

COMPOSITE SCHEME OF ARRANGEMENT

AMONG

JINDAL STAINLESS LIMITED

AND

JINDAL STAINLESS (HISAR) LIMITED

AND

JINDAL UNITED STEEL LIMITED

AND

JINDAL COKE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS & CREDITORS

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INTRODUCTION

A. PREAMBLE

This composite scheme of arrangement is presented under the provisions of Sections 391 – 394 read with Sections 100-103 and other applicable provisions of the Companies Act, 1956 and/or Sections 230-233 (if applicable) and other relevant provisions of the Companies Act, 2013, as may be applicable, read with Sections 2(19AA) or 2(42C) of the Income Tax, 1961, as may be applicable, for the (i) demerger of the Demerged Undertakings (*as defined hereinafter*) of the Transferor Company (*as defined hereinafter*) and vesting of the same with the Resulting Company (*as defined hereinafter*); (ii) transfer of the Business Undertaking 1 (*as defined hereinafter*) of the Transferor Company and vesting of the same with the Resulting Company/Transferee Company 1 (*as defined hereinafter*) on a going concern basis by way of a Slump Sale (*as defined hereinafter*); (iii) transfer of the Business Undertaking 2 (*as defined hereinafter*) of the Transferor Company and vesting of the same with Transferee Company 2 (*as defined hereinafter*) on a going concern basis by way of a Slump Sale; and (iv) transfer of the Business Undertaking 3 (*as defined hereinafter*) of the Transferor Company and vesting of the same with Transferee Company 3 (*as defined hereinafter*) on a going concern basis by way of a Slump Sale. In addition, this composite scheme of arrangement also provides for various other matters consequential or otherwise integrally connected herewith.

B. RATIONALE FOR THE SCHEME

The Transferor Company, a leading stainless steel manufacturer in India, proposes to enter into this composite scheme of arrangement to enable its management to develop focussed business verticals.

The Transferor Company intends to demerge the Demerged Undertakings to and transfer and vest the same in the Resulting Company and transfer and vest, by way of a Slump Sale, the Business Undertaking 1 to the Resulting Company/Transferee Company 1 in order to unlock shareholder value in the Transferor Company, to increase its profitability and to improve serviceability of debt by it. The Transferor Company intends to transfer and vest, by way of a Slump Sale, the Business Undertaking 2 to Transferee Company 2 and the Business Undertaking 3 to the Transferee Company 3 to enable focused management of these business verticals. The Scheme will enable increased capacity utilization and enable the Transferee Company 2 and Transferee Company 3 to increase profitability and improve competitiveness. The transfer and vesting, by way of a Slump Sale, of Business Undertaking 2 and Business Undertaking 3 to the Transferee Company 2 and the Transferee Company 3 respectively will also facilitate the backward integration of the value chain at Odisha thereby resulting in increased efficiencies and profitability for the Transferor Company as well as the Transferee Company 2 and Transferee Company 3.

Currently, the Transferor Company is facing liquidity constraints due to the subdued economic environment adversely affecting demand in the stainless steel industry in India. External factors such as increase in imports (especially cheaper imports from China), increasing raw material prices, unfavourable duty structure vis-a-vis China and adverse foreign exchange fluctuations have also adversely affected the margins and consequently the cash accruals of the Transferor Company.

The Transferor Company had restructured its debt facilities by entering into a corporate debt restructuring scheme in 2009 (“**Original CDR Scheme**”). The Original CDR Scheme was reworked in 2012 in accordance with applicable CDR guidelines issued by the Reserve Bank of India. In connection with the reworking of the Original CDR Scheme, a letter of approval was issued on September 18, 2012 and the Transferor Company executed the Amended and Restated Master Restructuring Agreement (“**Amended MRA**”) on September 25, 2012 with its lenders.

The Transferor Company has, pursuant to the terms of the Amended MRA, taken concrete steps to monetise its assets and has been actively monitoring its business performance and making efforts to manage its liquidity. The Transferor Company intends to enter into the proposed composite scheme of arrangement as a comprehensive business reorganisation, which would, *inter alia*, entail the monetisation of the assets of the Transferor Company to reduce its debt. The proposed business reorganisation is critical for ensuring the long term stability of the Transferor Company, the Resulting Company, the Transferee Company 2 and the Transferee Company 3 as it will lead to unlocking of value for the stakeholders at large in each of the companies and allowing each of the Transferor Company, the Resulting Company, the Transferee Company 2 and the Transferee Company 3 to focus on their respective core competencies.

The composite scheme of arrangement would be in the best interests of the shareholders, creditors, employees and other stakeholders of the Transferor Company, Resulting Company, Transferee Company 2 and Transferee Company 3 respectively, as it would result in enhancement of shareholder value, operational efficiencies and greater focus and would enable the management of each of the aforesaid companies to vigorously pursue revenue growth and expansion opportunities. In view of the abovementioned reasons, it is considered desirable and expedient to implement the proposed composite scheme of arrangement.

C. PARTS OF THE SCHEME

This Scheme (*as defined hereinafter*) is divided into the following sections:

1. SECTION I

DEMERGER OF THE DEMERGED UNDERTAKINGS (AS DEFINED HEREINAFTER) AND VESTING OF THE SAME IN THE RESULTING COMPANY (AS DEFINED HEREINAFTER)

Part A deals with the Definitions and Share Capital.

Part B deals with demerger of the Demerged Undertakings of the Transferor Company (*as defined hereinafter*) and vesting of the same in the Resulting Company (*as defined hereinafter*), in accordance with Section 2 (19AA) of the IT Act (*as defined hereinafter*) and Sections 391 to 394 of the 1956 Act (*as defined hereinafter*) and/ or other relevant provisions of the Act (*as defined hereinafter*).

Part C deals with the payment of consideration, reorganization of share capital and the accounting treatment in the books of the Transferor Company and the Resulting Company and various other matters consequential or otherwise integrally connected herewith.

2. SECTION II

TRANSFER OF THE BUSINESS UNDERTAKING 1 (AS DEFINED HEREINAFTER) AND VESTING OF THE SAME IN THE RESULTING COMPANY BY WAY OF A SLUMP SALE

Part A deals with the Definitions and Share Capital.

Part B deals with the transfer of Business Undertaking 1 (*as defined hereinafter*) of the Transferor Company, and transfer and vesting of the same with Resulting Company on a going concern basis by way of a Slump Sale (*as defined hereinafter*) in accordance with Section 2 (42C) of the IT Act and under Sections 391 to 394 of the 1956 Act and/ or other relevant provisions of the Act.

Part C deals with the payment of consideration and the accounting treatment in the books of the Transferor Company and the Resulting Company and various other matters consequential or otherwise integrally connected herewith.

3. SECTION III

TRANSFER OF THE BUSINESS UNDERTAKING 2 (AS DEFINED HEREINAFTER) AND VESTING OF THE SAME IN THE TRANSFEREE COMPANY 2 (AS DEFINED HEREINAFTER) BY WAY OF A SLUMP SALE

Part A deals with the Definitions and Share Capital.

Part B deals with the transfer of Business Undertaking 2 (*as defined hereinafter*) of the Transferor Company, and transfer and vesting of the same with Transferee Company 2 (*as defined hereinafter*) on a going concern basis by way of a Slump Sale in accordance with Section 2 (42C) of the IT Act and under Sections 391 to 394 of the 1956 Act and/ or other relevant provisions of the Act.

Part C deals with the payment of the consideration and the accounting treatment in the books of the Transferor Company and Transferee Company 2 and various other matters consequential or otherwise integrally connected herewith.

4. SECTION IV

TRANSFER OF THE BUSINESS UNDERTAKING 3 (AS DEFINED HEREINAFTER) AND VESTING OF THE SAME IN THE TRANSFEREE COMPANY 3 (AS DEFINED HEREINAFTER) BY WAY OF A SLUMP SALE

Part A deals with the Definitions and Share Capital.

Part B deals with the transfer of Business Undertaking 3 (*as defined hereinafter*) of the Transferor Company and transfer and vesting of the same with Transferee Company 3 (*as defined hereinafter*) on a going concern basis by way of a Slump Sale in accordance with Section 2 (42C) of the IT Act and under Sections 391 to 394 of the 1956 Act and/ or other relevant provisions of the Act.

Part C deals with the payment of consideration and the accounting treatment in the books of the Transferor Company and Transferee Company 3 and various other matters consequential or otherwise integrally connected herewith.

5. **SECTION V**

Section V deals with the general terms and conditions applicable to the Scheme.

6. **SCHEDULES**

SCHEDULE 1 PART A –ASSETS AND LIABILITIES OF THE DEMERGED UNDERTAKING 1

PART B –ASSETS AND LIABILITES OF THE DEMERGED UNDERTAKING 2

SCHEDULE 2 PART A – LIST OF CERTAIN ASSETS OF THE HISAR UNIT

PART B – LIST OF INVESTMENTS OF THE TRANSFEROR COMPANY IN DOMESTIC SUBSIDIARIES COMPRISING PART OF THE BUSINESS UNDERTAKING 1

SCHEDULE 3 LIST OF CERTAIN ASSETS OF THE HSM PLANT

SCHEDULE 4 LIST OF CERTAIN ASSETS OF THE COKE PLANT

SECTION I

DEMERGER OF THE DEMERGED UNDERTAKINGS AND VESTING OF THE SAME IN THE RESULTING COMPANY

PART A

WHEREAS:

- A. **Jindal Stainless Limited** (“**Transferor Company**”) is a company incorporated under the 1956 Act (*as defined hereinafter*), and has its registered office at O. P. Jindal Marg, Hisar 125005, Haryana. The Transferor Company is engaged in the business of manufacturing, distribution and sale of stainless steel in India and abroad.
- B. **Jindal Stainless (Hisar) Limited** (“**Resulting Company**”) is a company incorporated under the 1956 Act, and has its registered office at O. P. Jindal Marg, Hisar 125005, Haryana. The Resulting Company, a wholly owned subsidiary of the Transferor Company, proposes to engage in the business of manufacturing, distribution and sale of stainless steel including, *inter alia*, special steel, coin blanks and precision strips, in India and abroad.
- C. In terms of Section I of this Scheme (*as defined hereinafter*), it is now proposed, *inter alia*, to demerge the Demerged Undertakings (*as defined hereinafter*) of the Transferor Company, and vest the same with the Resulting Company pursuant to a court sanctioned composite scheme of arrangement under Sections 391 to 394 read with Sections 100 to 103 of the 1956 Act (*as defined hereinafter*) and/or Sections 230-233 read with Sections 66 and 52 of the 2013 Act (*as defined hereinafter*), if applicable, and/ or other relevant provisions of the Act (*as defined hereinafter*), in the manner provided for in Section I of the Scheme.
- D. The demerger of the Demerged Undertakings and vesting of the same in the Resulting Company pursuant to and in accordance with Section I of this Scheme will be in accordance with Section 2 (19AA) of the IT Act (*as defined hereinafter*).

1. DEFINITIONS

For the purposes of Section I of this Scheme, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as mentioned herein below:

- (a) “**1956 Act**” means the Companies Act, 1956 (Act No.1 of 1956) together with the rules and regulations, circulars, notifications, clarifications and orders issued thereunder and as amended from time to time and to the extent in force.
- (b) “**2013 Act**” means the Companies Act, 2013 (Act No.18 of 2013) together with the rules and regulations, circulars, notifications, clarifications and orders issued thereunder and as amended from time to time and to the extent in force.
- (c) “**Act**” means the 1956 Act or the 2013 Act, as may be applicable, as amended or substituted by any statutory modification / re-enactment thereof.
- (d) “**Appointed Date 1**” means the close of business hours before midnight of March 31, 2014, the date with effect from which Sections I and II of this Scheme will be deemed to be effective, in the manner described in Clause 1.3 of Section V of the Scheme.

- (e) “**Court**” means the Hon’ble High Court of Judicature of Punjab and Haryana at Chandigarh and will include, if applicable, a reference to 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 Act.
- (f) “**CCCPS**” means the cumulative compulsorily convertible preference shares having face value of Rs. 2 (Rupees Two) each in the Transferor Company, with a coupon rate of 0.10% (Zero point One Zero per cent.), each compulsorily convertible into 1 (One) equity share having face value of Rs. 2 (Rupees Two) each of the Transferor Company, on or before the expiry of 18 (Eighteen) calendar months from the date of allotment, and outstanding as on the Record Date, if any.
- (g) “**Chromite Mines**” means the chromite mines covering an area of 219.920 acres and located in Village Kaliapani and forest block number 27, Sukinda Tehesil, Jajpur District, Odisha.
- (h) “**DGFT**” means the Directorate General of Foreign Trade.
- (i) “**Demerged Undertaking 1**” means the business undertaking comprising of the FA Division (*as defined hereinafter*) of the Transferor Company, comprising of the assets and liabilities set out in **Part A of Schedule 1** hereto, on a going concern basis, inclusive of but not limited to:
- (i) all assets, whether moveable or immovable, whether leasehold or freehold, (including the right to use the land on which the FA Division is located but excluding the ownership or leasehold rights in such land) including all rights, title, interest, claims, covenants, undertakings of the Transferor Company pertaining to the FA Division;
 - (ii) all investments, receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Transferor Company pertaining to the FA Division;
 - (iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured of the Transferor Company pertaining to the FA Division;
 - (iv) all permits, rights, entitlements, licenses (including licenses issued by the DGFT under EPCG Scheme, Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT), approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax (including carry forward tax losses comprising of unabsorbed depreciation), tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax credit), privileges and benefits of all contracts, agreements, tenders, bids, experience and/or performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Transferor Company pertaining to the FA Division;
 - (v) all copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom of the Transferor Company relating to the FA Division, including without limitation, all rights to the brand names and logos “Jindal”, “Jindal Stainless” and “J” and all rights of the Transferor Company in any and all classes of the trademarks and logos, “JSL”, “JSL color”, “JINDAL Stainless”, “J JINDAL” and “J JINDAL Stainless” whether registered, unregistered or pending registration;

- (vi) all employees of the Transferor Company employed in relation to the FA Division;
 - (vii) all legal, tax, regulatory, quasi judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated by or against the Transferor Company in connection with the FA Division; and
 - (viii) all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Transferor Company pertaining to the FA Division.
- (j) **“Demerged Undertaking 2”** means the business undertaking comprising of the Mining Division (*as defined hereinafter*) of the Transferor Company, comprising of the assets and liabilities set out in **Part B of Schedule 1** hereto, on a going concern basis, inclusive of but not limited to:
- (i) all assets, whether moveable or immoveable, whether leasehold or freehold, including all rights, title, interest, claims, covenants, undertakings of the Transferor Company pertaining to the Mining Division;
 - (ii) all investments, receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Transferor Company pertaining to the Mining Division;
 - (iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured of the Transferor Company pertaining to the Mining Division;
 - (iv) all permits, rights, entitlements, licenses (including licenses issued by the DGFT under EPCG Scheme, Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT), approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax (including carry forward tax losses comprising of unabsorbed depreciation), tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax credit), privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Transferor Company pertaining to the Mining Division;
 - (v) all copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom of the Transferor Company pertaining to the Mining Division, whether registered, unregistered or pending registration;
 - (vi) all employees of the Transferor Company employed in relation to the Mining Division;
 - (vii) all legal, tax, regulatory, quasi judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated by or against the Transferor Company in connection with the Mining Division,; and

- (viii) all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Transferor Company pertaining to the Mining Division.
- (k) **“Demerged Undertakings”** means the Demerged Undertaking 1 and the Demerged Undertaking 2, collectively.
- (l) **“Depository”** means Citibank N.A., being the depository for the Transferor Company GDSs.
- (m) **“Effective Date 1”** means the date on which the last of the approvals in Clause 1.5(a) of Section V of the Scheme are obtained and Sections I and II of the Scheme are made effective with effect from the Appointed Date 1.
- (n) **“EPCG Scheme”** means Export Promotion Capital Goods Scheme.
- (o) **“ESOP Scheme”** means the Employee Stock Option Scheme 2010 instituted by the Transferor Company, as amended, modified or replaced from time to time.
- (p) **“FA Division”** means the division of the Transferor Company comprising of the ferro alloy manufacturing facility of the Transferor Company located at Jindal Nagar, Kothavalasa 535 183, District Vizianagaram, Andhra Pradesh, India, together with associated liabilities thereto.
- (q) **“GDSs”** means the global depository shares issued under the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 or the Depository Receipts Scheme 2014, and other applicable laws, and where relevant, shall include the underlying equity shares relating thereto.
- (r) **“ICDR”** means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time or any statutory modification / re-enactment thereof.
- (s) **“IT Act”** means the Income Tax Act, 1961, as amended from time to time or any statutory modification / re-enactment thereof together with the rules, regulations, circulars, notifications, clarifications and orders issued thereunder.
- (t) **“Mining Division”** means the Chromite Mines in respect of which the Transferor Company has leasehold rights together with the associated liabilities thereto.
- (u) **“Record Date”** has the meaning ascribed to it in Clause 4.1 of Section I of this Scheme.
- (v) **“Resulting Company”** has the meaning assigned to it in Recital B hereto.
- (w) **“Resulting Company CCCPS”** means cumulative compulsorily convertible preference shares having face value of Rs. 2 (Rupees Two) each in the Resulting Company, with a coupon rate of 0.10% (Zero point One Zero per cent.), each compulsorily convertible into 1 (One) equity shares having face value of Rs. 2 (Rupees Two) each of the Resulting Company, by September 30, 2015.

- (x) **“Resulting Company Depository”** has the meaning ascribed to it in Clause 7 of Section I of this Scheme.
- (y) **“Resulting Company Deposit Agreement”** has the meaning ascribed to it in Clause 7 of Section I of this Scheme.
- (z) **“Resulting Company GDSs”** has the meaning ascribed to it in Clause 7 of Section I of this Scheme.
- (aa) **“RoC”** means the Registrar of Companies, National Capital Territory of Delhi and Haryana.
- (bb) **“Scheme”** means this composite scheme of arrangement among the Transferor Company, the Resulting Company, the Transferee Company 2 and the Transferee Company 3 and their respective shareholders and creditors in accordance with the provisions hereof pursuant to the provisions of Sections 391 – 394 of 1956 Act and/or other relevant provisions of the Act.
- (cc) **“Securities Act”** has the meaning ascribed to it in Clause 7 of Section I of this Scheme.
- (dd) **“Stock Exchanges”** means the stock exchanges where the equity shares of the Transferor Company are listed and are admitted to trading, viz, BSE Limited (**“BSE”**) and the National Stock Exchange of India Limited (**“NSE”**).
- (ee) **“Transferor Company GDSs”** means the GDSs outstanding on the Record Date and issued by the Transferor Company pursuant to the Regulation S Deposit Agreement dated September 16, 2005 executed between the Transferor Company and the Depository and the beneficial holders of the said GDS.

The expressions, which are used in this Section I of the Scheme and not defined in Section I shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Sections II, III and IV or V of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

2. SHARE CAPITAL

2.1. The share capital of the Transferor Company as on December 26, 2014, is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorized share capital	
44,50,00,000 (Forty Four Crore and Fifty Lakh) equity shares having face value of Rs. 2 (Rupees Two) each	89,00,00,000
3,00,00,000 (Three Crore) preference shares having face value of Rs. 2 (Rupees Two) each	6,00,00,000
Total	95,00,00,000
Issued and paid-up share capital	
22,63,75,005 (Twenty Two Crore Sixty Three Lakh	

Seventy Five Thousand and Five) equity shares having face value of Rs. 2 (Rupees Two) each*	45,27,50,010
48,10,440 (Forty Eight Lakh Ten Thousand Four Hundred and Forty) CCCPS having face value of Rs. 2 (Rupees Two) each	96,20,880
Total	46,23,70,890
<u>Outstanding Transferor Company GDSs</u>	
*includes 1,76,04,334 (One Crore Seventy Six Lakh Four Thousand Three Hundred and Thirty Four) equity shares having face value Rs. 2 (Rupees Two) each, underlying 88,02,167 (Eighty Eight Lakhs Two Thousand One Hundred and Sixty Seven) Transferor Company GDSs	

2.2. The share capital of the Resulting Company as on December 26, 2014, is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorized share capital	
2,50,000 (Two Lakh Fifty Thousand) equity shares having face value of Rs. 2 (Rupees Two) each	5,00,000
Total	5,00,000
Issued and paid-up share capital	
2,50,000 (Two Lakh Fifty Thousand) equity shares having face value of Rs. 2 each (Rupees Two)	5,00,000
Total	5,00,000

2.3. The main objects of the Transferor Company and the Resulting Company are as follows:

(a) Transferor Company:

- “1. To set up Steel and non-ferrous melting furnaces, converters. AP Lines and casting facilities to produce stainless steel, Ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, bloom, rounds billets of various cross-sections, alloys and special steel, to make a deal in ferrous. non ferrous and special alloy and steel including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for and for other applications.
2. To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shaftings and blank-coins.
3. To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulates, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metallingerous ore, manganese ore, chrome ore, nickel ore, coal lignite, limestone, quartz, zinc ore, copper based ore and all other minerals and substances,

whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities.

