

November 10, 2015

BSE Limited

1st Floor, New Trading Ring
Rotunda Building, P.J. Towers,
Dalal Street, Fort
Mumbai-400001
Code: 500378

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,
Bandra Kurla Complex,
Bandra (E),
Mumbai-400051
Symbol: JINDALSAW

Sub: Outcome of the Board Meeting held on November 10, 2015

Dear Sirs,

This is to inform you that the following matters have been *inter-alia* considered and approved by the Board of Directors of 'Jindal Saw Limited' ("Company") in their meeting held today i.e. November 10, 2015:

Consolidated Scheme of Arrangement

- (i) pursuant to the recommendations of the Audit Committee and upon taking note of the valuation report dated November 10, 2015 from Khandelwal & Sharma, chartered accountants, the fairness opinion dated November 10, 2015 from SPA Capital Advisors Limited, merchant banker, and other relevant documents placed before it; and subject to the requisite approvals of: (a) the shareholders of the Company and such other persons as may be required under applicable law; (b) the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE" and together with the BSE, the "Stock Exchanges") and the Securities and Exchange Board of India ("SEBI"); (c) the High Court of Judicature at Allahabad or the National Company Law Tribunal or such other forum or authority which may be vested with any of the powers of a High Court under the Companies Act ("High Court"), and any other regulatory/ statutory authorities as may be required; and (d) subject to such conditions and modifications as may be prescribed or imposed by the aforesaid while granting such approvals and sanctions, as the case may be, the Board of Directors of the Company accorded its approval to the composite scheme of arrangement amongst the Company, JITF Infralogistics Limited ("Resulting Company 1") (a wholly owned subsidiary of the Company), JITF Waterways Limited (a step down wholly owned subsidiary of the Company) ("Transferee Company"), JITF Shipyards Limited (another wholly owned subsidiary of the Company) ("Transferor Company") and their respective shareholders and creditors pursuant to the provisions of Sections 391 – 394 read with Sections 100 – 103 of the Companies Act, 1956 and/ or other applicable provisions of the Companies Act, 1956 or the Companies Act, 2013, and the rules, regulations and notifications issued thereunder, read with Sections 2(19AA) or 2(42C) of the Income Tax Act, 1961 ("IT Act"), as may be applicable and the enabling provisions of the Memorandum and Articles of Association of the Company ("Scheme"):

- (ii) **Rationale and Objectives of the Scheme:**



- a) It would result in optimum utilization of capabilities and bring about dedicated management focus and business strategies for the Company and will enable the Resulting Company 1 to focus on the infrastructure business and further create value for all of its stakeholders. Listing of the equity shares of Resulting Company 1 on the Stock Exchanges would help the shareholders of Resulting Company 1 to unlock the value of their shares;
- b) It would result in the consolidation of the operations of waterways transportation business (consisting of ocean waterways and inland waterways transportation) in the Transferee Company, which will lead to synergies, reduction in operational costs and operational inefficiencies in the existing operations of the waterways transportation business by the Transferee Company.
- c) It would enable the Company to strengthen its ocean logistics capabilities by providing the Company with efficient in-house ocean logistics facilities for the shipment of materials between various domestic/ international locations and will also insulate the Company from the vagaries of third party logistics providers in the shipping industry and will thereby not only stabilize the operating costs of the Company but also result in synergies and better utilisation of capabilities and resources.

(iii) Salient features of the Scheme

The salient features of the Scheme *inter-alia* are as under:

- (i) (a) demerger of the business and business interests of the Company in the infrastructure business ("Demerged Undertaking 1") of the Company and vesting of the same in the Resulting Company 1 in accordance with Section 2 (19AA) of the IT Act; (b) the reduction of the issued and paid-up equity share capital of the Resulting Company 1 and securities premium account (if required) of the Resulting Company 1 in the manner set out in Section I of the Scheme; (c) reduction of the capital redemption reserve, capital reserve (if required) and the securities premium account (if required) of the Company in the manner set out in Section I of the Scheme; (d) transfer of a part of the authorized share capital from the Company to the Resulting Company 1; and (e) listing of the equity shares of Resulting Company 1 on the Stock Exchanges;
- (ii) (a) amalgamation of the Transferor Company with the Transferee Company in accordance with Section 2 (1B) of the IT Act; (b) the reduction of capital reserve (if required) and the securities premium account (if required) of the Transferee Company in the manner set out in Section II of the Scheme; (c) dissolution without winding up of the Transferor Company; (d) transfer of the authorized share capital from the Transferor Company to the Transferee Company; and (e) change in the name of the Transferee Company;
- (iii) (a) demerger of the business and business interests of Transferee Company (after giving effect to the amalgamation of the Transferor Company with the Transferee Company) ("Demerged Company 2") of its ocean waterways business ("Demerged Undertaking 2") and vesting of the same in the Company in accordance with Section 2 (19AA) of the IT Act; (b) the reduction of the capital redemption reserve (if required), capital reserve (if required) and the securities premium account (if required) of the Company in the manner



set out in Section III of the Scheme; (c) the reduction of the issued and paid-up equity share capital, capital reserve (if required) and the securities premium account (if required) of the Demerged Company 2 in the manner set out in Section III of the Scheme; and (d) transfer of a part of the authorized share capital from the Demerged Company 2 to the Company.

- (iv) The Scheme will become effective upon receipt of approval, *inter alia*, from the BSE and NSE, SEBI, the shareholders and creditors of the Company, the High Court of Judicature at Allahabad and filing of the Order of the High Court approving the Scheme with the concerned Registrar of Companies. The appointed date for Scheme (i.e. the date from which the Scheme will come into effect) shall be the opening of business hours as on April 1, 2015 or any other date as may be decided by the respective board of directors; and
- (v) Upon the Scheme becoming effective, the Resulting Company 1 shall, subject to compliance with applicable laws, rules, circulars and notifications, including, *inter alia*, the applicable provisions of circulars issued by the SEBI, as amended from time to time, make an application for listing and trading of its equity shares on the Stock Exchanges.

Change in objects of the Company

Subject to the approval of the shareholders of the Company, the Board of Directors of the Company has accorded its approval to amend the objects clause in the Memorandum of Association of the Company to permit the Company to *inter alia* undertake the business of ocean waterways.

You are requested to kindly take the above on record.

Thanking You,

Yours faithfully,

for Jindal Saw Limited

SUNIL K JAIN
Company Secretary
FCS: 3056

