

**OCL IRON & STEEL LTD.**

REGD. OFFICE & WORKS

Vill : Lamloi - P.O.-Garvana

Raigangpur : 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/2015

Date: 23rd JULY, 2015

To

The BSE Limited
Floor 25, P.J. Towers
Dalal Street
Mumbai 400 001

The National Stock Exchange of India Limited
Exchange Plaza Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

Attn.: Mr. S. Subramanian (DCS-CRD)

Attn.: Mr. Hari K.

Subject: Demerger of Auto Components Undertaking of OCL Iron & Steel Limited

Dear Sir/Madam,

1. This is to inform you that the Board of Directors of OCL IRON AND STEEL LIMITED ("OCL " or "Demerged Company") at its meeting held today has considered and approved the Scheme of demerger (the "Scheme") of its Auto Components Business into its wholly owned subsidiary namely OISL Auto Limited ("OISL Auto" or "Resulting Company") pursuant to Section 391-394 of the Companies Act, 1956 read with the relevant provisions of Companies Act, 2013, to the extent applicable. The Board of Directors of OISL Auto has also approved the Scheme of Demerger at its meeting held today.

2. Rationale & Object of the Scheme

The demerger of the Auto Components Business of the OCL into the Resulting Company would *inter-alia* have the following benefits :-

- a) The demerger would enable enhanced focus of management in the Auto Component Business thereby facilitating the management to efficiently explore opportunities for the business;

WORKS :

A-285, Chopanki Industrial Area

Chopanki, Bhiwadi, District - Alwar

Rajasthan INDIA 301 019

Phone: +91 9667569588

eMail: oclrgp@oclsteel.in

www.oclsteel.in

- b) All the 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;
- c) The demerger will allow a focused strategy in operations which will create enhanced value for all the stakeholders.
- d) The demerger proposed by this Scheme will enable investors to hold investment in business with different investment characteristics and risk profiles;
- e) The demerger will provide opportunities to both the entities for independent collaboration and expansion without committing the existing organization in its entirety.

3. Salient features of the Scheme

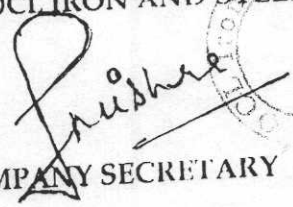
- a) the Appointed date of the Scheme would be April 1, 2015 or such other date as Hon'ble High Courts may direct or approve;
- b) Under the Scheme, Demerged Company will transfer its Auto Components Undertaking including, *inter alia* all assets, liabilities, movable & immovable properties, employees, consents, approvals, benefits, licenses, contracts, deeds and tax balances of auto components undertaking to Resulting Company;
- c) Resulting Company shall issue to the equity shareholder of Demerged Company 1 (one) equity share of INR 1/- each fully paid up of Resulting Company for every 1 (one) equity share of INR 1/- held in Demerged Company;
- d) The Scheme would be effective upon receipt of all requisite approvals including from shareholders, creditors, SEBI, Stock Exchange, RBI, Orissa and Rajasthan High Court and filing of certified copies of the order of the Orissa and Rajasthan High Courts with the respective Registrar of Companies;
- e) Upon the Scheme becoming effective, and subject to necessary compliances with Stock Exchanges and SEBI, the shares of Resulting Company ("OISL Auto Limited") will be listed on BSE and NSE;

The Company will file the Scheme and all other details as required under Clause 24(f) and other relevant clauses of the Listing Agreement with NSE and BSE in due course of time.

Thanking you,

Yours faithfully,

For OCL IRON AND STEEL LIMITED


COMPANY SECRETARY