4. *To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchases dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*
 5. *To manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferros silicon, ferro chrome, ferro manganese and other ferros substances and metals of every description and grades and to manufacture, deal, import and export all kinds and varieties of non-ferros raw metals such as aluminum, copper, tin, lead etc. and the by-products obtained in processing and manufacturing these raw metals.*
 6. *To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use transmit, accumulate, employ. Distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants bases on any source of energy as may be developed or invented in future.*
 7. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carbolic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gasses, substances or any compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and thing or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”*
- (b) Resulting Company:
1. *“To set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, blooms, rounds billets of various cross-sections, alloys and special steel, to make and deal in ferrous/non-ferrous and special alloys & steels including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for other applications.*
 2. *To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shafting and blank-coins.”*

3. *To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulate, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metalliferous ore, manganese ore, chrome ore, nickel ore, coal, lignite, limestone, quartz, zinc ore, copper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities.*
4. *To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchase dealers, import and export agents, representatives, Contractors, and dealers of and in forging, Casting of Steel, Stainless and Special Steels, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*
5. *To manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferro silicon, ferro chrome, ferro manganese and other ferrous substances and metals of every description and grades and to manufacture, deal, import, and export all kinds and varieties of non-ferrous raw metals such as aluminum, copper, tin, lead etc. and the by products obtained in processing and manufacturing these raw metals.*
6. *To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy as may be developed or invented in future.*
7. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carbolic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gases, substances and compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and things or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”*

PART B

3. DEMERGER OF THE DEMERGED UNDERTAKINGS AND VESTING OF THE SAME IN THE RESULTING COMPANY

- 3.1. Subject to the provisions of Section I of the Scheme in relation to the modalities of demerger and vesting, upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Demerged Undertakings, together with all their respective properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall demerge from the Transferor Company and be transferred to, and stand vested in, the Resulting Company, and shall become the property of and an integral part of the Resulting Company,

subject to existing encumbrances (unless otherwise agreed to by the encumbrance holders), without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, the Demerged Undertakings shall stand transferred and vested in the Resulting Company, in the manner described in sub-paragraphs (a) – (n) below:

- (a) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all immovable property pertaining to the Demerged Undertakings, whether freehold or leasehold (including the right to use the land on which the FA Division is located but excluding the ownership or leasehold rights in such land) and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company, and without any approval or acknowledgement of any third party. Upon Section I of the Scheme coming into effect on the Effective Date 1, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Resulting Company, by the appropriate authorities pursuant to the sanction of the Scheme by the Court and Section I of the Scheme becoming effective on the Effective Date 1 in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the Demerged Undertakings is given to the Resulting Company in accordance with the terms hereof.
- (b) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all the assets of the Demerged Undertakings as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by transfer or by vesting and recordal pursuant to the Scheme, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-Clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being transferred and vested, and the title to such property shall be deemed to have transferred and vested accordingly.
- (c) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts and receivables (including without limitation, receivables amounting to Rs. 575,98,18,450 (rounded off) (Rupees Five Hundred and Seventy Five Crore Ninety Eight Lakh Eighteen Thousand Four Hundred and Fifty) as of Appointed Date 1 due to the Resulting Company from the Transferor Company as a result of the implementation of Section I of the Scheme), outstanding loans and advances, if any, relating to the Demerged Undertakings, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons shall, without any act, instrument or deed required by either the Transferor

Company or the Resulting Company and without any approval or acknowledgement of any third party become the property of the Resulting Company.

- (d) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Demerged Undertakings, whether provided for or not in the books of accounts of the Transferor Company or disclosed in the balance sheet of such Demerged Undertakings, including general and multipurpose borrowings, if any, dealt with in accordance with Section 2(19AA) of the IT Act, shall become and be deemed to be, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company. The Resulting Company undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company. It is hereby clarified that it shall not be necessary to obtain the 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. However, the Transferor Company and the Resulting Company shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Court or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to the Resulting Company as part of the Demerged Undertakings and/or in relation to the assets remaining in the Transferor Company after the demerger and vesting of the Demerged Undertakings in the Resulting Company pursuant to Section I of this Scheme becoming effective in accordance with the terms hereof. Where any of the loans, liabilities and obligations attributed to the Demerged Undertakings have been discharged by the Transferor Company on behalf of the Demerged Undertakings after the Appointed Date 1 but before the Effective Date 1, such discharge shall be deemed to have been done by the Transferor Company for and on behalf of the Resulting Company.
- (e) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all incorporeal or intangible property of or in relation to the Demerged Undertakings shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed required by either the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.
- (f) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all letters of intent, memoranda of understanding, memoranda of agreements, tenders, bids, experience and/or performance statements, contracts, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of whatsoever nature or description, in relation to the Demerged Undertakings to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be in full force and effect against or in favour of the Resulting Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.

- (g) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all rights, entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered, unregistered or pending registration, and the goodwill arising therefrom, relating to the Demerged Undertakings, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or entitled (including without limitation, all rights to the brand names and logos “Jindal”, “Jindal Stainless” and “J” and all rights of the Transferor Company in any and all classes of the trademarks and logos, “JSL”, “JSL color”, “JINDAL Stainless”, “J JINDAL”, “J JINDAL Stainless”), shall become the rights, entitlement or property of the Resulting Company and shall be enforceable by or against the Resulting Company, as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.
- (h) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations, approvals, clearances, tenancies, privileges, powers, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax (including carry forward tax losses comprising of unabsorbed depreciation), sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax credit), facilities of every kind and description of whatsoever nature, in relation to the Demerged Undertakings to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be enforceable by or against the Resulting Company, as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.
- (i) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, any statutory or regulatory licenses (including mining license/ lease and the licenses issued by the DGFT under the EPCG Scheme, Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT), grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Demerged Undertakings or granted to the Transferor Company in relation to the Demerged Undertakings shall stand transferred and vested in the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. The benefit of, and the obligations under, all such statutory and regulatory licences, permissions, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights (including environmental approvals and consents) required to carry on the operations of the Demerged Undertakings shall also stand transferred and vested in and become available to the Resulting Company pursuant to Section I of this Scheme without any further act, instrument or deed required by either the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. If the consent or recordal of any licensor or authority is required to give effect to the

provisions of this sub-clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to Section I of the Scheme becoming effective in accordance with the terms hereof.

- (j) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Resulting Company shall bear the burden and the benefits of any legal, tax, quasi judicial, administrative, regulatory or other proceedings initiated by or against the Transferor Company in connection with the Demerged Undertakings. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company in connection with the Demerged Undertakings be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the demerger of such Demerged Undertakings and transfer and vesting of the same in the Resulting Company or of anything contained in Section I of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if Section I of this Scheme had not been made effective. Upon Section I of the Scheme becoming effective, the Resulting Company undertakes to have such legal or other proceedings initiated by or against the Transferor Company in relation to the Demerged Undertakings transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Transferor Company. The Resulting Company also undertakes to handle all legal or other proceedings which may be initiated against the Transferor Company in connection with the Demerged Undertakings after the Effective Date 1 in its own name and account and further undertakes to pay all amounts including interest, penalties, damages etc., pursuant to such legal/ other proceedings.
- (k) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all persons that were employed in the Transferor Company in connection with the Demerged Undertakings immediately before such date shall become employees of the Resulting Company, with the benefit of continuity of service on the terms and conditions no less favourable than those applicable to such employees immediately prior to such transfer and vesting and without any break or interruption in service. It is clarified that such employees of the Transferor Company that become employees of the Resulting Company by virtue of Section I of this Scheme coming into effect, shall continue to be governed by the terms of employment as were applicable to them immediately before such transfer (including in relation to stock options except to the extent modified by this Scheme) and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Resulting Company, unless and otherwise so stated by the Resulting Company in writing in respect of all employees, class of employees or any particular employee. The Resulting Company undertakes to continue to abide by any agreement/ settlement, if any, entered into by the Transferor Company, in relation to the Demerged Undertakings, in respect of such employees with their respective employees/ employee unions, if any. With regard to the provident fund, gratuity fund, superannuation fund, contributions required to be made under the Employees State Insurance Act, 1948, or any other special fund or obligation created or existing for the benefit of such employees of the Transferor Company, upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Resulting Company shall stand substituted for the Transferor Company for all purposes whatsoever including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or

funds in the respective trust deeds or other documents. The existing provident benefits, gratuity benefits and superannuation benefits, contributions made under the Employees State Insurance Act, 1948, or any other special benefits or obligation, if any, created by the Transferor Company for the employees of the Demerged Undertakings shall be continued by the Resulting Company for the benefit of such employees on the same terms and conditions. It is the aim and intent of Section I of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or benefits shall become those of the Resulting Company. Further, upon Section I of the Scheme coming into effect, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Transferor Company in relation to the Demerged Undertakings shall be continued/continue to operate against the relevant employee and shall be enforced effectively by the Resulting Company.

- (l)
 - (i) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Demerged Undertakings who are proposed to be transferred as part of the Scheme to the Resulting Company, which have been granted and vested but have not been exercised as on the Record Date, such options shall continue to vest in the employees of the Demerged Undertakings being transferred to the Resulting Company. Upon exercise of the aforesaid options by the said employees from time to time in accordance with the ESOP Scheme, the Transferor Company shall continue to honour its obligations under the ESOP Scheme with respect to such employees in accordance with the provisions of the ESOP Scheme and shall issue and allot fully paid-up equity shares of the Transferor Company in respect of such exercised options in accordance with the ESOP Scheme. The Resulting Company shall have no obligation to issue any stock options or shares to such employees of the Demerged Undertaking in lieu of the stock options granted by the Transferor Company under the ESOP Scheme.
 - (ii) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Demerged Undertakings who are proposed to be transferred as part of the Scheme to the Resulting Company, which have been granted but have not been vested as of the Effective Date 1, such options would lapse automatically without any further act, instrument or deed required by either of the Transferor Company or the employee or the Resulting Company and without any approval or acknowledgement of any third party.
 - (iii) The exercise price of the stock options granted (whether vested or not) under the ESOP Scheme shall be reduced in the same proportion as the assets of the Demerged Undertakings bear to the total assets of the Transferor Company immediately prior to the Appointed Date 1.
 - (iv) The ESOP Scheme shall, pursuant to this Scheme, be modified by the Transferor Company, as considered appropriate by its Compensation Committee, to give effect to the above clauses and the consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be their consent and approval in relation to all matters pertaining to the ESOP Scheme as described in this Scheme, including without limitation, for the purposes of effecting necessary modifications to the ESOP Scheme and all related matters. All actions taken in accordance with this sub-clause (l) of Section I of this Scheme shall be deemed to

be in full compliance of Sections 62 and/or 42 of the 2013 Act, any other applicable provisions of the Act and the guidelines/regulations issued by SEBI and no further approval of the shareholders of the Transferor Company or other resolution, action or compliance under Sections 62 and/or 42 of the 2013 Act and/or any other applicable provisions of the Act and/or under the guidelines/regulations issued by SEBI would be required to be separately passed or undertaken by the Transferor Company or the Resulting Company.

- (v) The Boards of Directors of the Transferor Company and the Resulting Company may take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this sub-clause (l).
 - (m) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all taxes paid or payable by the Transferor Company in relation to the Demerged Undertakings including all carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, tax deducted at source, tax liabilities or any refunds and claims (including unutilized input credits of the Demerged Undertakings) shall be treated as the carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, tax deducted at source, tax liabilities or refunds/claims (including unutilized input credits) as the case may be, of the Resulting Company. Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat/Cenvat), customs, value added tax, sales tax, service tax to which the Transferor Company is entitled in relation to the Demerged Undertakings shall be available to and shall stand transferred and vested in the Resulting Company without any further act, instrument or deed required by either the Resulting Company or the Transferor Company and without any approval or acknowledgement of any third party. Upon Section I of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, any tax deducted at source deducted by or on behalf of the Transferor Company until the Effective Date 1 shall be deemed to have been deducted on behalf of the Resulting Company to the extent of the income attributable to the Demerged Undertakings during such period.
 - (n) Upon Section I of the Scheme coming into effect on the Effective Date 1, the Transferor Company and the Resulting Company shall be entitled to file/ revise/reopen their respective financial statements (including balance sheet and profit and loss statement) and its statutory/tax returns and related tax payment certificates and to claim refunds/credits and advance tax/ TDS/minimum alternate tax credits as may be required consequent to the implementation of Section I of the Scheme.
- 3.2. The Transferor Company and/ or the Resulting Company, as the case may be, shall at any time upon Section I of the Scheme coming into effect and with effect from the Appointed Date 1 and in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertakings to which the Transferor Company has been a party, in order to give formal effect to the above provisions. The Resulting Company shall, under the provisions of Section I of the Scheme, be deemed to be authorized to execute any such writings

on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.

3.3. Upon Section I of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, the Resulting Company shall be entitled to the benefit of the past experience and/or performance of the Transferor Company in relation to Demerged Undertakings for all purposes without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Resulting Company, the Transferor Company shall duly execute the same and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to Section I of the Scheme becoming effective in accordance with the terms hereof. The Resulting Company shall, under the provisions of Section I of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on behalf of the Transferor Company.

3.4. Conduct of Business

(a) With effect from the Appointed Date 1 and up to and including the Effective Date 1:

(i) The Transferor Company shall carry on and be deemed to have been carrying on all the business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the contracts, liabilities or property or assets or the benefit or obligations thereof or thereunder pertaining to the Demerged Undertakings for and on behalf of and in trust for the Resulting Company.

(ii) All profits/benefits accruing to the Transferor Company in relation to the Demerged Undertakings and all taxes thereof or losses and/ or interest arising or incurred by it shall, for all purposes, be treated as the profits, benefits, taxes or losses and/ or interest, as the case may be, of the Resulting Company.

(b) Subject to the provisions of Clause 3.4(a)(i) hereinabove, in the event any asset, contract, document, liability or property or the rights, interest, obligations and benefits thereof or thereunder (including without limitation, shipping documents, bills of entry, foreign inward remittance certificates and bank realization certificates), which is a part of the Demerged Undertakings does not get automatically transferred to the Resulting Company upon Section I of the Scheme coming into effect on the Effective Date 1, the Transferor Company shall take all necessary steps and execute all necessary documents, to ensure the transfer of such asset, contract, document, liability and property or the rights, interest, obligations and benefits thereof and thereunder to the Resulting Company forthwith after the Effective Date 1 without any further consideration and until the transfer of any such asset, the Resulting Company will have the right to use the same without payment of any additional consideration. It is clarified that even after Section I of the Scheme comes into effect on the Effective Date 1, the Transferor Company shall, with the written consent of the Resulting Company, be entitled to realize or pay all monies and to complete, enforce or discharge all pending contracts, arrangements or obligations in relation to the Demerged Undertakings in trust and at the sole cost and expense of the Resulting Company in so far as may be necessary until all rights and obligations of the Transferor

Company in respect of such pending contracts, arrangements or obligations stand fully devolved to and in favour of the Resulting Company.

PART C

4. CONSIDERATION

4.1. Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, and upon the transfer of the Demerged Undertakings and vesting of the same in the Resulting Company, the board of directors of the Resulting Company shall determine a record date, being a date subsequent to the filing of the order of the Court sanctioning the Scheme with the RoC (“**Record Date**”) for the allotment of (i) equity shares having face value of Rs. 2 (Rupees Two) each of Resulting Company, credited as fully paid up; and (ii) Resulting Company CCCPS having face value of Rs. 2 (Rupees Two) each, credited as fully paid up, to the equity shareholders and holders of CCCPS respectively, of the Transferor Company as on the Record Date, in consideration for the demerger of the Demerged Undertakings.

4.2. The boards of directors of the Resulting Company and the Transferor Company, respectively have determined the share entitlement ratio, such that: (a) for every 1 (One) equity share having face value of Rs. 2 (Rupees Two) each held in the Transferor Company as on the Record Date, the equity shareholders of the Transferor Company shall be issued 1 (One) equity share having face value of Rs. 2 (Rupees Two) each, credited as fully paid-up, in the Resulting Company; and (b) for every 1 (One) CCCPS having face value of Rs. 2 (Rupees Two) each held in the Transferor Company as on the Record Date, the holders of CCCPS of the Transferor Company shall be issued 1 (One) Resulting Company CCCPS having face value of Rs. 2 (Rupees Two) each, credited as fully paid-up, in the Resulting Company.

Accordingly, based on the issued and paid up share capital of the Transferor Company as on December 26, 2014, a total of 22,63,75,005 (Twenty Two Crore Sixty Three Lakh Seventy Five Thousand and Five) fresh equity shares of the Resulting Company having a face value of Rs. 2 (Rupees Two) each, credited as fully paid-up and 48,10,440 (Forty Eight Lakh Ten Thousand Four Hundred and Forty) Resulting Company CCCPS, credited as fully paid-up, shall be issued by the Resulting Company to, the equity shareholders and holders of CCCPS, respectively, of the Transferor Company, provided however, that the number of equity shares and Resulting Company CCCPS actually issued by the Resulting Company to the equity shareholders and holders of CCCPS of the Transferor Company shall depend on the issued and paid-up share capital of the Transferor Company as on the Record Date.

4.3. The Resulting Company shall, without any further act or deed, issue and allot to every shareholder of the Transferor Company on the Record Date, the requisite number of equity shares of the Resulting Company and/or the Resulting Company CCCPS, as the case may be. The said equity shares of the Resulting Company to be issued to the shareholders of the Transferor Company pursuant to Clause 4.2 of Section I above shall rank *pari passu* in all respects with the existing equity shares of the Resulting Company.

4.4. It is hereby clarified that no equity shares or Resulting Company CCCPS shall be issued by the Resulting Company to any equity shareholder or holder of CCCPS of the Transferor Company in respect of fractional entitlements, if any, as on the Record Date, of such equity shareholder or holder of CCCPS and the fractional entitlements, if any, of such equity shareholders and holders of CCCPS of the Transferor Company shall be ignored at the time of issue and allotment of such equity shares or Resulting Company CCCPS by the Resulting Company.

- 4.5. The share entitlement ratio stated in Clause 4.2 of Section I above has been determined and agreed upon by the respective boards of directors of each of the Transferor Company and the Resulting Company based on their independent judgment after taking into consideration the recommendation of the share entitlement ratio provided by independent chartered accountants, B S R and Associates and the fairness opinion provided by independent merchant bankers, SPA Capital Advisors Limited, as presented before the audit committee of the board of directors of the Transferor Company.
- 4.6. On the approval of Section I of the Scheme by the members of the Resulting Company pursuant to Section 391 of the 1956 Act and/ or the relevant provisions of the 2013 Act, if applicable, it shall be deemed that the members of the Resulting Company have also accorded their consent under Sections 42, 55 and 62 of the 2013 Act and/or other provisions of the Act as may be applicable for the aforesaid issuance of equity shares of the Resulting Company and Resulting Company CCCPS, as the case may be, to the shareholders of the Transferor Company, and all actions taken in accordance with this Clause 4 of Section I of this Scheme shall be deemed to be in full compliance of Sections 42, 55 and 62 of the 2013 Act and other applicable provisions of the Act and that no further resolution or actions under Sections 42, 55 and 62 of the 2013 Act and/or any other applicable provisions of the Act, including, *inter alia*, issuance of a letter of offer by the Resulting Company shall be required to be passed or undertaken.

