert "for", "if against", insert "against", and in the latter case, strike out the words below either with or without modification(s) after the word "Arrangement") the said Scheme of Arrangement either with or without modification(s) as my/our proxy may approve.

Revenue Stamp of Re. 1 to be affixed

Signatures of Secured Creditor(s) across the stamp

Signatures of proxy

* (Strike out what is not necessary)

Dated this _____day of_____2016

Name: _____

Address: _____

Notes:

1. A secured creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a secured creditor of the Company.
2. The Proxy must be deposited at the registered office of the Company at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 not less than 48 (Forty Eight) hours prior to the commencement of the aforesaid meeting. All alterations made in the Form of Proxy should be initialed.
3. In case multiple proxies are received not less than 48 (Forty Eight) hours before the time of holding the aforesaid meeting, the proxy later in time shall be accepted.
4. Also, a person who is a minor cannot be appointed as proxy.
5. The proxy of a secured creditor who is blind or incapable of writing may be accepted if such creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address. All insertions in the proxy shall be in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of such secured creditor before he attached his signature or mark.
6. The proxy of the secured creditor who does not know English may be accepted if it is executed in the manner as prescribed above and the witness certifies that it was explained to such creditor in the language known to him, and gives the secured creditor's name in English below the signature.

OCL IRON AND STEEL LIMITED

Corporate Identity Number: L27102OR2006PLC008594

Registered Office: At Village Lamloi, PO: Garvana,

Rajgangpur, Distt: Sundergarh, Odisha- 770017

Website: www.oclsteel.in; **E-mail:** oclrgp@oclsteel.in

Tel: +91 6624 222 562/563; **Fax:** +91 6624 222 564

COURT CONVENED MEETING OF THE SECURED CREDITORS

Day **:** Saturday

Date **:** January 14, 2017

Time **:** 2.00 PM

Venue **:** Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the meeting of the Secured Creditors convened under the directions of Hon'ble High Court of Orissa; Cuttack, vide order dated October 20, 2016 read with order December 01, 2016 in the above mentioned Company Petition No. 48 of 2016 read with Misc. case no. 28 of 2016 held on Saturday, January 14, 2017 at Village Lamloi, PO: Garvana, Rajgangpur, Distt: Sundergarh, Odisha-770017 at 2.00 PM.

Name and Address of the Secured Creditor:

_____

(If represented by Authorized Representative, details of the same)

Name of the proxy holder/

Authorized representative : _____

I further declare that above particulars are true and correct to the best of my knowledge.

Signature: _____

Place:

Date :

Important:

1. Secured creditor, proxy holder or the Authorized Representative attending this meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled and signed.
2. Secured creditor, proxy holder or the Authorized Representative are requested to bring their copy of notice for reference at the meeting.
3. Secured Creditors are requested to hand over the enclosed Attendance slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall.

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