

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

Dear Members,
Jindal Stainless Limited

Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is seeking consent of its members for passing Resolutions by means of voting by Postal Ballot (including voting through electronic means). Accordingly, the said resolutions and the explanatory statement stating all material facts and the reasons for the proposal is appended below and a Postal Ballot Form is enclosed for your consideration. The Company has appointed Mr. Sandeep Garg, Advocate, as **Scrutinizer** for conducting the Postal Ballot process in a fair and transparent manner.

TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTIONS AS SPECIAL RESOLUTIONS:

1. GIVING OF LOANS/ GUARANTEES, PROVIDING OF SECURITIES AND MAKING OF INVESTMENTS IN SECURITIES.

"RESOLVED that pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Meetings of Board and its Powers) Rules, 2014 as may be amended from time to time, Articles of Association of the Company and subject to necessary approvals, if required, approval of the shareholders be and is hereby given to the Board of Directors for i) giving loans to any person or other body corporate, ii) giving of guarantee or providing security in connection with a loan to any other body corporate or person and / or iii) for acquiring whether by way of subscription, purchase or otherwise, the securities including shares, debentures etc of any other body corporate upto an amount the aggregate outstanding of which should not, at any time, exceed Rs.5,000 Crore (Rupees Five Thousand Crore only) which shall be over and above the limits as specified in Section 186(2) of the Companies Act, 2013 and the aggregate outstanding amount of loans/ guarantees/ securities given/ provided to wholly owned subsidiary companies and/or joint venture companies and investments made in wholly owned subsidiary companies, from time to time.

RESOLVED FURTHER that Board of Directors is hereby authorized to decide, from time to time, the amounts to be invested, loans / guarantees to be given and securities to be provided to any person and / or bodies corporate within the above mentioned limits, finalize terms and conditions, execute necessary documents, settle any question, difficulty or doubt that may arise in this regard and do all acts, deeds and things which it considers proper for giving effect to this resolution and to delegate all or any of these powers to any Committee of Directors or Chairman and Managing Director or Whole Time Director or Director or any other officer of the Company."

2. CREATION OF SECURITY ON THE PROPERTIES OF THE COMPANY.

"RESOLVED that in supersession of the ordinary resolution passed by the Shareholders in Extraordinary General Meeting held on 2nd May, 2003 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, as may be amended from time to time, and Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board") for creation of mortgage / hypothecation/ pledge / charge / security in any form or manner on the properties of the Company whether tangible, intangible or otherwise, both present and future, in favour of lenders including Banks, Financial Institutions, Investment Institutions, Mutual Funds, Trusts, other Bodies Corporate, Trustees for holders of debentures / bonds and/or other instruments to secure all credit facilities including rupee loans, foreign currency loans, debentures, bonds and/or other instruments or non fund based facilities availed / to be availed by the Company and/or for any other purpose, from time to time, together with interest, further interest thereon, compound interest in case of default, accumulated interest, liquidated damages, all other costs, charges and expenses payable by the Company in respect of such borrowings, within the overall borrowing limits approved by the Shareholders from time to time in terms of Section 180(1)(c) of the Company Act, 2013."

"RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to negotiate and decide terms and conditions of security, finalise and execute all deeds, documents and writings as may be necessary, desirable or expedient, settle any question, difficulty or doubt that may arise in this regard, do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary, proper or desirable and to delegate all or any of these powers to any Committee of Directors or Chairman and Managing Director or Wholetime Director or Director or any other officer of the Company."

Registered Office:
O.P. Jindal Marg, Hisar – 125 005.
August 14, 2014

By order of the Board
(Jitendra Kumar)
Company Secretary

Encl. : Postal Ballot Form alongwith Postage Pre-paid self addressed envelope.

NOTES

1. An Explanatory Statement setting out the material facts concerning the Resolutions is annexed.
2. Pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, assent or dissent of the members in respect of the resolutions contained in the Notice dated 14th August, 2014 is being taken through Postal Ballot/E-voting.
3. The documents, if any, referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company at O.P. Jindal Marg, Hisar – 125 005 (Haryana) on all working days between 11:00 a.m. and 5:30 p.m. upto 28th September, 2014.
4. The Company has appointed Mr. Sandeep Garg, Advocate as Scrutinizer for conducting the Postal Ballot/ E-voting process.
5. Notice is being sent to all Members/ beneficiaries, whose names appear on the Register of members/ Record of Depositories as on 14th August, 2014. Voting rights shall be reckoned on the shares registered in the name of shareholders as on that date.
6. Under the 'Green Initiative' of the Ministry of Corporate Affairs, Postal Ballot Notice is being sent to the members who have registered email ids, through email and to all other members by Regd. Post/Courier alongwith Postal Ballot Form.
7. The Company is extending E-voting facility as an alternative for its members to enable them to cast their vote electronically instead of dispatching Postal Ballot Form. E-voting is optional for members.
8. Please note that the members can opt for only one mode of voting, i.e. through Postal Ballot or E-voting. In case of voting by both the modes, voting done through a valid physical Postal Ballot will prevail and E-voting of such member will be ignored.
9. In case the Members who have been sent this Notice electronically and who do not want to avail E-voting facility organised through Central Depository Services (India) Ltd., such Member may send a request to the Company / Registrar & Share Transfer Agent of the Company at their email id: investorcare@jindalstainless.com / delhi@linkintime.co.in, for obtaining the Notice and Postal Ballot Form in physical form. On receipt of such request, the Company will dispatch the same in physical form to enable the Member to send back the Postal Ballot Form by 6:00 p.m. on or before 28th September, 2014.
10. There will be one Postal Ballot Form/ E-voting for every Folio/ Client Id irrespective of the number of joint holders.
11. Voting rights in the Postal Ballot Form cannot be exercised by a proxy.
12. The Scrutinizer will submit his report after last date of receipt of Postal Ballot Form/ E-voting i.e. 28th September, 2014, latest by 30th September, 2014.
13. The Scrutinizer's decision on the validity of a Postal Ballot Form/ E-voting will be final.
14. The Chairman and Managing Director and in his absence any person authorised by the Chairman and Managing Director will announce the result of the Postal Ballot/E-voting at the Registered office of the Company at O.P. Jindal Marg, Hisar – 125 005 (Haryana) on 30th September, 2014 at 3:30 p.m. The date of declaration of result of Postal Ballot/ E-voting will be taken to be the date of passing of the resolutions.
15. The result of the Postal Ballot/ E-voting will be published in the newspapers within 48 hours of the declaration of the result and will be posted on the website of the Company at www.jindalstainless.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1