5. REDUCTION IN SHARE CAPITAL OF THE RESULTING COMPANY AND REDUCTION IN THE SECURITIES PREMIUM ACCOUNT OF THE TRANSFEROR COMPANY

- 5.1 Upon Section I of the Scheme coming into effect on the Effective Date 1 and immediately after issuance of the equity shares of the Resulting Company and the Resulting Company CCCPS to the equity shareholders and holders of CCCPS of the Transferor Company, respectively, the 2,50,000 (Two Lakh Fifty Thousand) equity shares of the Resulting Company having face value of Rs. 2 (Rupees Two) each held by the Transferor Company comprising 100% (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date 1 shall stand cancelled without any further act or deed on the part of the Resulting Company. The reduction in the share capital of the Resulting Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the Act without any further act or deed on the part of the Resulting Company and without any approval or acknowledgement of any third party. The order of the Court sanctioning the Scheme shall be deemed to also be the order passed by the Court under Section 102 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the 1956 Act (and Section 66(1)(a) of the 2013 Act, if in force) shall not be applicable. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.
- 5.2 It is expressly clarified that for the purposes of this Clause 5 of Section I of the Scheme, the consent of the shareholders and the creditors of the Resulting Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reorganization in the share capital of the Resulting Company resulting in a reduction in the equity share capital of the Resulting Company, and no further resolution or action under Section 100 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/or any other applicable provisions of the Act would be required to be separately passed or taken.

- 5.3 The reduction of the share capital of the Resulting Company as contemplated in this Clause 5 shall become effective, in accordance with the provisions of Section 103 of the 1956 Act (or Section 66(5) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act and rules and regulations framed thereunder, pursuant to the filing of the order of the Court sanctioning the aforesaid capital reduction by the Resulting Company with the RoC and upon registration by the RoC of such order of the Court and of the minute approved by the Court, if any, showing, with respect to the share capital of the Resulting Company as altered by the order, (a) the amount of share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each share at the date of registration of the aforesaid minute and order by the RoC. Such reduction in the share capital of the Resulting Company as contemplated in this Clause 5 of Section 1 of the Scheme shall be conditional upon Section 1 of this Scheme becoming effective on the Effective Date 1. If this Scheme is, for any reason whatsoever, not sanctioned by the Court, such reduction of share capital as set out in this Clause 5 of Section I of the Scheme shall not become effective and shall be deemed to be redundant.
- 5.4 Upon Section I of the Scheme coming into effect on the Effective Date 1, in accordance with Clause 8.2 of Section I of this Scheme, the difference between the amount of assets and liabilities pertaining to the Demerged Undertakings being transferred by the Transferor Company pursuant to Section I of the Scheme shall be partially adjusted against the Securities Premium Account of the Transferor Company and to the extent of such adjustment, the Securities Premium Account of the Transferor Company shall stand reduced without any further act or deed on the part of the Transferor Company. The reduction in the Securities Premium Account of the Transferor Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 of the 2013 Act read with Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the Act without any further act or deed on the part of the Transferor Company and without any approval or acknowledgement of any third party. The order of the Court sanctioning the Scheme shall be deemed to also be the order passed by the Court under Section 52 of the 2013 Act read with Section 102 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the 1956 Act (and Section 66(1)(a) of the 2013 Act, if in force) shall not be applicable. Notwithstanding the reduction in the share capital of the Transferor Company, the Transferor Company shall not be required to add "And Reduced" as suffix to its name.
- 5.5 It is expressly clarified that for the purposes of this Clause 5 of Section I of the Scheme, the consent of the shareholders and the creditors of the Transferor Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reduction of the Securities Premium Account of the Transferor Company and no further resolution or action under Section 52 of the 2013 Act read with Section 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/or any other applicable provisions of the Act would be required to be separately passed or taken.
- 5.6 The reduction of the Securities Premium Account of the Transferor Company as contemplated in this Clause 5 shall become effective, in accordance with the provisions of Section 52 of the 2013 Act read with Section 103 of the 1956 Act (or Section 66(5) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act, pursuant to the filing of the order of the Court sanctioning the aforesaid reduction by the Transferor Company with the RoC and upon registration by the RoC of such order of the Court and of the minute approved by the Court. Such

reduction of the Securities Premium Account of the Transferor Company as contemplated in this Clause 5 of Section 1 of the Scheme shall be conditional upon Section 1 of this Scheme becoming effective on the Effective Date 1. If this Scheme is, for any reason whatsoever, not sanctioned by the Court, such reduction of the Securities Premium Account of the Transferor Company as set out in this Clause 5 of Section I of the Scheme shall not become effective and shall be deemed to be redundant.

6. INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY

6.1 Upon Section I of the Scheme coming into effect on the Effective Date 1, the authorized share capital of Resulting Company of Rs.5,00,000 (Rupees Five Lakhs) divided into 2,50,000 (Two Lakh Fifty Thousand) equity shares having face value of Rs.2 (Rupees Two) each, in terms of Clause V of its Memorandum of Association and Clause 4(i) of its Articles of Association shall stand enhanced to Rs. 50,00,00,000 (Rupees Fifty Crore) divided into 24,00,00,000 (Twenty Four Crore) equity shares having face value of Rs. 2 (Two) each and 1,00,00,000 (One Crore) preference shares having face value of Rs. 2 (Rupees Two) each, without any further act or deed by the Resulting Company for purpose of such enhancement of the authorized share capital of the Resulting Company.

6.2 Subsequent to enhancement of the authorized share capital of the Resulting Company as contemplated in Clause 6 of Section I above, the authorized share capital clause of the Memorandum of Association (Clause V) of the Resulting Company and Clause 4(i) of the Articles of Association of the Resulting Company shall stand modified and read as follows:

“The authorized share capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crore) divided into 24,00,00,000 (Twenty Four Crore) equity shares having face value of Rs. 2 (Rupees Two) each and 1,00,00,000 (One Crore) preference shares having face value of Rs. 2 (Rupees Two) each.”

6.3 Pursuant to the effectiveness of Section 1 of this Scheme, the Resulting Company shall make the requisite filings with the RoC for the increase in its authorised share capital in the manner set out in this Clause 6.

6.4 It is hereby clarified that for the purposes of Clauses 6.1 and 6.2 of Section I above, the consent of the shareholders of the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in the authorized share capital of the Resulting Company and consequential amendments in Clause V of its Memorandum of Association and Clause 4(i) of its Articles of Association, and all actions taken in accordance with this Clause 6 of Section I of this Scheme shall be deemed to be in full compliance of Sections 13, 14, 61 and 64 of the 2013 Act and other applicable provisions of the Act and that no further resolutions or actions under Sections 13, 14, 61 and 64 of the 2013 Act and/or any other applicable provisions of the Act, would be required to be separately passed or undertaken by the Resulting Company.

7. DISTRIBUTION OF RESULTING COMPANY GDSs TO THE HOLDERS OF THE TRANSFEROR COMPANY GDSs

7.1 Upon Section I of the Scheme coming into effect on the Effective Date 1 and the issuance of equity shares by the Resulting Company in the share entitlement ratio set out in Clause 4.2 above:

- (a) The Resulting Company shall appoint a depository (“**Resulting Company Depository**”) pursuant to a deposit agreement with the Resulting Company Depository (“**Resulting Company Deposit Agreement**”) to establish a means for the issuance of GDSs (“**Resulting Company GDSs**”) representing the equity shares of the Resulting Company. The Resulting Company shall issue an appropriate number of underlying equity shares of the Resulting Company, in accordance with the share entitlement ratio, to the Resulting Company Depository or its custodian in India. The Resulting Company shall enter into appropriate arrangements with the Depository, Resulting Company Depository and other agents, including the custodians for the issuance, by the Resulting Company Depository of the Resulting Company GDSs, in accordance with the existing GDS to equity share ratio of the Transferor Company GDSs, and the distribution by the Depository of such Resulting Company GDSs to the holders of the Transferor Company GDSs.
- (b) The Resulting Company, the Resulting Company Depository, the Transferor Company and/or the Depository shall enter into such further documents and take such further actions as may be deemed necessary or appropriate by the Resulting Company and/or the Transferor Company and/ or the Resulting Company Depository and/ or the Depository, including, but not limited to, disseminating to existing holders of the Transferor Company GDSs certain notices and information containing details of the Scheme, the issuance and distribution of the Resulting Company GDSs and/or certain information relating to the Resulting Company, and providing to the Resulting Company and the Resulting Company Depository, certain information relating to the existing Transferor Company GDS holders.
- 7.2 The Resulting Company GDSs issued pursuant to Clause 7.1 above shall be listed on the Luxemburg Stock Exchange in accordance with applicable laws and the Resulting Company shall take such additional steps and do all such acts, deeds and things as may be necessary for the purposes of listing the Resulting Company GDSs.
- 7.3 The Resulting Company GDSs and the equity shares underlying the Resulting Company GDSs may not be registered under the United States Securities Act of 1933 as amended from time to time (“**Securities Act**”) and the Resulting Company may elect, at its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under section 3(a)(10) thereof or any other exemption that the Resulting Company may elect to rely upon. In the event that the Resulting Company elects to rely upon an exemption from the registration requirements of the Securities Act under section 3(a)(10) thereof, the sanction of the High Court to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the Resulting Company GDSs and the equity shares of the Resulting Company, including, without limitation, the equity shares underlying the Resulting Company GDSs for such exemption from the registration requirements of the Securities Act under section 3(a)(10) thereof.

8. ACCOUNTING TREATMENT

8.1 *Treatment in the books of Resulting Company*

Pursuant to Section I of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, the Resulting Company shall account for the demerger and transfer and vesting of the Demerged Undertakings with the Resulting Company, in its books of accounts in accordance with the Indian Generally Accepted Accounting Principles, in the following manner:

- (a) All assets and liabilities in relation to the Demerged Undertakings shall be recorded in its books of accounts by the Resulting Company at the respective book values as appearing in the books of accounts of the Transferor Company as at the Appointed Date 1.
- (b) The aggregate face value of the equity shares of the Resulting Company and of the Resulting Company CCCPS, if any, issued to the shareholders of the Transferor Company shall stand credited to the share capital of the Resulting Company in its books of accounts.
- (c) The amount representing the surplus of assets over, the sum of (i) liabilities of the Demerged Undertakings (as recorded in the books of accounts of the Transferor Company); and (ii) the paid up face value of the equity shares and Resulting Company CCCPS, if any, issued by the Resulting Company to the shareholders of the Transferor Company, shall be correspondingly allocated and credited to the Securities Premium Account of the Resulting Company to the extent it has been debited in the Securities Premium Account of the Transferor Company, and the balance amount, if any, shall be credited to the Capital Reserve Account of the Resulting Company.
- (d) Immediately after the issuance of shares by the Resulting Company to the shareholders of the Transferor Company, the 2,50,000 (Two Lakh Fifty Thousand) equity shares of the Resulting Company having face value of Rs.2 (Rupees Two) each held by the Transferor Company comprising 100% (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date 1 shall stand cancelled, without any further act or deed on part of the Resulting Company and the same shall be adjusted against the Capital Reserves Account of the Resulting Company.
- (e) Any matter not dealt with in this Clause 8.1 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles.

8.2 *Treatment in the books of Transferor Company*

Pursuant to Section I of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, the Transferor Company shall account for the demerger and vesting of the Demerged Undertakings with the Resulting Company, in its books of accounts in accordance with Indian Generally Accepted Accounting Principles in the following manner:

- (a) The Transferor Company shall reduce from its books of accounts, the book values appearing as at that Appointed Date 1 of all assets and liabilities pertaining to the Demerged Undertakings.
- (b) The difference between the amount of assets and liabilities pertaining to the Demerged Undertakings being transferred by the Transferor Company pursuant to Section I of the Scheme shall be adjusted in the following order:
 - (i) firstly, against the Securities Premium Account of the Transferor Company to the extent available; and
 - (ii) the balance, if any, shall be adjusted against the balance of the profit and loss account of the Transferor Company in the balance sheet of the Transferor Company.

- (c) Immediately after the issuance of the shares by the Resulting Company to the shareholders of the Transferor Company, the existing issued and paid up share capital of the Resulting Company comprising of 2,50,000 (Two Lakhs Fifty Thousand) equity shares having face value of Rs. 2 (Rupees Two) each, held by the Transferor Company comprising 100 % (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date 1, shall stand cancelled without any further act or deed on part of the Resulting Company. This amount will be debited to the Statement of Profit and Loss Account of the Transferor Company.
- (d) Any matter not dealt with in this Clause 8.2 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles.

9. LISTING OF THE RESULTING COMPANY

- 9.1 The equity shares of Resulting Company shall be listed and admitted to trading on the Stock Exchanges, where the equity shares of the Transferor Company are listed and are admitted to trading.
- 9.2 The Stock Exchanges, shall list the equity shares of the Resulting Company, in accordance with applicable laws, rules, circulars and notifications, including, *inter alia*, the applicable provisions of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013, as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 as amended from time to time.
- 9.3 New equity shares allotted to the shareholders of the Transferor Company in the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system until listing/trading permission is granted by the Stock Exchanges. Between the date of allotment of the equity shares of the Resulting Company to the shareholders of the Transferor Company and the date of listing of the equity shares of the Resulting Company with the Stock Exchanges, except as provided for in Clause 5 of Section I of this Scheme in relation to the reduction of the existing share capital of Rs. 5,00,000 (Rupees Five Lakh) held by the Transferor Company in the Resulting Company there shall be no change in the shareholding pattern or control of the Resulting Company.
- 9.4 The equity shares of the Resulting Company, issued to a shareholder in lieu of the locked-in equity shares of the Transferor Company, shall remain locked-in for the remainder of the lock-in period applicable to such shareholder for the equity shares of the Transferor Company under applicable laws.

SECTION II

TRANSFER OF THE BUSINESS UNDERTAKING 1 AND VESTING OF THE SAME IN THE RESULTING COMPANY BY WAY OF A SLUMP SALE

PART A

WHEREAS:

- A. **Jindal Stainless Limited** (“**Transferor Company**”) is a company incorporated under the 1956 Act, and has its registered office at O. P. Jindal Marg, Hisar 125005, Haryana. The Transferor Company is engaged in the business of manufacturing, distribution and sale of stainless steel in India and other countries.
- B. **Jindal Stainless (Hisar) Limited** (“**Resulting Company**” or “**Transferee Company 1**”) is a company incorporated under the 1956 Act, and has its registered office at O. P. Jindal Marg, Hisar 125005, Haryana. The Resulting Company, a wholly owned subsidiary of the Transferor Company, proposes to engage in the business of manufacturing, distribution and sale of stainless steel, including, *inter alia*, special steel, coin blanks and precision strips, in India and other countries.
- C. In terms of Section II of this Scheme, it is now proposed, *inter alia*, to transfer Business Undertaking 1 (*as defined hereinafter*) of the Transferor Company and vest the same in the Resulting Company as a going concern by way of a Slump Sale (as defined hereinafter) for a lump-sum consideration pursuant to a court sanctioned composite scheme of arrangement under Sections 391 to 394 of the 1956 Act and/or Sections 230-233, if applicable, and other relevant provisions of the Act, in the manner provided for in Section II of the Scheme.
- D. The transfer of the Business Undertaking 1 (*as defined hereinafter*) of the Transferor Company and vesting of the same in the Resulting Company as a going concern by way of a Slump Sale (as defined hereinafter) for lump sum consideration, pursuant to and in accordance with Section II of this Scheme shall be in accordance with Section 2 (42C) of the IT Act.

1. DEFINITIONS

For the purposes of Section II of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:-

- (a) “**Business Undertaking 1**” means the business undertaking relating to the Hisar Unit of the Transferor Company having a net book value in the books of the Transferor Company of Rs. 1649.58 Crore (Rupees One Thousand Six Hundred Forty Nine point Five Eight Crore) as at Appointed Date 1, on a going concern basis, which shall be inclusive of, but not limited to:-
- (i) all assets, whether moveable or immovable, whether freehold or leasehold, including all rights, title, interest, covenants, undertakings of the Transferor Company pertaining to the Hisar Unit, including without limitation, the assets listed in **Part A of Schedule 2**;
- (ii) all investments, receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Transferor Company pertaining to the Hisar Unit;

- (iii) all debts, borrowings and liabilities (except for the secured term borrowings), whether present or future, whether secured or unsecured of the Transferor Company pertaining to the Hisar Unit;
 - (iv) all permits, rights, entitlements, licenses (including licenses issued by the DGFT under EPCG Scheme, Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT), approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax), privileges and benefits of all contracts, agreements, tenders, bids, experience and/or performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Transferor Company pertaining to the Hisar Unit;
 - (v) all copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom of the Transferor Company pertaining to the Hisar Unit (including without limitation all rights in relation to trademarks, brand names and logos, “Krome 16+” and “Krome 16+ (logo)”), whether registered, unregistered or pending registration;
 - (vi) all employees of the Transferor Company employed in relation to the Hisar Unit; all legal, tax, regulatory, quasi judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated by or against the Transferor Company in connection with the Hisar Unit; and
 - (vii) all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Transferor Company pertaining to the Hisar unit.
- (b) **“Hisar Unit”** means (i) all the manufacturing facilities of the Transferor Company located at O.P. Jindal Marg, Hisar 125 005, Haryana, India, including, without limitation, the stainless steel manufacturing facility, the special steel facility and the coin blank facility of the Transferor Company and the operations thereat; and (ii) the investments of the Transferor Company in the domestic subsidiaries listed in **Part B of Schedule 2** hereto, and inter-corporate loans and advances made by the Transferor Company to the companies referred to Part B of Schedule 2 hereto.
 - (c) **“Resulting Company”** or **“Transferee Company 1”** shall have the meaning assigned to it in Recital B hereto.
 - (d) **“Slump Sale”** means sale of an undertaking on a going concern basis as defined under Section 2(42C) of the IT Act, for a lump sum consideration without values being assigned to the individual assets and liabilities.
 - (e) **“Transferor Company”** shall have the meaning assigned to it in Recital A hereto.

The expressions, which are used in this Section II of the Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Section I, III, IV or V of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

2. SHARE CAPITAL

2.1. The share capital of the Transferor Company as on December 26, 2014, is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorized share capital	
44,50,00,000 (Forty Four Crore and Fifty Lakh) equity shares having face value of Rs. 2 (Rupees Two) each	89,00,00,000
3,00,00,000 (Three Crore) preference shares having face value of Rs. 2 (Rupees Two) each	6,00,00,000
Total	95,00,00,000
Issued and paid-up share capital	
22,63,75,005 (Twenty Two Crore Sixty Three Lakh Seventy Five Thousand and Five) equity shares having face value of Rs. 2 (Rupees Two) each*	45,27,50,010
48,10,440 (Forty Eight Lakh Ten Thousand Four Hundred and Forty) CCCPS having face value of Rs. 2 (Rupees Two) each	96,20,880
Total	46,23,70,890
<u>Outstanding Transferor Company GDSs</u>	
*includes 1,76,04,334 (One Crore Seventy Six Lakh Four Thousand Three Hundred and Thirty Four) equity shares having face value Rs. 2 (Rupees Two) each, underlying 88,02,167 (Eighty Eight Lakhs Two Thousand One Hundred and Sixty Seven) Transferor Company GDSs	

2.2. The share capital of the Resulting Company as on December 26, 2014, is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorised share capital	
2,50,000 (Two Lakh Fifty Thousand) equity shares having face value of Rs. 2 (Rupees Two) each	5,00,000
Total	5,00,000
Issued and paid-up share capital	

2,50,000 (Two Lakh Fifty Thousand) equity shares having face value of Rs. 2 each (Rupees Two)	5,00,000
Total	5,00,000

2.3. The main objects of the Transferor Company and the Resulting Company are as follows:

(a) Transferor Company:

- “1. To set up Steel and non-ferrous melting furnaces, converters. AP Lines and casting facilities to produce stainless steel, Ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, bloom, rounds billets of various cross-sections, alloys and special steel, to make a deal in ferrous. non ferrous and special alloy and steel including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for and for other applications.
2. To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shaftings and blank-coins.
3. To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulates, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metallingerous ore, manganese ore, chrome ore, nickel ore, coal lignite, limestone, quartz, zinc ore, copper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities.
4. To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchases dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.
5. To manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferros silicon, ferro chrome, ferro manganese and other ferros substances and metals of every description and grades and to manufacture, deal, import and export all kinds and varieties of non-ferros raw metals such as aluminum, copper, tin, lead etc. and the by-products obtained in processing and manufacturing these raw metals.
6. To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use transmit, accumulate, employ. Distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar

power plants and other power plants bases on any source of energy as may be developed or invented in future.

7. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carbolic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gasses, substances or any compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and thing or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”*
- (b) Resulting Company:
1. *“To set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, ferrous and non-ferrous metals, ally steels, steel and non-ferrous ingots, continuous cast slabs, blooms, rounds billets of various cross-sections, alloys and special steel, to make and deal in ferrous/non-ferrous and special alloys & steels including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for other applications.*
 2. *To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shafting and blank-coins.*
 3. *To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulate, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metalligerous ore, manganese ore, chrome ore, nickel ore, coal, lignite, limestone, quartz, zinc ore, copper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities.*
 4. *To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchase dealers, import and export agents, representatives, Contractors, and dealers of and in forging, Casting of Steel, Stainless and Special Steels, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*
 5. *To manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferro silicon, ferro chrome, ferro manganese and other ferrous substances and metals of every description and grades and to manufacture, deal, import, and export all kinds and varieties of non-ferrous raw metals such as aluminum, copper, tin, lead etc. and the by products obtained in processing and manufacturing these raw metals.*
 6. *To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal*

power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy as may be developed or invented in future.

7. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carboic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gases, substances and compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and things or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”*

PART B

3. TRANSFER OF THE BUSINESS UNDERTAKING 1 AND VESTING OF THE SAME IN THE RESULTING COMPANY BY WAY OF A SLUMP SALE

- 3.1. Subject to the provisions of Section II of the Scheme in relation to the modalities of a Slump Sale, upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Business Undertaking 1, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations, shall be transferred from the Transferor Company and stand vested in the Resulting Company and shall become the property and an integral part of the Resulting Company, subject to the existing encumbrances (unless otherwise agreed to by the encumbrance holders), as a going concern by way of a Slump Sale, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, Business Undertaking 1 shall stand transferred and vested in the Resulting Company in the manner described in sub-paragraphs (a) – (n) below:

- (a) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all immovable property of the Business Undertaking 1, whether freehold or leasehold (including the right to use such property) and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company, and without any approval or acknowledgement of any third party. Upon Section II of the Scheme coming into effect on the Effective Date 1, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation / substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Resulting Company, by the appropriate authorities pursuant to the sanction of the Scheme by the Court and Section II of the Scheme becoming effective on the Effective Date 1 in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the Business Undertaking 1 is given to the Resulting Company in accordance with the terms hereof.

- (b) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all the assets of the Business Undertaking 1 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by transfer or by vesting and recordal pursuant to the Scheme, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company, and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-Clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being transferred and vested, and the title to such property shall be deemed to have transferred and vested accordingly.
- (c) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts, receivables, outstanding loans and advances, if any, relating to the Business Undertaking 1, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons shall, without any act, instrument or deed required by either the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party become the property of the Resulting Company.
- (d) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all debts, liabilities, contingent liabilities, duties and obligations (excluding the secured term borrowings of the Transferor Company), secured or unsecured, relating to the Business Undertaking 1, whether provided for or not in the books of accounts of the Transferor Company or disclosed in the balance sheet of the Business Undertaking 1, shall become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company. The Resulting Company undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company. It is hereby clarified that it shall not be necessary to obtain the 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. However, the Transferor Company and the Resulting Company shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Court or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to the Resulting Company as part of the Business Undertaking 1 and/or in relation to the assets remaining in the Transferor Company after the demerger and vesting of the Business Undertaking 1 in the Resulting Company pursuant to Section II of this Scheme becoming effective in accordance with the terms hereof. Where any of the loans, liabilities and obligations attributed to the Business Undertaking 1 have been discharged by the Transferor Company on behalf of the Business Undertaking 1 after the Appointed Date 1 but before the Effective Date 1, such discharge shall be deemed to have been done by the Transferor Company for and on behalf of the Resulting Company.
- (e) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all incorporeal or intangible property of or relating to the

Business Undertaking 1 shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed required by either the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.

- (f) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all letters of intent, memoranda of understanding, memoranda of agreements, contracts, tenders, bids, experience and/or performance statements, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of whatsoever nature or description, in relation to the Business Undertaking 1 to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be in full force and effect against or in favour of the Resulting Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.
- (g) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all rights, entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description (including without limitation all rights in relation to trademarks, brand names and logos, “Krome 16+” and “Krome 16+ (logo)”), whether registered, unregistered or pending registration, and the goodwill arising therefrom, in relation to Business Undertaking 1, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or entitled, shall become the rights, entitlement or property of the Resulting Company and shall be enforceable by or against the Resulting Company, as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.
- (h) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations, approvals, clearances, tenancies, privileges, powers, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax,), facilities of every kind and description of whatsoever nature, in relation to the Business Undertaking 1 to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be enforceable by or against the Resulting Company as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party.
- (i) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, any statutory or regulatory licenses (including licenses issued by the DGFT under the EPCG Scheme, Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT), grants, allotments,

recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Business Undertaking 1 or granted to the Transferor Company in relation to the Business Undertaking 1 shall stand transferred and vested in the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. The benefit of, and the obligations under, all such statutory and regulatory licences, permissions, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights (including environmental approvals and consents) required to carry on the operations of the Business Undertaking 1 shall also stand transferred and vested in and become available to the Resulting Company pursuant to Section II of this Scheme coming into effect, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company. If the consent or recordal of any licensor or authority is required to give effect to the provisions of this sub-clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to Section II of the Scheme becoming effective in accordance with the terms hereof.

- (j) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Resulting Company shall bear the burden and the benefits of any legal, tax, quasi judicial, administrative, regulatory or other proceedings initiated by or against the Transferor Company in connection with the Business Undertaking 1. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company in connection with the Business Undertaking 1 (or any part thereof) be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer and vesting of such Business Undertaking 1 to the Resulting Company or of anything contained in Section II of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if Section II of this Scheme had not been made effective. Upon Section II of the Scheme becoming effective, the Resulting Company undertakes to have such legal or other proceedings initiated by or against the Transferor Company in relation to the Business Undertaking 1 transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Transferor Company. The Resulting Company also undertakes to handle all legal or other proceedings which may be initiated against the Transferor Company in connection with the Business Undertaking 1 after the Effective Date 1, in its own name and account and further undertakes to pay all amounts including interest, penalties and damages, pursuant to such legal / other proceedings.
- (k) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all persons that were employed in the Transferor Company, in connection with the Business Undertaking 1, immediately before such date shall become employees of the Resulting Company, with the benefit of continuity of service on the terms and conditions no less favourable than those applicable to such employees immediately prior to such transfer and vesting and without any break or interruption in service. It is clarified that such employees of the Transferor Company that become employees of the Resulting Company by virtue of Section II of this Scheme coming into effect, shall continue to be governed by the terms of employment as were applicable to them immediately before such transfer (including in relation to stock options except to the

extent modified by this Scheme) and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Resulting Company, unless and otherwise so stated by such Resulting Company in writing in respect of all employees, class of employees or any particular employee. The Resulting Company undertakes to continue to abide by any agreement/ settlement if any, entered into by the Transferor Company in relation to the Business Undertaking 1 in respect of such employees with their respective employees/ employee unions, if any. With regard to provident fund, gratuity fund, superannuation fund, contributions required to be made under the Employees State Insurance Act, 1948, or any other special fund or obligation created or existing for the benefit of such employees of the Transferor Company, upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Resulting Company shall stand substituted for the Transferor Company for all purposes whatsoever including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident benefits, gratuity benefits and superannuation benefits, contributions made under the Employees State Insurance Act, 1948, or any other special benefits or obligation, if any, created by the Transferor Company for the employees of the Business Undertaking 1 shall be continued by the Resulting Company for the benefit of such employees on the same terms and conditions. It is the aim and intent of Section II of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or benefits shall become those of the Resulting Company. Further, upon Section II of the Scheme coming into effect in accordance with the terms hereof, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Transferor Company in relation to the Business Undertaking 1 shall be continued/continue to operate against the relevant employee and shall be enforced effectively by the Resulting Company.

- (l) (i) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Business Undertaking 1 who are proposed to be transferred as part of the Scheme to the Resulting Company, which have been granted and vested but have not been exercised as on the Record Date, such options shall continue to vest in the employees of the Business Undertaking 1 being transferred to the Resulting Company. Upon exercise of the aforesaid options by the said employees from time to time in accordance with the ESOP Scheme, the Transferor Company shall continue to honour its obligations under the ESOP Scheme with respect to such employees in accordance with the provisions of the ESOP Scheme and shall issue and allot fully paid-up equity shares of the Transferor Company in respect of such exercised options in accordance with the ESOP Scheme. The Resulting Company shall have no obligation to issue any stock options or shares to such employees of the Business Undertaking 1 in lieu of the stock options granted by the Transferor Company under the ESOP Scheme.
- (ii) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Business Undertaking 1 who are proposed to be transferred as part of the Scheme to the Resulting Company, which have been granted but have not been vested as of the Effective Date 1, such options would lapse automatically without any further act, instrument or deed

required by any of, the Transferor Company, the employee or the Resulting Company and without any approval or acknowledgement of any third party.

- (iii) The ESOP Scheme shall, pursuant to this Scheme, be modified by the Transferor Company, as considered appropriate by its Compensation Committee, to give effect to the above clauses and the consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be their consent and approval in relation to all matters pertaining to the ESOP Scheme as described in this Scheme, including without limitation, for the purposes of effecting necessary modifications to the ESOP Scheme and all related matters. All actions taken in accordance with this sub-clause (l) of Section II of this Scheme shall be deemed to be in full compliance of Sections 62 and/or 42 of the 2013 Act, any other applicable provisions of the Act and the guidelines/regulations issued by SEBI and no further approval of the shareholders of the Transferor Company or resolution, action or compliance under Sections 62 and/or 42 of the 2013 Act and/or any other applicable provisions of the Act and/or under the guidelines/regulations issued by the SEBI would be required to be separately passed or undertaken by the Transferor Company or the Resulting Company.
- (iv) The Boards of Directors of the Transferor Company and the Resulting Company may take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this sub-clause (l).
- (m) Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all taxes paid or payable by the Transferor Company in relation to the Business Undertaking 1 including all, advance tax payments, tax deducted at source, tax liabilities or any refunds and claims (including unutilized input credits of Business Undertaking 1) shall be treated as the advance tax payments, tax deducted at source, tax liabilities or refunds/ claims (including unutilized input credits), as the case may be, of the Resulting Company. Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all existing and future incentives, un-availed credits and exemptions, statutory benefits, including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat/ Cenvat), customs, value added tax, sales tax, service tax, to which the Transferor Company is entitled in relation to the Business Undertaking 1 shall be available to and shall stand transferred to and vested in the Resulting Company without any further act, instrument or deed required by either the Resulting Company or the Transferor Company and without any approval or acknowledgement of any third party. Upon Section II of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, any tax deducted at source deducted by or on behalf of the Transferor Company until the Effective Date 1 shall be deemed to have been deducted on behalf of the Resulting Company to the extent of the income attributable to the Business Undertaking 1 during such period.
- (n) Upon Section II of the Scheme coming into effect on the Effective Date 1, the Transferor Company and the Resulting Company shall be entitled to file/ revise/reopen their respective financial statements (including balance sheet and profit and loss statement) and statutory/tax returns and related tax payment certificates and to claim refunds/credits and advance tax/ TDS/minimum alternate tax credits as may be required consequent to the implementation of Section II of the Scheme.

- 3.2. The Transferor Company and/or the Resulting Company, as the case may be, shall at any time upon Section II of the Scheme coming into effect and with effect from the Appointed Date 1 and in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Business Undertaking 1 to which the Transferor Company has been a party, in order to give formal effect to the above provisions. The Resulting Company shall, under the provisions of Section II of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 3.3. Upon Section II of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, the Resulting Company shall be entitled to the benefit of the past experience and performance of the Transferor Company in relation to Business Undertaking 1 for all purposes without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Resulting Company, the Transferor Company shall duly execute the same and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to Section II of the Scheme becoming effective in accordance with the terms hereof. The Resulting Company shall, under the provisions of Section II of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 3.4. Conduct of Business
- (a) With effect from the Appointed Date 1 and up to and including the Effective Date 1:
- (i) The Transferor Company shall carry on and be deemed to have been carrying on all the business and activities of the Business Undertaking 1 and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the contracts, liabilities or property or assets or the benefit or obligations thereof or thereunder pertaining to the Business Undertaking 1 for and on behalf of and in trust for the Resulting Company.
- (ii) All profits/benefits accruing to the Transferor Company in relation to the Business Undertaking 1 and all taxes thereof or losses and/or interest arising or incurred by it shall, for all purposes, be treated as the profits, benefits, taxes or losses and/or interest, as the case may be, of the Resulting Company.
- (b) Subject to the provisions of Clause 3.4(a)(i) hereinabove, in the event any asset, contract, document, liability or property or the rights, interest, obligations and benefits thereof or thereunder (including without limitation, shipping documents, bills of entry, foreign inward remittance certificates and bank realization certificates), which is a part of the Business Undertaking 1 does not get automatically transferred to the Resulting Company upon Section II of the Scheme coming into effect on the Effective Date 1, the Transferor Company shall take all necessary steps, and execute all necessary documents, to ensure the transfer of such asset, contract, document, liability and property or the rights, interest, obligations and benefits thereof and thereunder to the Resulting Company forthwith after the Effective Date 1 without any further consideration and until the transfer of any such asset, the Resulting Company will have the right to use the same without payment of any

additional consideration. It is clarified that even after Section II of the Scheme comes into effect on the Effective Date 1, the Transferor Company shall, with the written consent of the Resulting Company, be entitled to realize or pay all monies and to complete, enforce or discharge all pending contracts, arrangements or obligations in relation to the Business Undertaking 1 in trust and at the sole cost and expense of the Resulting Company in so far as may be necessary until all rights and obligations of the Transferor Company in respect of such pending contracts, arrangements or obligations stand fully devolved to and in favour of the Resulting Company.

PART C

4. CONSIDERATION

- 4.1. Upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, and upon the transfer of the Business Undertaking 1 and vesting of the same in the Resulting Company by way of a Slump Sale, the Resulting Company shall discharge the lump sum consideration of Rs. 2809,79,51,880 (rounded off) (Rupees Two Thousand Eight Hundred Nine Crore Seventy Nine Lakh Fifty One Thousand Eight Hundred and Eighty) to the Transferor Company in the following manner:
- (a) An amount of Rs. 2600,00,00,000 (Rupees Two Thousand Six Hundred Crore) shall be paid in cash to the Transferor Company; and
 - (b) The balance amount of Rs. 209,79,51,880 (Rupees Two Hundred Nine Crore Seventy Nine Lakh Fifty One Thousand Eight Hundred and Eighty) out of the total lumpsum consideration of Rs. 2809,79,51,880 (rounded off) (Rupees Two Thousand Eight Hundred Nine Crore Seventy Nine Lakh Fifty One Thousand Eight Hundred and Eighty) after adjustment of the amount paid to the Transferor Company in accordance with sub-clause (a) hereinabove, shall be set off against an equivalent amount out of Rs. 575,98,18,450 (Rupees Five Hundred Seventy Five Crore Ninety Eight Lakh Eighteen Thousand Four Hundred and Fifty) being the amount due and payable by the Transferor Company to the Resulting Company as receivables due to the Resulting Company from the Transferor Company as of Appointed Date 1 as a result of the implementation of Section I of the Scheme as mentioned in sub-Clause 3.1(c) of Section I of the Scheme, upon Section II of the Scheme coming into effect on the Effective Date 1.
- 4.2 The lump-sum consideration for the transfer and vesting of the Business Undertaking 1 to the Resulting Company by way of Slump Sale as stated in Clauses 4.1 of this Section II herein above has been determined and agreed upon by the respective boards of directors of each of the Transferor Company and the Resulting Company based on their independent judgment after taking into consideration the valuation of the Business Undertaking 1 and/or the assets of the Transferor Company and the Resulting Company conducted by independent chartered accountants, B S R and Associates and the fairness opinion provided by independent merchant bankers, SPA Capital Advisors Limited, as presented before the audit committee of the board of directors of the Transferor Company.

5. ACCOUNTING TREATMENT

Treatment in the books of Resulting Company

- 5.1 Pursuant to Section II of the Scheme, the Resulting Company shall account for the transfer and vesting of the assets and liabilities acquired under the Business Undertaking 1 in accordance with an allocation report to be prepared in accordance with Accounting Standard 10 issued by the Institute of Chartered Accountants of India.

Treatment in the books of Transferor Company

- 5.2 The statement of the profit & loss account of the Transferor Company shall be debited / credited with the difference between the book values of the assets and liabilities transferred to the Resulting Company and the lump sum consideration received by the Transferor Company.

6. ADJUSTMENT OF OUTSTANDING RECEIVABLES FROM THE TRANSFEROR COMPANY

- 6.1 The amount of Rs. 575,98,18,450 (Rupees Five Hundred and Seventy Five Crores Ninety Eight Lakhs Eighteen Thousand Four Hundred and Fifty) being the amount due and payable by the Transferor Company to the Resulting Company as receivables due to the Resulting Company from the Transferor Company as of Appointed Date 1 as a result of the implementation of Section I of the Scheme as mentioned in sub-Clause 3.1(c) of Section I of the Scheme, shall, stand discharged by the Transferor Company to the extent of Rs. 209,79,51,880 (Rupees Two Hundred Nine Crore Seventy Nine Lakh Fifty One Thousand Eight Hundred and Eighty) pursuant to sub-Clause 4.1 (b) of Section II hereinabove, and the balance outstanding amount of Rs. 366,18,66,570 (Rupees Three Hundred and Sixty Six Crore Eighteen Lakh Sixty Six Thousand Five Hundred and Seventy) shall stand discharged by the Transferor Company by way of issue and allotment of equity shares having face value of Rs. 2 (Rupees two) each of the Transferor Company, to the Resulting Company, on the record date being a date subsequent to the filing of the order of the Court sanctioning the Scheme with the RoC and jointly decided by the boards of directors of the Transferor Company and the Resulting Company. The said equity shares in the Transferor Company to be issued to the Resulting Company pursuant to this Clause 6.1 of Section II above shall rank *pari passu* in all respects with the existing equity shares of the Transferor Company.
- 6.2 The number of equity shares to be issued by the Transferor Company to the Resulting Company pursuant to Clause 6.1 of Section II above against the outstanding amount of Rs. 366,18,66,570 (Rupees Three Hundred and Sixty Six Crore Eighteen Lakh Sixty Six Thousand Five Hundred and Seventy) will depend upon the price at which such equity shares are issued to the Resulting Company. The price at which such equity shares of the Transferor Company shall be issued to the Resulting Company shall be determined in accordance with Chapter VII of the ICDR with the record date decided in accordance with Clause 6.1 being considered as the relevant date for the issue of the aforesaid equity shares of the Transferor Company to the Resulting Company.
- 6.3 On the approval of the Scheme by the members of the Transferor Company pursuant to Section 391 of the 1956 Act and/ or the relevant provisions of the 2013 Act, if applicable, it shall be deemed that the members of the Transferor Company have also accorded their consent under Sections 42 and 62 of the 2013 Act and/or other provisions of the Act as may be applicable for the aforesaid issuance of equity shares of the Transferor Company, to the Resulting Company, and all actions taken in accordance with this Clause 6 of Section II of this Scheme shall be

deemed to be in full compliance of Sections 42 and 62 of the 2013 Act and other applicable provisions of the Act and that no further resolution or actions under Sections 42 and 62 of the 2013 Act and/or any other applicable provisions of the Act, including, *inter alia*, issuance of a letter of offer by the Transferor Company shall be required to be passed or undertaken.