Pursuant to the provisions of Section 186 of the Companies Act, 2013, a company can give any loan, guarantee or make investment in shares, debentures etc. up to an amount of 60% of its paid up capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is higher.

A company may give loan, guarantee or make investment in shares, debentures etc. exceeding the above limits with the prior approval of shareholders by means of a special resolution.

In terms of Rule (11) of the Companies (Meetings of Board and its Powers) Rules, 2014, the above limits are not applicable in case a company gives loan or guarantee or provides security to its wholly owned subsidiary companies or joint venture companies or makes investment in securities of its wholly owned subsidiary companies.

Aggregate amount of the loans and investments so far made, the amount for which guarantees and securities so far provided by the Company may exceed the limits of 100% of free reserves and securities premium account in the near future.

In view of the above, the Board of Directors in its meeting held on 29th May, 2014 considered to obtain approval of the shareholders by means of special resolution to enable it to give any loan, guarantee or make investment in shares, debentures etc. upto an amount of Rs.5,000 Crore over and above the limits as specified in Section 186(2) of the Companies Act, 2013 and the aggregate outstanding amount of loans/ guarantees/ securities given/ provided to wholly owned subsidiary companies and/or joint venture companies and investments made in wholly owned subsidiary companies, from time to time.

The resolution set out at Item No. 1 is recommended for approval of the members as special resolution through postal ballot.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

ITEM NO. 2

The Shareholders of the Company, by passing ordinary resolution in the Extraordinary General Meeting held on 2nd May, 2003, had authorized the Board of Directors to create charge on properties of the Company to secure the repayment of the borrowings.

Under the Companies Act, 2013, certain amendments have been made in respect of the provisions relating to creation of security to secure the repayment of the borrowings. As per provisions of Section 180(1)(a) of the Companies Act, 2013 the Board of Directors of a Company is permitted to exercise the said power with the consent of a Company by a special resolution only (as opposed to an ordinary resolution under Section 293(1)(a) of the Companies Act, 1956). Therefore, since the earlier approval of the shareholders was by way of ordinary resolution, it is proposed to seek fresh consent of the shareholders by way of special resolution in terms of Section 180(1)(a) of the Companies Act, 2013, to mortgage, create charges and or/hypothecate and/or encumber the Company's properties as and when necessary to secure any rupee/foreign currency loans, guarantee assistance, standby letter of credit/letter of credit, and/ or any issue of non-convertible debentures, and/or compulsorily or optionally, fully or partly convertible debentures and/or bonds, and/or any other non-convertible and/or partly/fully convertible instruments/ securities, from time to time, within the overall borrowing limits approved by the Shareholders of the Company from time to time, in terms of Section 180(1)(c) of the Companies Act, 2013.

The resolution set out at Item No. 2 is recommended for approval of the members as special resolution through postal ballot.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

Registered Office:
O.P. Jindal Marg, Hisar – 125 005.
August 14, 2014

By order of the Board
(Jitendra Kumar)
Company Secretary

Voting through electronic mode

The Company is pleased to provide E-Voting facility as an alternate for Shareholders of the Company to enable them to cast their votes electronically on the resolutions mentioned in the Postal Ballot Notice. For this purpose, necessary arrangements have been made with the Central Depository Services (India) Limited ("CDSL") to facilitate e-voting. E-Voting is optional to the shareholders. The Company has appointed Mr. Sandeep Garg, Advocate as the Scrutiniser for conducting the Postal Ballot process in a fair and transparent manner. The list of shareholders/ beneficial owners shall be reckoned on the equity shares as on Thursday, August 14, 2014.

Process and Manner for Shareholders opting for e-voting is as under:-

- (i) The voting period begins on Saturday, 30th August, 2014 at 9:00 a.m. and ends on Sunday, 28th September, 2014 at 6:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 14th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For members holding shares in Demat and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name followed by Client ID/ Folio No. in the PAN field. In case the Folio No. is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For example, if your name is Ramesh Kumar and your Folio No. is 485 then enter RA00000485 in the PAN field.
DOB #	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the No. of Shares, which you are holding as on the Cut-off date i.e. 14th August, 2014, in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders & Custodians:
Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding E-voting, you may refer the Frequently Asked Questions ("FAQs") and E-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.