7. PAYMENT OF INTEREST TO THE TRANSFEROR COMPANY

- 7.1 As specified in Clause 3.1 of Section II above, subject to the provisions of Section II of the Scheme in relation to the modalities of a Slump Sale, upon Section II of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Business Undertaking 1 shall stand transferred and vested in the Resulting Company and shall become the property and an integral part of the Resulting Company, as going concern by way of a Slump Sale, without any further act or deed required by either of the Transferor Company or the Resulting Company and without the approval or acknowledgement of any third party.
- 7.2 The Transferor Company has secured term borrowings obtained from banks / financial institutions which would have stood repaid as on the Appointed Date 1 had the cash consideration been discharged as on the Appointed Date 1. Although the Resulting Company becomes entitled to all the benefits of the Business Undertaking 1 from the Appointed Date 1, it is not required to invest its funds (to the extent of Rs. 2600 crores (Rupees Two Thousand Six Hundred Crore)) in relation to Business Undertaking 1 by borrowing from external parties until the date of actual payment of consideration to the Transferor Company. Due to the time lag between the Appointed Date 1 and the date of payment of consideration and the consequent business advantage accruing to the Resulting Company, the Resulting Company has agreed to reimburse to the Transferor Company, the interest paid by the Transferor Company on its secured term borrowings to the extent of the cash component of the lump sum consideration for the slump sale of the Business Undertaking 1 from the Appointed Date 1 upto and including the close of the business day immediately preceding the date of payment of consideration by the Resulting Company.

SECTION III

TRANSFER OF THE BUSINESS UNDERTAKING 2 AND VESTING OF THE SAME IN THE TRANSFEREE COMPANY 2 BY WAY OF A SLUMP SALE

PART A

WHEREAS:

- A. **Jindal Stainless Limited** (“**Transferor Company**”) is a company incorporated under the 1956 Act, and has its registered office at O. P. Jindal Marg, Hisar 125005, Haryana. The Transferor Company is engaged in the business of manufacturing, distribution and sale of stainless steel in India and other countries.
- B. **Jindal United Steel Limited** (“**Transferee Company 2**”) is a company incorporated under the 2013 Act, and has its registered office at O. P. Jindal Marg, Hisar 125005, Haryana. The Transferee Company 2, a wholly owned subsidiary of the Transferor Company, proposes to engage in the business of manufacturing, processing, refining, smelting, importing, exporting, marketing and distribution of all kinds and forms of iron and steel including tools and alloy steels, stainless and all other special steels.
- C. In terms of Section III of this Scheme, it is now proposed, *inter alia*, to transfer Business Undertaking 2 (*as defined hereinafter*) of the Transferor Company and vest the same in the Transferee Company 2 as a going concern by way of a Slump Sale for a lump-sum consideration pursuant to a court sanctioned composite scheme of arrangement under Sections 391 to 394 of the 1956 Act and/or Sections 230-233 of the 2013 Act, if applicable, and/ or other relevant provisions of the Act, in the manner provided for in Section III of the Scheme.
- D. The transfer of the Business Undertaking 2 (*as defined hereinafter*) of the Transferor Company to the Transferee Company 2 (*as defined hereinafter*) as a going concern by way of a Slump Sale for lump sum consideration, pursuant to and in accordance with Section III of this Scheme shall be in accordance with Section 2 (42C) of the IT Act.

1. DEFINITIONS

For the purposes of Section III of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:-

- (a) “**Appointed Date 2**” means the close of business hours before midnight of March 31, 2015, the date with effect from which Sections III and IV of this Scheme will be deemed to be effective, in the manner described in Clause 1.3 of Section V of the Scheme.
- (b) “**Business Undertaking 2**” means the business undertaking relating to the HSM Plant, on a going concern basis with a net book value in the books of the Transferor Company of Rs. 2262.43 Crore (Rupees Two Thousand Two Hundred Sixty Two point Four Three Crore) as on March 31, 2014, which shall be inclusive of, but not limited to:
- (i) all assets, whether moveable or immovable, whether freehold or leasehold (including the right to use the land on which the HSM Plant is located but excluding the ownership or leasehold rights in such land), including all rights, title, interest, claims, covenants,

undertakings of the Transferor Company pertaining to the HSM Plant including without limitation, the assets listed in **Schedule 3** hereto;

- (ii) all investments, receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Transferor Company pertaining to the HSM Plant;
 - (iii) all debts, borrowings and liabilities (except for the secured term borrowings), whether present or future, whether secured or unsecured, of the Transferor Company pertaining to the HSM Plant;
 - (iv) all permits, rights, entitlements, licenses (including licenses issued by the DGFT under the Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT except the EPCG license and the export obligations thereunder), approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax), privileges and benefits of all contracts, agreements, tenders, bids, experience and/or performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Transferor Company pertaining to the HSM Plant;
 - (v) all copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom of the Transferor Company pertaining to the HSM Plant, whether registered, unregistered or pending registration;
 - (vi) all employees of the Transferor Company employed in relation to the HSM Plant;
 - (vii) all legal, tax, regulatory, quasi judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated by or against the Transferor Company in connection with the HSM Plant; and
 - (viii) all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Transferor Company pertaining to the HSM Plant.
- (c) **“Effective Date 2”** means the date on which the last of the approvals listed out in Clause 1.5 (b) of Section V of the Scheme are obtained and Sections III and IV of the Scheme are made effective with effect from the Appointed Date 2.
- (d) **“HSM Plant”** means the hot strip mill, plate finishing facility, bell annealing facility and other allied facilities of the Transferor Company located at Kalinga Nagar Industrial Complex, Duburi 755 026, District Jajpur, Odisha, India, and the operations thereat.
- (e) **“Transferor Company”** shall have the meaning assigned to it in Recital A hereto.

(f) “**Transferee Company 2**” shall have the meaning assigned to it in Recital B hereto.

The expressions, which are used in this Section III of the Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Sections I, II, IV or V of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

2. SHARE CAPITAL

2.1. The share capital of the Transferor Company as on December 26, 2014, is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorised share capital	
44,50,00,000 (Forty Four Crore and Fifty Lakh) equity shares having face value of Rs. 2 (Rupees Two) each	89,00,00,000
3,00,00,000 (Three Crore) preference shares having face value of Rs. 2 (Rupees Two) each	6,00,00,000
Total	95,00,00,000
Issued and paid-up share capital	
22,63,75,005 (Twenty Two Crore Sixty Three Lakh Seventy Five Thousand and Five) equity shares having face value of Rs. 2 (Rupees Two) each*	45, 27,50,010
48,10,440 (Forty Eight Lakh Ten Thousand Four Hundred and Forty) CCCPS having face value of Rs. 2 (Rupees Two) each	96,20,880
Total	46,23,70,890
Outstanding Transferor Company GDSs	
*includes 1,76,04,334 (One Crore Seventy Six Lakh Four Thousand Three Hundred and Thirty Four) equity shares having face value Rs. 2 (Rupees Two) each, underlying 88,02,167 (Eighty Eight Lakhs Two Thousand One Hundred and Sixty Seven) Transferor Company GDSs	

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

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorised share Capital	
50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each	5,00,000

Total	5,00,000
Issued and paid-up share capital	
50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each	5,00,000
Total	5,00,000

2.3. The main objects of the Transferor Company and the Transferee Company 2 are as follows:

(a) Transferor Company

1. *To set up Steel and non-ferrous melting furnaces, converters. AP Lines and casting facilities to produce stainless steel, Ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, bloom, rounds billets of various cross-sections, alloys and special steel, to make a deal in ferrous. non ferrous and special alloy and steel including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for and for other applications.*
2. *To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shaftings and blank-coins.*
3. *To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulates, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metallingerous ore, manganese ore, chrome ore, nickel ore, coal lignite, limestone, quartz, zinc ore, copper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities.*
4. *To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchases dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*
5. *To manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferros silicon, ferro chrome, ferro manganese and other ferros substances and metals of every description and grades and to manufacture, deal, import and export all kinds and varieties of non-ferros raw metals such as aluminum, copper, tin, lead etc. and the by-products obtained in processing and manufacturing these raw metals.*
6. *To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use transmit, accumulate, employ. Distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be*

permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants bases on any source of energy as may be developed or invented in future.

7. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carboic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gasses, substances or any compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and thing or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”*

(b) Transferee Company 2

1. *“To carry on the business of manufactures, processors, refiners, smelters, makers, converts, finishers, importers, exporters, agents, merchants, buyers, sellers and dealers in all kinds and forms of steels including tools and alloy steels, stainless and all other special steels, iron and other metals and alloys, all kinds of goods, products, articles or merchandise whatsoever manufactured wholly or partly from steels and other metals and alloys; and also the business and iron masters, steel and metal converters, colliary proprietors, coke manufacturers, ferroalloy manufactures , miners, smelters and engineers in all their respective branches and to search for, get , work, raise, make, merchantable , manufacture , process, buy , sell and otherwise deal in iron , Pig Iron, Granulated slag, Iron Ore Fines, steel and other metal, coal , coke, brick-carth, fire-clay , bricks, ores, minerals and mineral substances, gases, alloy. Metal, metal scrap, chemicals and chemical substances of all kinds and to set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, blooms, rounds, billets of various cross-sections, alloys and special steel.*
2. *To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shaftings and blank-coins and to carry on all or any of the business of manufacturing, developing, assemblers, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchase dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, Carbon Steel and Mild Steel ,alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*
3. *To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulate, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metalligerous ore, manganese ore, chrome ore, nickel ore, coal, lignite, limestone, quartz, zinc ore, cooper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities and to manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferro silicon, ferro chrome, ferro manganese and other ferrous substances*

and metals of every description and grades and to manufacture, deal, import, and export all kinds and varieties of non-ferrous raw metals such as aluminum, copper, tin, lead etc. and the byproducts obtained in processing and manufacturing these raw metals and to deal in to make and deal in ferrous/non-ferrous and special alloys & steels including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for other applications.

4. *To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy as may be developed or invented in future.*
5. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carbolic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gases, substances and compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and things or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”*

PART B

3. TRANSFER OF THE BUSINESS UNDERTAKING 2 AND VESTING OF THE SAME IN TRANSFEREE COMPANY 2 BY WAY OF A SLUMP SALE

3.1 Subject to the provisions of Section III of the Scheme in relation to the modalities of a Slump Sale, upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, Business Undertaking 2, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations, shall be transferred from the Transferor and stand vested in the Transferee Company 2 and shall become the property and an integral part of Transferee Company 2, subject to the existing encumbrances (unless otherwise agreed to by the encumbrance holders), as a going concern by way of a Slump Sale, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, Business Undertaking 2 shall stand transferred and vested in the Transferee Company 2 in the manner described in sub-paragraphs (a) – (n) below:

- (a) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all immovable property of the Business Undertaking 2, whether freehold or leasehold (including the right to use the land on which the HSM Plant is located but excluding the ownership or leasehold rights in such land) and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in Transferee Company 2, and shall become the property and an integral part of the Transferee Company 2, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 2, and without any approval or acknowledgement of any third party. Upon Section III of the Scheme coming into effect

on the Effective Date 2, the Transferee Company 2 shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation / substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Transferee Company 2 by the appropriate authorities pursuant to the sanction of the Scheme by the Court and Section III of the Scheme becoming effective on Effective Date 2 in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the Business Undertaking 2 is given to the Transferee Company 2 in accordance with the terms hereof.

- (b) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all the assets of the Business Undertaking 2 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by transfer or by vesting and recordal pursuant to the Scheme, shall stand transferred and vested in the Transferee Company 2, and shall become the property and an integral part of the Transferee Company 2, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-Clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being transferred and vested, and the title to such property shall be deemed to have transferred and vested accordingly.
- (c) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts, receivables, outstanding loans and advances, if any, relating to the Business Undertaking 2, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons shall, without any act, instrument or deed required by either the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party become the property of the Transferee Company 2.
- (d) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all debts, liabilities, contingent liabilities, duties and obligations (excluding the secured term borrowings of the Transferor Company), secured or unsecured, relating to the Business Undertaking 2, whether provided for or not in the books of accounts of the Transferor Company or disclosed in the balance sheet of the Business Undertaking 2, if any, shall become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company 2, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 2. The Transferee Company 2 undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company. It is hereby clarified that it shall not be necessary to obtain the 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. However, the Transferor Company and the Transferee Company 2 shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Court or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to the Transferee Company 2 as part of the Business

Undertaking 2 and/or in relation to the assets remaining in the Transferor Company after the transfer and vesting of the Business Undertaking 2 in the Transferee Company 2 pursuant to Section III of this Scheme becoming effective in accordance with the terms hereof. Where any of the loans, liabilities and obligations attributed to the Business Undertaking 2 have been discharged by the Transferor Company on behalf of the Business Undertaking 2 after the Appointed Date 2 but before the Effective Date 2, such discharge shall be deemed to have been done by the Transferor Company for and on behalf of the Transferee Company 2.

- (e) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all incorporeal or intangible property of or relating to the Business Undertaking 2 shall stand transferred and vested in the Transferee Company 2, and shall become the property and an integral part of the Transferee Company 2 without any further act, instrument or deed required by either the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party.
- (f) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all letters of intent, memoranda of understanding, memoranda of agreements, contracts, tenders, bids, experience and/or performance statements, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of whatsoever nature or description, in relation to the Business Undertaking 2 to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be in full force and effect against or in favour of the Transferee Company 2 and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company 2 had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party.
- (g) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all rights, entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered, unregistered or pending registration, and the goodwill arising therefrom, in relation to Business Undertaking 2, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or entitled, shall become the rights, entitlement or property of the Transferee Company 2 and shall be enforceable by or against the Transferee Company 2, as fully and effectually as if, instead of the Transferor Company, the Transferee Company 2 had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party.
- (h) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations, approvals, clearances, tenancies, privileges, powers, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax), facilities of every kind and description of whatsoever nature, in relation to the Business Undertaking 2 to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be enforceable by or against the Transferee Company 2

as fully and effectually as if, instead of the Transferor Company, the Transferee Company 2 had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party.

- (i) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, any statutory or regulatory licenses (including licenses issued by the DGFT under the Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT except the EPCG license and the export obligations thereunder), grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Business Undertaking 2 or granted to the Transferor Company in relation to the Business Undertaking 2 shall stand transferred and vested in or transferred to Transferee Company 2, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement of any third party. The benefit of, and the obligations under, all such statutory and regulatory licences, permissions, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights (including environmental approvals and consents) required to carry on the operations of the Business Undertaking 2 shall also stand transferred and vested in and become available to Transferee Company 2 pursuant to Section III of this Scheme coming into effect, without any further act, instrument or deed required by either the Transferor Company or the Transferee Company 2. If the consent or recordal of any licensor or authority is required to give effect to the provisions of this sub-clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company 2 pursuant to Section III of the Scheme becoming effective in accordance with the terms hereof.
- (j) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date, the Transferee Company 2 shall bear the burden and the benefits of any legal, tax, quasi judicial, administrative, regulatory or other proceedings initiated by or against the Transferor Company in connection with the Business Undertaking 2. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company in connection with the Business Undertaking 2 (or any part thereof) be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer and vesting of such Business Undertaking 2 in the Transferee Company 2 or of anything contained in Section III of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company 2 in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if Section III of this Scheme had not been made effective. Upon Section III of the Scheme becoming effective, the Transferee Company 2 undertakes to have such legal or other proceedings initiated by or against the Transferor Company in relation to the Business Undertaking 2 transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company 2 to the exclusion of the Transferor Company. The Transferee Company 2 also undertakes to handle all legal or other proceedings which may be initiated against the Transferor Company in connection with the Business Undertaking 2 after the Effective Date 2, in its own name and account and further

undertakes to pay all amounts including interest, penalties and damages pursuant to such legal / other proceedings.

- (k) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all persons that were employed in the Transferor Company, in connection with the Business Undertaking 2, immediately before such date shall become employees of the Transferee Company 2, with the benefit of continuity of service on the terms and conditions no less favourable than those applicable to such employees immediately prior to such transfer and vesting and without any break or interruption in service. It is clarified that such employees of the Transferor Company that become employees of the Transferee Company 2 by virtue of Section III of this Scheme coming into effect, shall continue to be governed by the terms of employment as were applicable to them immediately before such transfer (including in relation to stock options except to the extent modified by this Scheme) and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Transferee Company 2, unless and otherwise so stated by such Transferee Company 2 in writing in respect of all employees, class of employees or any particular employee. The Transferee Company 2 undertakes to continue to abide by any agreement/ settlement, if any, entered into by the Transferor Company in relation to the Business Undertaking 2 in respect of such employees with their respective employees/ employee unions, if any. With regard to provident fund, gratuity fund, superannuation fund, contributions required to be made under the Employees State Insurance Act, 1948 or any other special fund or obligation created or existing for the benefit of such employees of the Transferor Company, upon Section III of the Scheme coming into effect on, the Effective Date 2 and with effect from the Appointed Date 2, the Transferee Company 2 shall stand substituted for the Transferor Company for all purposes whatsoever including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident benefits, gratuity benefits and superannuation benefits contributions made under the Employees State Insurance Act, 1948 or any other special benefits or obligation, if any, created by the Transferor Company for the employees of the Business Undertaking 2 shall be continued by the Transferee Company 2 for the benefit of such employees on the same terms and conditions. It is the aim and intent of Section III of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or benefits shall become those of the Transferee Company 2. Further, upon Section III of the Scheme coming into effect in accordance with the terms hereof, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Transferor Company in relation to the Business Undertaking 2 shall be continued/continue to operate against the relevant employee and shall be enforced effectively by the Transferee Company 2.
- (l) (i) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Business Undertaking 2 who are proposed to be transferred as part of the Scheme to the Transferee Company 2, which have been granted and vested but have not been exercised as on the Record Date, such options shall continue to vest in the employees of the Business Undertaking 2 being transferred to the Transferee Company 2. Upon exercise of the aforesaid options by the said employees from time to time in accordance with the ESOP Scheme, the Transferor Company shall continue to honour its obligations under the ESOP Scheme with respect to such employees in

accordance with the provisions of the ESOP Scheme and shall issue and allot fully paid-up equity shares of the Transferor Company in respect of such exercised options in accordance with the ESOP Scheme. The Transferee Company 2 shall have no obligation to issue any stock options or shares to such employees of the Business Undertaking 2 in lieu of the stock options granted by the Transferor Company under the ESOP Scheme.

- (ii) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Business Undertaking 2 who are proposed to be transferred as part of the Scheme to the Transferee Company 2, which have been granted but have not been vested as of the Effective Date 2, such options would lapse automatically without any further act, instrument or deed required by any of the Transferor Company, the employee or the Transferee Company 2 and without any approval or acknowledgement of any third party.
- (iii) The ESOP Scheme shall, pursuant to this Scheme, be modified by the Transferor Company, as considered appropriate by its Compensation Committee, to give effect to the above clauses and the consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be their consent and approval in relation to all matters pertaining to the ESOP Scheme as described in this Scheme, including without limitation, for the purposes of effecting necessary modifications to the ESOP Scheme and all related matters. All actions taken in accordance with this sub-clause (l) of Section III of this Scheme shall be deemed to be in full compliance of Sections 62 and/or 42 of the 2013 Act, any other applicable provisions of the Act and the guidelines/regulations issued by SEBI and no further approval of the shareholders of the Transferor Company or resolution, action or compliance under Sections 62 and/or 42 of the 2013 Act and/or any other applicable provisions of the Act and/or under the guidelines/regulations issued by the SEBI would be required to be separately passed or undertaken by the Transferor Company or the Transferee Company 2.
- (iv) The Boards of Directors of the Transferor Company and the Transferee Company 2 may take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this sub-clause (l).
- (m) Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all taxes paid or payable by the Transferor Company in relation to the Business Undertaking 2 including all, advance tax payments, tax deducted at source, tax liabilities or any refunds and claims (including unutilized input credits) shall be treated as the advance tax payments, tax deducted at source, tax liabilities or refunds/ claims (including unutilized input credits) as the case may be of the Transferee Company 2. Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all existing and future incentives, un-availed credits and exemptions, statutory benefits, including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat/ Cenvat), customs, value added tax, sales tax, service tax, to which the Transferor Company is entitled in relation to the Business Undertaking 2 shall be available to and shall stand transferred to and vested in the Transferee Company 2 without any further act, instrument or deed required by either the Transferee Company 2 or the Transferor Company and without any approval or acknowledgement of any third party. Upon Section III of the Scheme coming into effect

on the Effective Date 2 with effect from the Appointed Date 2, any tax deducted at source deducted by or on behalf of the Transferor Company until the Effective Date 2 shall be deemed to have been deducted on behalf of the Transferee Company 2 to the extent of the income attributable to the Business Undertaking 2 during such period.

- (n) Upon Section III of the Scheme coming into effect on the Effective Date 2, the Transferor Company and the Transferee Company 2 shall be entitled to file/ revise/reopen their respective financial statements (including balance sheet and profit and loss statement) and statutory/tax returns and related tax payment certificates and to claim refunds/credits and advance tax/TDS/minimum alternate tax credits as may be required consequent to the implementation of Section III of the Scheme.

3.2 The Transferor Company and/or the Transferee Company 2, as the case may be, shall at any time upon Section III of the Scheme coming into effect and with effect from the Appointed Date 2 and in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Business Undertaking 2 to which the Transferor Company has been a party, in order to give formal effect to the above provisions. The Transferee Company 2 shall, under the provisions of Section III of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.

3.3 Upon Section III of the Scheme coming into effect on the Effective Date 2 with effect from the Appointed Date 2, the Transferee Company 2 shall be entitled to the benefit of the past experience and performance of the Transferor Company in relation to Business Undertaking 2 for all purposes without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 2 and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Transferee Company 2, the Transferor Company shall duly execute the same and duly record the necessary substitution/endorsement in the name of the Transferee Company 2 pursuant to Section III of the Scheme becoming effective in accordance with the terms hereof. The Transferee Company 2 shall, under the provisions of Section III of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.

3.4 Conduct of Business

- (a) With effect from the Appointed Date 2 and up to and including the Effective Date 2:
 - (i) The Transferor Company shall carry on and be deemed to have been carrying on all the business and activities of the Business Undertaking 2 and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the contracts, liabilities or property or assets or the benefit or obligations thereof or thereunder pertaining to the Business Undertaking 2 for and on behalf of and in trust for the Transferee Company 2.
 - (ii) All profits/benefits accruing to the Transferor Company in relation to the Business Undertaking 2 and all taxes thereof or losses and/or interest arising or incurred by it shall, for all purposes, be treated as the profits, benefits, taxes or losses and/or interest, as the case may be, of the Transferee Company 2.

- (b) Subject to the provisions of Clause 3.4(a)(i) hereinabove, in the event any asset, contract, document, liability or property or the rights, interest, obligations and benefits thereof or thereunder (including without limitation, shipping documents, bills of entry, foreign inward remittance certificates and bank realization certificates), which is a part of the Business Undertaking 2 does not get automatically transferred to the Transferee Company 2 upon Section III of the Scheme coming into effect on the Effective Date 2, the Transferor Company shall take all necessary steps, and execute all necessary documents, to ensure the transfer of such asset, contract, document, liability and property or the rights, interest, obligations and benefits thereof and thereunder to the Transferee Company 2 forthwith after the Effective Date 2 and until the transfer of any asset, the Transferee Company 2 will have the right to use the same without any further consideration. It is clarified that even after Section III of the Scheme comes into effect on the Effective Date 2, the Transferor Company shall, with the written consent of the Transferee Company 2, be entitled to realize or pay all monies and to complete, enforce or discharge all pending contracts, arrangements or obligations in relation to the Business Undertaking 2 in trust and at the sole cost and expense of the Transferee Company 2 in so far as may be necessary until all rights and obligations of the Transferor Company in respect of such pending contracts, arrangements and obligations stand fully devolved to and in favour of the Transferee Company 2.

PART C

4 CONSIDERATION

4.1 Upon Section III of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, and upon the transfer of the Business Undertaking 2 and vesting of the same in Transferee Company 2 by way of a Slump Sale, the Transferee Company 2 shall discharge the lump sum consideration of Rs. 2412,67,33,110 (rounded off) (Rupees Two Thousand Four Hundred and Twelve Crore Sixty Seven Lakh Thirty Three Thousand One Hundred and Ten) to the Transferor Company in the following manner:

- (a) An amount of Rs. 2150,00,00,000 (Rupees Two Thousand One Hundred and Fifty Crore) shall be paid in cash to the Transferor Company; and
- (b) The Transferee Company 2 shall, without any further act or deed, issue and allot, to the Transferor Company, by way of discharge of the remainder of the lump-sum consideration payable by the Transferee Company 2 to the Transferor Company after adjustment of the amount paid to the Transferor Company in accordance with sub-clause (a) hereinabove:-
- (i) 17,50,00,000 (Seventeen Crore Fifty Lakh) non-cumulative compulsorily convertible preference shares each (a) having face value of Rs. 10 (Rupees Ten), (b) a coupon payable annually at the rate of 0.01% (Zero point zero one percent.) per annum, and (c) compulsorily convertible into 1 (one) equity share of face value Rs. 10 (Rupees Ten) each of Transferee Company 2 at the end of 10 (Ten) years from the date of allotment or at any time prior to the expiry of 10 (Ten) years from the date of allotment at the option of Transferee Company 2; and
- (ii) 8,76,73,311 (Eight Crore Seventy Six Lakh Seventy Three Thousand Three Hundred and Eleven) non-cumulative non-convertible redeemable preference shares each (a) having face value of Rs. 10 (Rupees Ten), (b) a coupon payable annually at the rate of

10% (Ten percent.) per annum, and (c) redeemable at the end of 20 (Twenty) years from the date of allotment or at any time prior to the expiry of 20 (Twenty) years from the date of allotment at the option of Transferee Company 2.

- 4.2 The lump-sum consideration for the transfer and vesting of the Business Undertaking 2 in the Transferee Company 2 by way of Slump Sale as stated in Clauses 4.1 of this Section III herein above has been determined and agreed upon by the respective boards of directors of each of the Transferor Company and the Transferee Company 2 based on their independent judgment after taking into consideration the valuation of the Business Undertaking 2 and/or the assets of the Transferor Company and the Transferee Company 2 conducted by independent chartered accountants B S R and Associates and the fairness opinion provided by independent merchant bankers, SPA Capital Advisors Limited, as presented before the audit committee of the board of directors of the Transferor Company.
- 4.3 On the approval of the Scheme by the members of the Transferee Company 2 pursuant to Section 391 of the 1956 Act and/or the relevant provisions of the 2013 Act, if applicable, it shall be deemed that the members of the Transferee Company 2 have also accorded their consent under Sections 42, 55 and 62 of the 2013 Act and/or other provisions of the Act as may be applicable for the aforesaid issuance of non-cumulative compulsorily convertible preference shares and non-cumulative non-convertible redeemable preference shares of the Transferee Company 2, to the Transferor Company, and all actions taken in accordance with this Clause 4 of Section III of this Scheme shall be deemed to be in full compliance of Sections 42, 55 and 62 of the 2013 Act and other applicable provisions of the Act and that no further resolution or actions under Sections 42, 55 and 62 of the 2013 Act and/or any other applicable provisions of the Act, including, *inter alia*, issuance of a letter of offer by the Transferee Company 2 shall be required to be passed or undertaken.

5. INCREASE IN THE AUTHORISED SHARE CAPITAL OF TRANSFEREE COMPANY 2

- 5.1 Upon Section III of the Scheme coming into effect on the Effective Date 2, the authorized share capital of Transferee Company 2 of Rs.5,00,000 (Rupees Five Lakh) divided into 50,000 (Fifty Thousand) equity shares having face value of Rs.10 (Rupees Ten) each, in terms of Clause V of its Memorandum of Association shall stand enhanced to Rs. 265,05,00,000 (Rupees Two Hundred Sixty Five Crore and Five Lakh) divided into 50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each and 26,50,00,000 (Twenty Six Crore Fifty Lakh) preference shares having face value of Rs. 10 (Rupees Ten) each, without any further act or deed by the Transferee Company 2 for purpose of such enhancement of the authorized share capital of the Transferee Company 2.
- 5.2 Subsequent to enhancement of the authorized share capital of the Transferee Company 2 as contemplated in Clause 5 of Section III above, the authorized share capital clause of the Memorandum of Association (Clause V) of the Transferee Company 2 shall stand modified and read as follows:

“The authorized share capital of the Company is Rs. 265,05,00,000 (Rupees Two Hundred Sixty Five Crore and Five Lakh) divided into 50,000 (Fifty Thousand) equity shares having face value of Rs.10 (Rupees Ten) each and 26,50,00,000 (Twenty Six Crore and Fifty Lakh) preference shares having face value of Rs. 10 (Rupees Ten) each.”

- 5.3 Pursuant to the effectiveness of Section III of this Scheme, the Transferee Company 2 shall make the requisite filings with the RoC for the increase in its authorised share capital in the manner set out in this Clause 5.
- 5.4 It is hereby clarified that for the purposes of Clauses 5.1 and 5.2 of Section III above, the consent of the shareholders of the Transferee Company 2 to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in the authorized share capital of the Transferee Company 2 and consequential amendments in Clause V of its Memorandum of Association and all actions taken in accordance with this Clause 5 of Section III of this Scheme shall be deemed to be in full compliance of Sections 13, 61 and 64 of the 2013 Act and other applicable provisions of the Act and that no further resolutions or actions under Sections 13, 61 and 64 of the 2013 Act and/or any other applicable provisions of the Act, would be required to be separately passed or undertaken by the Transferee Company 2.

6. ACCOUNTING TREATMENT

6.1 *Treatment in the books of Transferee Company 2*

Pursuant to Section III of the Scheme, the Transferee Company 2 shall account for the transfer and vesting of the assets and liabilities acquired under the Business Undertaking 2 in accordance with an allocation report to be prepared in accordance with Accounting Standard 10 issued by the Institute of Chartered Accountants of India.

6.2 *Treatment in the books of Transferor Company*

The statement of the profit & loss account of the Transferor Company shall be debited / credited with the difference between the book values of the assets and liabilities transferred to the Transferee Company 2 and the lump sum consideration received by the Transferor Company.

SECTION IV

TRANSFER OF THE BUSINESS UNDERTAKING 3 AND VESTING OF THE SAME IN THE TRANSFEREE COMPANY 3 BY WAY OF A SLUMP SALE

PART A

WHEREAS:

- A. **Jindal Stainless Limited** (“**Transferor Company**”) is a company incorporated under the 1956 Act, and has its registered office at O. P. Jindal Marg, Hisar 125005, Haryana. The Transferor Company is engaged in the business of manufacturing, distribution and sale of stainless steel in India and other countries.
- B. **Jindal Coke Limited** (“**Transferee Company 3**”) is a company incorporated under the 2013 Act, and has its registered office at O.P. Jindal Marg, Hisar 125005, Haryana. Transferee Company 3, a wholly owned subsidiary of the Transferor Company proposes to engage in the business of manufacturing, processing, finishing and dealing in all kinds and forms of coke and coke products.
- C. In terms of Section IV of this Scheme, it is now proposed, *inter alia*, to transfer Business Undertaking 3 (*as defined hereinafter*) of the Transferor Company and vest the same in the Transferee Company 3 as a going concern by way of a Slump Sale for a lump-sum consideration pursuant to a court sanctioned composite scheme of arrangement under Sections 391 to 394 of the 1956 Act and/or Sections 230-233 of the 2013 Act, if applicable, and/ or other relevant provisions of the Act, in the manner provided for in Section IV of the Scheme.
- D. The transfer of the Business Undertaking 3 (*as defined hereinafter*) of the Transferor Company and vesting of the same in the Transferee Company 3 (*as defined hereinafter*) as a going concern by way of a Slump Sale for lump sum consideration, pursuant to and in accordance with Section IV of this Scheme shall be in accordance with Section 2 (42C) of the IT Act.

1. DEFINITIONS

For the purposes of Section IV of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:-

- (a) “**Business Undertaking 3**” means the business undertaking relating to the Coke Plant, on a going concern basis with a net book value in the books of the Transferor Company of Rs. 373.69 Crore (Rupees Three Hundred Seventy Three point Six Nine Crore) as on March 31, 2014, which shall be inclusive of, but not limited to:-
- (i) all assets, whether moveable or immovable, whether freehold or leasehold (including the right to use the land on which the Coke Plant is located but excluding the ownership or leasehold rights in such land), including all rights, title, interest, claims, covenants, undertakings of the Transferor Company pertaining to the Coke Plant, including without limitation, the assets listed in **Schedule 4** hereto;
- (ii) all investments, receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Transferor Company pertaining to the Coke Plant;

- (iii) all debts, borrowings and liabilities (except for the secured term borrowings), whether present or future, whether secured or unsecured of the Transferor Company pertaining to the Coke Plant;
 - (iv) all permits, rights, entitlements, licenses (including licenses issued by the DGFT under the Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT except the EPCG license and the export obligations thereunder), approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax), privileges and benefits of all contracts, agreements, tenders, bids, experience and/or performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Transferor Company pertaining to the Coke Plant;
 - (v) all copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom of the Transferor Company pertaining to the Coke Plant, whether registered, unregistered or pending registration;
 - (vi) all employees of the Transferor Company employed in relation to the Coke Plant;
 - (vii) all legal, tax, regulatory, quasi judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated by or against the Transferor Company in connection with the Coke Plant; and
 - (viii) all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Transferor Company pertaining to the Coke Plant.
- (b) **“Coke Plant”** means the coke oven plant and other allied facilities of the Transferor Company located at Kalinga Nagar Industrial Complex, Duburi 755 026, District Jajpur, Odisha, India, and the operations thereat.
 - (c) **“Transferor Company”** shall have the meaning assigned to it in Recital A hereto.
 - (d) **“Transferee Company 3”** shall have the meaning assigned to it in Recital B hereto.

The expressions, which are used in this Section IV of the Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Sections I, II, III, or V of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

2. SHARE CAPITAL

2.1. The share capital of the Transferor Company as on December 26, 2014, is as under:

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorised share capital	
44,50,00,000 (Forty Four Crore and Fifty Lakh) equity shares having face value of Rs. 2 (Rupees Two) each	89,00,00,000
3,00,00,000 (Three Crore) preference shares having face value of Rs. 2 (Rupees Two) each	6,00,00,000
Total	95,00,00,000
Issued and paid-up share capital	
22,63,75,005 (Twenty Two Crore Sixty Three Lakh Seventy Five Thousand and Five) equity shares having face value of Rs. 2 (Rupees Two) each*	45,27,50,010
48,10,440 (Forty Eight Lakh Ten Thousand Four Hundred and Forty) CCCPS having face value of Rs. 2 (Rupees Two) each	96,20,880
Total	46,23,70,890
<u>Outstanding Transferor Company GDSs</u>	
*includes 1,76,04,334 (One Crore Seventy Six Lakh Four Thousand Three Hundred and Thirty Four) equity shares having face value Rs. 2 (Rupees Two) each, underlying 88,02,167 (Eighty Eight Lakhs Two Thousand One Hundred and Sixty Seven) Transferor Company GDSs	

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

SHARE CAPITAL	AMOUNT IN RUPEES (Rs.)
Authorised share Capital	
50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each	5,00,000
Total	5,00,000
Issued and paid-up share capital	
50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each	5,00,000
Total	5,00,000

2.3. The main objects of the Transferor Company and the Transferee Company 3 are as follows:

- (a) Transferor Company

- “1. *To set up Steel and non-ferrous melting furnaces, converters. AP Lines and casting facilities to produce stainless steel, Ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, bloom, rounds billets of various cross-sections, alloys and special steel, to make a deal in ferrous. non ferrous and special alloy and steel including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for and for other applications.*
2. *To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist, channels, slabs, strips, sheets, plates, coils both Hot & Cold rolled, deformed bars, plain and cold twisted bars and shaftings and blank-coins.*
3. *To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulates, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metallingerous ore, manganese ore, chrome ore, nickel ore, coal lignite, limestone, quartz, zinc ore, copper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities.*
4. *To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchases dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*
5. *To manufacture, deal, import and export stainless steel, pig iron, sponge iron, ferros silicon, ferro chrome, ferro manganese and other ferros substances and metals of every description and grades and to manufacture, deal, import and export all kinds and varieties of non-ferros raw metals such as aluminum, copper, tin, lead etc. and the by-products obtained in processing and manufacturing these raw metals.*
6. *To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use transmit, accumulate, employ. Distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants bases on any source of energy as may be developed or invented in future.*
7. *To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carbolic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gasses, substances or any compounds and to manufacturer, buy, sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries, apparatus, tools, equipments, spare parts and other articles and thing or manufacturing,*

compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business.”

(b) Transferee Company 3

1. *“To carry on the business of purchase, sale, manufacture, process, import, export, buyers, sellers, traders, merchants, distribution, deal in, to act as indent or agent, commission agent, distributors, whole sellers, retailers, broker, contractor, or otherwise deal with raw and process materials, semi products and end products of Low ash Metallurgical Coke, carbon, Chemicals, Coal, Coke, Petroleum Coke products, Calcined Petroleum Coke, Ferro Alloys, Electrodes, Petro Products and Petro Products of all kinds & specification and other allied items and industrial raw materials.*
2. *To manufacture, purchase, sell, deal in soft coke, Special Smokeless Fuel(SSF) with coal tar recovered by CMPDIL Technology, industrial coke, coke as substitute to Charcoal, processing and distillation of coal tar coal tar chemicals, any other type of coke and organic chemicals based on carbon and tar derivatives, charcoal, bone charcoal, activated charcoal, activated carbon, black or any other carbon products, dyes, dye intermediaries, coal mining, use of waste heat for processing or production of any article etc.*
3. *To carry on in all its branches the business of manufacturers and dealers in carbon black of all types, gas black, ebony black, jet black, hydrocarbon black, satin black and silicate of carbon either from natural and/or artificial gas or from any other source.*
4. *To carry on the business of manufactures, processors, refiners, smelters, makers, converts, finishers, importers, exporters, agents, merchants, buyers, sellers and dealers in all kinds and forms of steels including tools and alloy steels, stainless and all other special steels, iron and other metals and alloys, all kinds of goods, products, articles or merchandise whatsoever manufactured wholly or partly from steels and other metals and alloys; and also the business and iron masters, steel and metal converters, colliary proprietors, coke manufacturers, ferroalloy manufactures, miners, smelters and engineers in all their respective branches and to search for, get, work, raise, make, merchantable, manufacture, process, buy, sell and otherwise deal in iron, Pig Iron, Granulated slag, Iron Ore Fines, steel and other metal, coal, coke, brick-carth, fireclay, bricks, ores, minerals and mineral substances, gases, alloy. Metal, metal scrap, chemicals and chemical substances of all kinds.*
5. *To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchase dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, Carbon Steel and Mild Steel ,alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*
6. *To set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, blooms, rounds, billets of various cross-sections, alloys and special steel, to make and deal in ferrous/non-ferrous and special*

alloys & steels including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for other applications.”

PART B

3. TRANSFER OF THE BUSINESS UNDERTAKING 3 AND VESTING OF THE SAME IN TRANSFEREE COMPANY 3 BY WAY OF A SLUMP SALE

3.1. Subject to the provisions of Section IV of the Scheme in relation to the modalities of a Slump Sale, upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, Business Undertaking 3, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations, shall be transferred from the Transferor and stand vested in the Transferee Company 3 and shall become the property and an integral part of Transferee Company 3 subject to existing encumbrances (unless otherwise agreed to by the encumbrance holders), as a going concern by way of a Slump Sale, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, Business Undertaking 3 shall stand transferred and vested in Transferee Company 3 in the manner described in sub-paragraphs (a) – (n) below:

- (a) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all immovable property of the Business Undertaking 3, whether freehold or leasehold (including the right to use the land on which the Coke Plant is located but excluding the ownership or leasehold rights in such land) and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in Transferee Company 3, and shall become the property and an integral part of the Transferee Company 3, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 3, and without any approval or acknowledgement of any third party. Upon Section IV of the Scheme coming into effect on the Effective Date 2, the Transferee Company 3 shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation / substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Transferee Company 3, by the appropriate authorities pursuant to the sanction of the Scheme by the Court and Section IV of the Scheme becoming effective on the Effective Date 2, in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the Business Undertaking 3 is given to the Transferee Company 3 in accordance with the terms hereof.
- (b) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all the assets of the Business Undertaking 3 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by transfer or by vesting and recordal pursuant to the Scheme, shall stand transferred and vested in the Transferee Company 3, and shall become the property and an integral part of the Transferee Company 3, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 3, and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-Clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being transferred and vested, and the title to such property shall be deemed to have transferred and vested accordingly.

- (c) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts, receivables, outstanding loans and advances, if any, relating to the Business Undertaking 3, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons shall, without any act, instrument or deed required by either the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement of any third party become the property of the Transferee Company 3.
- (d) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all debts, liabilities, contingent liabilities, duties and obligations (excluding the secured term borrowings of the Transferor Company), secured or unsecured, relating to the Business Undertaking 3, whether provided for or not in the books of accounts of the Transferor Company or disclosed in the balance sheet of the Business Undertaking 3, shall become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company 3, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 3. The Transferee Company 3 undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company. It is hereby clarified that it shall not be necessary to obtain the 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. However, the Transferor Company and the Transferee Company 3 shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Court or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to the Transferee Company 3 as part of the Business Undertaking 3 and/or in relation to the assets remaining in the Transferor Company after the transfer and vesting of the Business Undertaking 3 in the Transferee Company 3 pursuant to Section IV of this Scheme becoming effective in accordance with the terms hereof. Where any of the loans, liabilities and obligations attributed to the Business Undertaking 3 have been discharged by the Transferor Company on behalf of the Business Undertaking 3 after the Appointed Date 2 but before the Effective Date 2, such discharge shall be deemed to have been done by the Transferor Company for and on behalf of the Transferee Company 3.
- (e) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all incorporeal or intangible property of or relating to the Business Undertaking 3 shall stand transferred and vested in the Transferee Company 3, and shall become the property and an integral part of the Transferee Company 3 without any further act, instrument or deed required by either the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement of any third party.
- (f) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all letters of intent, memoranda of understanding, memoranda of agreements, contracts, tenders, bids, experience and/or performance statements, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of whatsoever nature or description, in relation to the Business Undertaking 3 to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be in full force and

effect against or in favour of the Transferee Company 3 and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company 3 had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement of any third party.

- (g) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all rights, entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered, unregistered or pending registration, and the goodwill arising therefrom, in relation to Business Undertaking 3, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or entitled, shall become the rights, entitlement or property of the Transferee Company 3 and shall be enforceable by or against the Transferee Company 3, as fully and effectually as if, instead of the Transferor Company, the Transferee Company 3 had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement of any third party.
- (h) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations, approvals, clearances, tenancies, privileges, powers, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax), facilities of every kind and description of whatsoever nature, in relation to the Business Undertaking 3 to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be enforceable by or against the Transferee Company 3 as fully and effectually as if, instead of the Transferor Company, the Transferee Company 3 had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement of any third party.
- (i) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, any statutory or regulatory licenses (including licenses issued by the DGFT under the Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT except the EPCG license and the export obligations thereunder), grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Business Undertaking 3 or granted to the Transferor Company in relation to the Business Undertaking 3 shall stand transferred and vested in or transferred to Transferee Company 3, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement of any third party. The benefit of, and the obligations under, all statutory and regulatory licences, permissions, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights (including environmental approvals and consents) required to carry on the operations of the Business Undertaking 3 shall also stand transferred and vested in and become available to Transferee Company 3 pursuant to Section IV of this Scheme coming into effect, without any further act,

instrument or deed required by either the Transferor Company or the Transferee Company 3. If the consent or recordal of any licensor or authority is required to give effect to the provisions of this sub-clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company 3 pursuant to Section IV of the Scheme becoming effective in accordance with the terms hereof.

- (j) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, the Transferee Company 3 shall bear the burden and the benefits of any legal, tax, quasi judicial, administrative, regulatory or other proceedings initiated by or against the Transferor Company in connection with the Business Undertaking 3. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company in connection with the Business Undertaking 3 (or any part thereof) be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer and vesting of such Business Undertaking 3 in the Transferee Company 3 or of anything contained in Section IV of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company 3 in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if Section IV of this Scheme had not been made effective. Upon Section IV of the Scheme becoming effective, the Transferee Company 3 undertakes to have such legal or other proceedings initiated by or against the Transferor Company in relation to the Business Undertaking 3 transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company 3 to the exclusion of the Transferor Company. The Transferee Company 3 also undertakes to handle all legal or other proceedings which may be initiated against the Transferor Company in connection with the Business Undertaking 3 after the Effective Date 2 in its own name and account and further undertakes to pay all amounts including interest, penalties and damages etc. pursuant to such legal / other proceedings.
- (k) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all persons that were employed in the Transferor Company, in connection with the Business Undertaking 3, immediately before such date shall become employees of the Transferee Company 3, with the benefit of continuity of service on the terms and conditions no less favourable than those applicable to such employees immediately prior to such transfer and vesting and without any break or interruption in service. It is clarified that such employees of the Transferor Company that become employees of the Transferee Company 3 by virtue of Section IV of this Scheme coming into effect, shall continue to be governed by the terms of employment as were applicable to them immediately before such transfer (including in relation to stock options except to the extent modified by this Scheme) and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Transferee Company 3, unless and otherwise so stated by such Transferee Company 3 in writing in respect of all employees, class of employees or any particular employee. The Transferee Company 3 undertakes to continue to abide by any agreement/ settlement if any, entered into by the Transferor Company in relation to the Business Undertaking 3 in respect of such employees with their respective employees/ employee unions, if any. With regard to provident fund, gratuity fund, superannuation fund, contributions required to be made under the Employees State Insurance Act, 1948, or any other special fund or obligation created or existing for the benefit of such employees of the Transferor

Company, upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, the Transferee Company 3 shall stand substituted for the Transferor Company for all purposes whatsoever including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident benefits, gratuity benefits and superannuation benefits, contributions made under the Employees State Insurance Act, 1948, or any other special benefits or obligation, if any, created by the Transferor Company for the employees of the Business Undertaking 3 shall be continued by the Transferee Company 3 for the benefit of such employees on the same terms and conditions. It is the aim and intent of Section IV of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or benefits shall become those of the Transferee Company 3. Further, upon Section IV of the Scheme coming into effect in accordance with the terms hereof, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Transferor Company in relation to the Business Undertaking 3 shall be continued/continue to operate against the relevant employee and shall be enforced effectively by the Transferee Company 3.

- (1)
 - (i) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Business Undertaking 3 who are proposed to be transferred as part of the Scheme to the Transferee Company 3, which have been granted and vested but have not been exercised as on the Record Date, such options shall continue to vest in the employees of the Business Undertaking 3 being transferred to the Transferee Company 3. Upon exercise of the aforesaid options by the said employees from time to time in accordance with the ESOP Scheme, the Transferor Company shall continue to honour its obligations under the ESOP Scheme with respect to such employees in accordance with the provisions of the ESOP Scheme and shall issue and allot fully paid-up equity shares of the Transferor Company in respect of such exercised options in accordance with the ESOP Scheme. The Transferee Company 3 shall have no obligation to issue any stock options or shares to such employees of the Business Undertaking 3 in lieu of the stock options granted by the Transferor Company under the ESOP Scheme.
 - (ii) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Business Undertaking 3 and proposed to be transferred as part of the Scheme to the Transferee Company 3, which have been granted but have not been vested as of the Effective Date 2, such options would lapse automatically without any further act, instrument or deed required by any of the Transferor Company, the employee or the Transferee Company 3 and without any approval or acknowledgement of any third party.
 - (iii) The ESOP Scheme shall, pursuant to this Scheme, be modified by the Transferor Company, as considered appropriate by its Compensation Committee, to give effect to the above clauses and the consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be their consent and approval in relation to all matters pertaining to the ESOP Scheme as described in this Scheme, including without limitation, for the purposes of effecting necessary modifications to the ESOP Scheme and all related matters. All actions taken in accordance with this sub-clause (1) of Section IV of this Scheme shall be deemed to be in full compliance of Sections 62 and/or 42 of the 2013 Act, any other

applicable provisions of the Act and the guidelines/regulations issued by SEBI and no further approval of the shareholders of the Transferor Company or resolution, action or compliance under Sections 62 and/or 42 of the 2013 Act and/or any other applicable provisions of the Act and/or under the guidelines/regulations issued by the SEBI would be required to be separately passed or undertaken by the Transferor Company or the Transferee Company 3.

- (iv) The Boards of Directors of the Transferor Company and the Transferee Company 3 may take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this sub-clause (l).
 - (m) Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all taxes paid or payable by the Transferor Company in relation to the Business Undertaking 3 including all, advance tax payments, tax deducted at source, tax liabilities or any refunds and claims (including unutilized input credits) shall be treated as the advance tax payments, tax deducted at source, tax liabilities or refunds/ claims (including unutilized input credits) as the case may be of the Transferee Company 3. Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all existing and future incentives, un-availed credits and exemptions, statutory benefits, including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat / Cenvat), customs, value added tax, sales tax, service tax etc. to which the Transferor Company is entitled in relation to the Business Undertaking 3 shall be available to and stand transferred and vested in the Transferee Company 3 without any further act, instrument or deed required by either the Transferee Company 3 or the Transferor Company and without any approval or acknowledgement of any third party. Upon Section IV of the Scheme coming into effect on the Effective Date 2 with effect from the Appointed Date 2, any tax deducted at source deducted by or on behalf of the Transferor Company until the Effective Date 2 shall be deemed to have been deducted on behalf of the Transferee Company 3 to the extent of the income attributable to the Business Undertaking 3 during such period.
 - (n) Upon Section IV of the Scheme coming into effect on the Effective Date 2, the Transferor Company and the Transferee Company 3 shall be entitled to file/ revise/reopen their respective financial statements (including balance sheet and profit and loss statement) statutory/tax returns and related tax payment certificates and to claim refunds/credits and advance tax/TDS/minimum alternate tax credits as may be required consequent to the implementation of Section IV of the Scheme.
- 3.2. The Transferor Company and/or the Transferee Company 3, as the case may be, shall at any time upon Section IV of the Scheme coming into effect and with effect from the Appointed Date 2 and in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Business Undertaking 3 to which the Transferor Company has been a party, in order to give formal effect to the above provisions. The Transferee Company 3 shall, under the provisions of Section IV of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 3.3. Upon Section IV of the Scheme coming into effect on the Effective Date 2 with effect from the Appointed Date 2, the Transferee Company 3 shall be entitled to the benefit of the past

experience and performance of the Transferor Company in relation to Business Undertaking 3 for all purposes without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company 3 and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Transferee Company 3, the Transferor Company shall duly execute the same and duly record the necessary substitution/endorsement in the name of the Transferee Company 3 pursuant to Section IV of the Scheme becoming effective in accordance with the terms hereof. The Transferee Company 3 shall, under the provisions of Section IV of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.

3.4. Conduct of Business

- (a) With effect from the Appointed Date 2 and up to and including the Effective Date 2:
 - (i) The Transferor Company shall carry on and be deemed to have been carrying on all the business and activities of the Business Undertaking 3 and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the contracts, liabilities or property or assets or the benefit or obligations thereof or thereunder pertaining to the Business Undertaking 3 for and on behalf of and in trust for the Transferee Company 3.
 - (ii) All profits/benefits accruing to the Transferor Company in relation to the Business Undertaking 3 and all taxes thereof or losses and/or interest arising or incurred by it shall, for all purposes, be treated as the profits, taxes or losses and/or interest, as the case may be, of the Transferee Company 3.
- (b) Subject to the provisions of Clause 3.4(a)(i) hereinabove, in the event any asset, contract, document, liability or property or the rights, interest, obligations and benefits thereof or thereunder (including without limitation, shipping documents, bills of entry, foreign inward remittance certificates and bank realization certificates), which is a part of the Business Undertaking 3 does not get automatically transferred to the Transferee Company 3 upon Section IV of the Scheme coming into effect on the Effective Date 2, the Transferor Company shall take all necessary steps, and execute all necessary documents, to ensure the transfer of such asset, contract, document, liability and property or the rights, interest, obligations and benefits thereof and thereunder to the Transferee Company 3 forthwith after the Effective Date 2 and until the transfer of any such asset, the Transferee Company 3 will have the right to use the same without any further consideration. It is clarified that even after Section IV of the Scheme comes into effect on the Effective Date 2, the Transferor Company shall, with the written consent of the Transferee Company 2, be entitled to realize or pay all monies and to complete, enforce or discharge all pending contracts, arrangements or obligations in relation to the Business Undertaking 3 in trust and at the sole cost and expense of the Transferee Company 3 in so far as may be necessary until all rights and obligations of the Transferor Company in respect of such pending contracts, arrangements and obligations stand fully devolved to and in favour of the Transferee Company 3.

PART C

4. CONSIDERATION

- 4.1 Upon Section IV of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, and upon the transfer of the Business Undertaking 3 and vesting of the same in Transferee Company 3 by way of a Slump Sale, the Transferee Company 3 shall discharge the lump sum consideration of Rs. 492,64,70,730 (rounded off) (Rupees Four Hundred Ninety Two Crore Sixty Four Lakh Seventy Thousand Seven Hundred and Thirty) to the Transferor Company for such transfer in the following manner:
- (a) An amount of Rs. 375,00,00,000 (Rupees Three Hundred and Seventy Five Crore) shall be paid in cash to the Transferor Company; and
 - (b) The Transferee Company 3 shall, without any further act or deed, issue and allot, to the Transferor Company, by way of discharge of the remainder of the lump-sum consideration payable by the Transferee Company 3 to the Transferor Company after adjustment of the amount paid to the Transferor Company in accordance with sub-clause (a) hereinabove:-
 - (i) 2,60,00,000 (Two Crore and Sixty Lakhs) non-cumulative compulsorily convertible preference shares each (a) having face value of Rs. 10 (Rupees Ten), (b) a coupon payable annually at the rate of 0.01% (Zero point zero one percent.) per annum, and (c) compulsorily convertible into one equity share of face value Rs. 10 (Rupees Ten) each of Transferee Company 3 at the end of 10 (Ten) years from the date of allotment or at any time prior to the expiry of 10 (Ten) years from the date of allotment at the option of Transferee Company 3; and
 - (ii) 9,16,47,073 (Nine Crore Sixteen Lakh Forty Seven Thousand and Seventy Three) non-cumulative non-convertible redeemable preference shares each (a) having face value of Rs. 10 (Rupees Ten), (b) coupon payable annually at the rate of 10% (Ten percent.) per annum, and (c) redeemable at the end of 20 (Twenty) years from the date of allotment or at any time prior to the expiry of 20 (Twenty) years from the date of allotment at the option of Transferee Company 3.
- 4.2. The lump-sum consideration for the vesting of the Business Undertaking 3 in the Transferee Company 3 by way of Slump Sale as stated in Clauses 4.1 of this Section IV above has been determined and agreed upon by the respective boards of directors of each of the Transferor Company and the Transferee Company 3 based on their independent judgment after taking into consideration the valuation of the Business Undertaking 3 and/or the assets of the Transferor Company and the Transferee Company 3 conducted by independent chartered accountants B S R and Associates and the fairness opinion provided by independent merchant bankers, SPA Capital Advisors Limited, as presented before the audit committee of the board of directors of the Transferor Company.
- 4.3. On the approval of the Scheme by the members of the Transferee Company 3 pursuant to Section 391 of the 1956 Act and/or the relevant provisions of the 2013 Act, if applicable, it shall be deemed that the members of the Transferee Company 3 have also accorded their consent under Sections 42, 55 and 62 of the 2013 Act and/or other provisions of the Act as may be applicable for the aforesaid issuance of non-cumulative compulsorily convertible preference shares and non-cumulative non-convertible redeemable preference shares of the Transferee Company 3, to the

Transferor Company, and all actions taken in accordance with this Clause 4 of Section IV of this Scheme shall be deemed to be in full compliance of Sections 42, 55 and 62 of the 2013 Act and other applicable provisions of the Act and that no further resolution or actions under Sections 42, 55 and 62 of the 2013 Act and/or any other applicable provisions of the Act, including, *inter alia*, issuance of a letter of offer by the Transferee Company 3 shall be required to be passed or undertaken.

5. INCREASE IN THE AUTHORISED SHARE CAPITAL OF TRANSFEREE COMPANY 3

5.1. Upon Section IV of the Scheme coming into effect on the Effective Date 2, the authorized share capital of Transferee Company 3 of Rs.5,00,000 (Rupees Five Lakh) divided into 50,000 (Fifty Thousand) equity shares having face value of Rs.10 (Rupees Ten) each, in terms of Clause V of its Memorandum of Association shall stand enhanced to Rs. 117,75,00,000 (Rupees One Hundred and Seventeen Crore and Seventy Five Lakh) divided into 50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Ten) each and 11,77,00,000 (Eleven Crore Seventy Seven Lakh) preference shares of face value of Rs. 10 (Rupees Ten) each, without any further act or deed by the Transferee Company 3 for purpose of such enhancement of the authorized share capital of the Transferee Company 3.

5.2. Subsequent to enhancement of the authorized share capital of the Transferee Company 3 as contemplated in Clause 5 of Section IV above, the authorized share capital clause of the Memorandum of Association (Clause V) of the Transferee Company 3 shall stand modified and read as follows:

“The Authorized Share Capital of the Company is Rs 117,75,00,000 (Rupees One Hundred and Seventeen Crores and Seventy Five Lakhs) divided into 50,000 (Fifty Thousand) equity shares having face value of Rs. 10 (Rupees Ten) each and 11,77,00,000 (Eleven Crores Seventy Seven Lakhs) preference shares having face value of Rs. 10 (Rupees Ten) each.”

5.3. Pursuant to the effectiveness of Section IV of this Scheme, the Transferee Company 3 shall make the requisite filings with the RoC for the increase in its authorised share capital in the manner set out in this Clause 5.

5.4. It is hereby clarified that for the purposes of Clauses 5.1 and 5.2 of Section IV above, the consent of the shareholders of the Transferee Company 3 to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in the authorized share capital of the Transferee Company 3 and consequential amendments in Clause V of its Memorandum of Association and all actions taken in accordance with this Clause 5 of Section IV of this Scheme shall be deemed to be in full compliance of Sections 13, 61 and 64 of the 2013 Act and other applicable provisions of the Act and that no further resolutions or actions under Sections 13, 61 and 64 of the 2013 Act and/or any other applicable provisions of the Act, would be required to be separately passed or undertaken by the Transferee Company 3.

6. ACCOUNTING TREATMENT

6.1 *Treatment in the Books of Transferee Company 3*

Pursuant to Section IV of the Scheme, the Transferee Company 3 shall account for the transfer and vesting of the assets and liabilities acquired under the Business Undertaking 3 in accordance with an allocation report to be prepared in accordance with Accounting Standard 10 issued by the Institute of Chartered Accountants of India.

6.2 *Treatment in the Books of Transferor Company*

The statement of the profit & loss account of the Transferor Company shall be debited / credited with the difference between the book values of the assets and liabilities transferred to the Transferee Company 3 and the lump sum consideration received by the Transferor Company.

SECTION V

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

1.1 DEFINITIONS

The terms used in this Section V of the Scheme, but not defined herein shall have the meaning ascribed to them, in Sections I, II, III or IV of this Scheme, as the context may require. For the purposes of Section V of this Scheme, unless repugnant to the meaning or context thereof, the following expression shall have the meaning as mentioned herein below:

“**Transferee Companies**” means the Transferee Company 2 and the Transferee Company 3 collectively.

1.2 APPLICATION TO COURT

Each of the Transferor Company, the Transferee Companies and the Resulting Company shall, as may be required, make applications and/or petitions under Sections 391 through 394 of the 1956 Act and/ or other applicable provisions of the Act to the Court for sanction of this Scheme and all matters ancillary or incidental thereto. For the purpose of effecting the reduction in the share capital of the Resulting Company as set out in Clause 5 of Section I of the Scheme, separate applications under Section 100 of the 1956 Act and/ or any other applicable provisions of the Act and the rules and regulations framed thereunder may, if required, be filed by the Resulting Company and/or the Transferor Company before the Court.

1.3 EFFECTIVENESS OF THE SCHEME

Upon the sanction of the Scheme and after the Scheme has become effective upon completion of the conditions listed in Clause 1.5 of this Section V, in the following sequence:

- (a) with effect from the Appointed Date 1, the demerger of the Demerged Undertakings of the Transferor Company, and the vesting of the same in the Resulting Company shall be deemed to have occurred, pursuant to Section I of this Scheme, in accordance with Section 2 (19AA) of the IT Act;
- (b) with effect from the Appointed Date 1, the transfer of Business Undertaking 1 of the Transferor Company and the vesting of the same in the Resulting Company by way of a Slump Sale shall be deemed to have occurred, pursuant to Section II of this Scheme, in accordance with Section 2 (42C) of the IT Act;
- (c) with effect from the Appointed Date 2, the transfer of Business Undertaking 2 of the Transferor Company and the vesting of the same in Transferee Company 2 by way of a Slump Sale shall be deemed to have occurred, pursuant to Section III of this Scheme, in accordance with Section 2 (42C) of the IT Act; and
- (d) with effect from the Appointed Date 2, the transfer of Business Undertaking 3 of the Transferor Company, and the vesting of the same in Transferee Company 3 by way of a Slump Sale shall be deemed to have occurred, pursuant to Section IV of this Scheme, in accordance with Section 2 (42C) of the IT Act.

1.4 MODIFICATIONS OR AMENDMENTS TO THE SCHEME

- (a) Each of the Transferor Company, the Transferee Companies and the Resulting Company, through their respective boards of directors (which shall include any committee constituted by the respective boards) may assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Court and/ or any other authority may deem fit to direct or impose or which may be otherwise considered necessary, desirable or appropriate by them.
- (b) Each of the Transferor Company, the Transferee Companies and the Resulting Company, acting through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any authority or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

1.5 CONDITIONALITY OF THE SCHEME

- (a) The effectiveness of Sections I and II of this Scheme is and shall be conditional upon and subject to:
 - (i) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the shareholders and/or creditors of each of the Transferor Company and the Resulting Company as may be required under applicable laws;
 - (ii) The Scheme being approved by the “*public*” shareholders of the Transferor Company through postal ballot/e-voting with the votes cast by “*public*” shareholders in favour of the Scheme being more than the votes cast against it, as required under Para 5.16(a) of the SEBI Circular CIR/CFD/DIL/5/2013 dated February 04, 2013, as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. For the purposes of this sub-clause, the term ‘*public*’ shall have the meaning ascribed to such term under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
 - (iii) The Stock Exchanges issuing their observation/ no-objection letters and SEBI issuing its comments on the Scheme, as required under applicable laws.
 - (iv) The Scheme being sanctioned by the Court under Sections 391-394 of the 1956 Act and/or other applicable provisions of the Act.
 - (v) Certified copies of the orders of the Court sanctioning this Scheme being filed with the RoC, by each of the Transferor Company and the Resulting Company.
- (b) The effectiveness of Sections III and IV of this Scheme is and shall be conditional upon and subject to:
 - (i) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the shareholders and/or creditors of each of the Transferor Company and the Transferee Companies as may be required under applicable laws.

- (ii) The Scheme being approved by the “*public*” shareholders of the Transferor Company through postal ballot/e-voting with the votes cast by “*public*” shareholders in favour of the Scheme being more than the votes cast against it, as required under Para 5.16(a) of the SEBI Circular CIR/CFD/DIL/5/2013 dated February 04, 2013, as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. For the purposes of this sub-clause, the term ‘*public*’ shall have the meaning ascribed to such term under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
- (iii) The Stock Exchanges issuing their observation/no-objection letters and SEBI issuing its comments on the Scheme, as required under applicable laws.
- (iv) The Scheme being sanctioned by the Court under Sections 391-394 of the 1956 Act and/or other applicable provisions of the Act.
- (v) Certified copies of the orders of the Court sanctioning this Scheme being filed with the RoC, by each of the Transferor Company and the Transferee Companies.
- (vi) Receipt of approval from the Orissa Industrial Infrastructure Development Corporation (or any other concerned authority authorized in this connection), for the transfer/grant of the right to use in the land on which the HSM Plant is located to Transferee Company 2 and on which the Coke Plant is located to Transferee Company 3, respectively, by the Transferor Company.

1.6 EFFECT OF NON-RECEIPT OF APPROVALS

In the event any of the sanctions, consents or approvals referred to in the Clause 1.5 of Section V above is not obtained or received and/or the Scheme, or any part thereof, has not been sanctioned by the Court, the board of directors of each of the Transferor Company, the Resulting Company and the Transferee Companies, shall, by mutual agreement, determine whether:

- (a) this Scheme shall stand revoked and cancelled in entirety and shall be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder 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 is specifically provided in the Scheme or under applicable law and in such event, each party shall bear and pay its respective costs, charges and expenses for and in connection with the Scheme; or
- (b) such part shall be severable from the remainder of the Scheme (or any Section thereof) and the Scheme (or any Section thereof) shall not be affected thereby, unless the deletion of such part shall cause the Scheme (or any Section thereof) to become materially adverse to any party, in which case each of the Transferor Company, the Resulting Company and the Transferee Companies, (acting through their respective boards of directors) shall attempt to bring about a modification in the Scheme (or any Section thereof), as will best preserve for the parties, the benefits and obligations of this Scheme (or any Section thereof), including but not limited to such part.

For the avoidance of doubt, it is clarified that notwithstanding the above, the non-receipt of any sanctions, consents or approvals in connection with Sections III and IV of the Scheme, either

individually or collectively, shall not affect the effectiveness of the Sections I and II of the Scheme.

1.7 COSTS, CHARGES & EXPENSES

- (a) Each of the Transferor Company and the Resulting Company shall bear its own costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing Sections I, II and V of this Scheme and matters incidental thereto.
- (b) Each of the Transferor Company and the Transferee Company 2 shall bear its own costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing Sections III and V of this Scheme and matters incidental thereto.
- (c) Each of the Transferor Company and the Transferee Company 3 shall bear its own costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing Sections IV and V of this Scheme and matters incidental thereto.

1.8 FILING / AMENDMENT OF RETURNS, ETC.

- (a) Each of the Transferor Company, the Resulting Company and the relevant Transferee Companies is expressly permitted to file/revise/reopen their financial statements (including their balance sheet and profit and loss statement) and income tax, wealth tax, service tax, value added tax, minimum alternate tax and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/ revising such statements/returns may have lapsed, in order to give full effect to the Scheme, without requiring/ seeking any additional consent or approval under any applicable laws/rules and regulations. Each of the Transferor Company, the Transferee Companies and the Resulting Company is expressly permitted to amend tax deduction at source and other statutory certificates and shall have the right to claim refunds, advance tax credits, minimum alternate tax, set offs and adjustments relating to their respective incomes/ transactions from the Appointed Date 1 or the Appointed Date 2, as the case may be.
- (b) It is specifically declared that the taxes/ duties paid by the Transferor Company in relation to the business of each of its Demerged Undertakings or the Business Undertaking 1 or the Business Undertaking 2 or the Business Undertaking 3, as the case may be, shall be deemed to be the taxes/ duties paid by the Resulting Company or the relevant Transferee Company, as the case may be, and the Resulting Company or the relevant Transferee Company, as the case may be, shall be entitled to claim credit for such taxes deducted/ paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes/duties are in the name of the Transferor Company.

1.9 STAMP DUTY

No stamp duty shall be payable in respect of the Scheme for the following reasons:

- (a) The registered office of each of the Transferor Company, the Resulting Company and each of the Transferee Companies is located in Haryana, where the Indian Stamp Act, 1899, as applicable to the State of Haryana (“**Haryana Stamp Act**”), would be applicable. The Haryana Stamp Act does not include any specific entry for stamp duty payable in respect of a court’s order sanctioning a composite scheme of arrangement pursuant to Sections 391 through 394 of the 1956 Act. Therefore, no stamp duty would be payable in respect of order of the Court sanctioning this Scheme.
- (b) Further, in relation to the transfer of interest of the Transferor Company in properties located in the state of Odisha being transferred, to the Resulting Company, the Transferee Company 2 and the Transferee Company 3, pursuant to Sections I, III and IV, respectively, of the Scheme, notification S.R.O No. 333/2007 issued under the Indian Stamp Act, 1899 issued by the Government of Odisha (“**2007 Notification**”), provides a specific exemption from payment of stamp duty in case of deeds executed for reconstruction and amalgamation of companies when sanctioned by the High Court under section 394 of the Companies Act, 1956, provided that:
- (i) at least 90% of the issued share capital of the transferee company is in the beneficial ownership of the transferor company; or
 - (ii) where the transfer takes place between a parent company and a subsidiary company one of which is the beneficial owner of not less than 90% of the issued share capital of the other; or
 - (iii) where the transfer takes place between two subsidiary companies of each of which not less than 90% of the share capital is in the beneficial ownership of a common parent company.

Since Sections I, III and IV of the Scheme relate to a transfer of properties between a parent company and its wholly owned subsidiaries, pursuant to a composite scheme of arrangement and reconstruction sanctioned by the Court under Section 394 of the 1956 Act, the benefit of the 2007 Notification will be available to each of, the Transferor Company, the Resulting Company and the Transferee Companies and hence, no stamp duty shall be payable in respect of transfer of properties located in Odisha, pursuant to Sections I, III and IV of this Scheme.

1.10 SEVERABILITY OF ANY PART OF THE SCHEME

- (a) If any part of the Scheme (or any part of a Section thereof) is ruled invalid or illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that at the discretion of the parties, such part shall be severable from the remainder of the Scheme (or any Section thereof) and the Scheme (or any Section thereof) shall not be affected thereby, unless the deletion of such part shall cause the Scheme (or any Section thereof) to become materially adverse to any party, in which case each of the Transferor Company, the Resulting Company and the Transferee Companies, (acting through their respective boards of directors) shall attempt to bring about a modification in the Scheme (or any Section thereof), as will best preserve for the parties, the benefits and obligations of this Scheme (or any Section thereof), including but not limited to such part.

- (b) Notwithstanding the above, any revocation, cancellation or ineffectiveness of Sections III and IV of the Scheme, either individually or collectively, shall not affect the effectiveness of the Sections I and II of the Scheme.

1.11 REPEALS AND SAVINGS

Any direction or order given by the Court under the provisions of the 1956 Act and any act done by any of the Transferor Company, the Resulting Company or the Transferee Companies based on such directions or order shall be deemed to be in accordance with and consistent with the provisions of the 2013 Act. Accordingly, the provisions of the 2013 Act shall not be required to be separately complied with, in relation to acts done by the Transferor Company, the Resulting Company or the Transferee Companies as per direction or order of the Court sanctioning the Scheme under the 1956 Act.

SCHEDULES TO THE SCHEME

SCHEDULE 1

PART A

ASSETS AND LIABILITIES OF THE DEMERGED UNDERTAKING 1

Assets relating to the Demerged Undertaking 1 (as at Appointed Date 1)

PARTICULARS	(Rs. in Lakhs)
	Amount
<u>ASSETS :</u>	
NON CURRENT ASSETS	
Fixed Assets (Net Block)	856
Non Current Investment	1
Long Term Loan & Advances	605
Other Non Current Assets	0
CURRENT ASSETS	
Inventories	4,264
Cash & Bank Balances	7
Short Term Loans & Advances	1,752

Other Current Assets	20,252
TOTAL ASSETS	27,738

Liabilities relating to Demerged Undertaking 1 (as at Appointed Date 1)

		(Rs. in Lakhs)
PARTICULARS		Amount
<u>LIABILITIES:</u>		
NON CURRENT LIABILITIES		
Long Term Provisions		25
CURRENT LIABILITIES		
Short Term Borrowings		4,955
Trade Payables		1,300
Other Current Liabilities		1,506
Short Term Provisions		1
TOTAL LIABILITIES		7,788

PART B

ASSETS AND LIABILITIES OF THE DEMERGED UNDERTAKING 2

Assets relating to Demerged Undertaking 2 (as at Appointed Date 1)

		(Rs. in Lakhs)
PARTICULARS		Amount
<u>ASSETS :</u>		
NON CURRENT ASSETS		
Fixed Assets (Net Block)		712
Capital Work in Progress		512
Long Term Loan & Advances		74

Other Non Current Assets	1,211
CURRENT ASSETS	
Inventories	3,857
Trade Receivable	891
Cash & Bank Balances	0
Short Term Loans & Advances	95
Other Current Assets	37,657
TOTAL ASSETS	45,010

Liabilities relating to Demerged Undertaking 2 (as at Appointed Date 1)

	(Rs. in Lakhs)
PARTICULARS	Amount
<u>LIABILITIES:</u>	
NON CURRENT LIABILITIES	
Long Term Provisions	5
CURRENT LIABILITIES	
Short Term Borrowings	3,671
Trade Payables	1,016
Other Current Liabilities	1,752
Short Term Provisions	3
TOTAL LIABILITIES	6,447

SCHEDULE 2

PART A

LIST OF CERTAIN ASSETS OF THE HISAR UNIT AS OF THE APPOINTED DATE 1

Details of land:

Location	Khasra No.	Kila No.	Location	Khasra No.	Kila No.	Location	Khasra No.	Kila No.
Satrod Khas/ Khurd	117	18/2	Satrod Khas/ Khurd	139	4	Satrod Khas/ Khurd	139	12/2 Min.
	117	19		139	7		139	13/2
	117	20		147	1		167	3/1(7-2)Share of 5/9
	117	21		147	2		139	23/1
	117	22		147	3		167	3/1(7/2)(4/9)
	117	23		147	8		167	2/2/2
	118	7		147	9/1		167	7/2/1
	118	6/2		147	9/2		167	7/1
	118	13		147	10/1		139	14
	118	14		147	12/2		139	17
	118	15/2		147	13		139	18
	118	16		148	6/1		92	7/2/2
	118	17		148	7/1		92	8
	118	18		148	8/1		92	9
	118	23		161	1/1		92	12
	118	24		146	23		92	13
	118	25		160	5/2		91	10/2
	122	3/1		146	24		91	11
	118	8		146	25		91	12/2
	123	1		140	21/2/2		91	19
	123	2/1		140	22		91	20
	122	4		165	6/1		92	6
	122	5		165	6/2		92	7/1
	123	2/2		166	1/2		92	14
	122	3/2		166	2		92	15
	122	8/2		166	9/1		92	16
	122	13		166	10		92	17
	122	17		194	6		92	18
	122	18		194	15		92	19
	122	23/1		194	16		92	20
123	17	194	17	92	21			
123	15	194	24/2	92	22			

	123	16/2
	123	6/2
	339	1
	124	983/ 1
	124	984
	124	985
	123	10
	123	11
	123	12
	123	18
	123	19
	123	20
	123	21
	123	22
	123	23
	122	6
	122	7
	122	8/1
	122	14
	122	15/1
	122	15/2
	122	16
	122	23/2 /1
	122	24
	122	25
	123	13
	123	14
	123	3
	123	4
	123	5/2
	123	8
	123	6/1
	123	7
	123	9
	117	24
	117	25
	123	5/1
	117	17
	292	2/1.
	146	1
	146	3 min
	146	2
	116	21

	194	25
	213	4
	219	16/2
	219	17
	219	18
	219	19
	219	20
	219	22
	219	23
	219	24
	219	25
	220	21
	231	3
	231	4/1
	165	15/2
	166	11
	166	12
	166	20/1
	166	9/2
	147	18
	147	19/1/2
	147	22
	147	23/2
	147	19/1/1
	147	23/2
	145	14/2
	145	15
	144	1
	144	20/1
	145	13/2
	145	14/1
	145	8
	145	9
	145	12
	145	13/1
	124	7
	124	8/1
	124	14
	124	15
	124	16
	124	17
	124	24
	124	25/1

	92	23
	92	24
	93	1
	93	2
	93	3
	93	9
	93	12/1/2
	66	18
	66	19/2
	66	20/2
	66	22/2
	66	23/2
	92	3/2
	92	4/1/2
	66	2/1/2
	67	20
	67	21
	67	22
	67	23
	91	1
	91	2
	91	3
	91	9/1
	91	10/1
	92	5/2
	66	19/1
	66	20/1
	66	22/1
	66	23/1
	92	3/1
	92	4/1/1
	93	14/2/2
	93	15/2
	93	16/1
	93	17/1/1
	93	17/2/1
	93	18/1/2
	93	18/2/1
	93	19/2
	94	11/1/2
	94	20/2/1
	94	21/1/1
	329	2/1

	123	16/1.
	124	1
	124	2
	124	8/2.
	124	9
	124	10
	124	11
	124	12
	124	13
	124	18
	124	19
	124	20
	124	21
	124	22
	124	23
	123	24
	123	25
	146	3/2
	147	4
	147	5
	194	3/2
	124	3
	147	6
	147	7
	147	14
	147	15/1
	145	10
	146	6
	146	7
	146	8
	146	9
	146	10
	146	11
	146	12
	147	15/2
	147	17
	147	24/1.
	147	24/2
	117	10

	145	1
	145	2
	145	3
	146	4/2
	146	5
	146	4/1
	124	25/2
	125	21
	125	22
	176	20/2
	177	1
	177	2
	177	3
	177	4
	177	5/1
	177	6/2
	177	7
	177	8
	177	9
	177	10
	177	11
	177	12
	177	13
	177	14
	177	15/1
	177	16/2
	177	17/1
	177	18/1
	177	19/1
	177	20/1
	178	4/2
	178	5
	178	06/2
	178	15/2
	178	16/1/2
	Multiple Nos.	
	176	1
	176	10
	176	11

	66	16/1
	66	24/2
	66	25
	92	5/1
	66	16/2
	66	17
	66	24/1
	92	4/2
	66	9
	66	12
	66	11/1
	66	11/2
	66	10
Total Satrod Khas/ Khurd Area: Kanal 2340, Marla 12		
Satrod Kalan	179	11/1
	180	13/2
	180	14
	180	15
	179	10
	179	20
	180	6
	180	7
Total Satrod Kalan Area: Kanal 48, Marla 12		
Hissar	224	9
	224	10
	224	11
	224	12
	224	21
	212	21
	212	22
	224	1
	224	2
	225	1
	225	9
	225	10
	225	12/1
	224	20
	223	5/2
	225	11
225	12/2	
225	19/1	

	117	11
	117	12
	117	18/1
	117	19/1
	118	6/1.
	118	15
	181	14/1 /3
	181	14/1 /2
	181	4/2
	181	7/1
	181	13/2
	181	18/1
	181	23/2
	159	24/2
	159	24/3
	195	3/2
	148	3/1
	148	4/1
	148	4/2
	148	5
	146	13
	146	14
	146	15
	146	16
	146	17
	146	18
	146	19
	146	20
	146	22
	145	11
	145	20
	145	21
	159	3/1.
	159	4/1/ 1.
	145	19
	145	22
	161	2
	161	1/2
	159	2/1
	146	21
	146	22

	176	20/1
	116	18/2
	116	19
	116	20/1
	116	22
	116	23/1
	93	4
	93	7
	93	8
	93	13
	93	14/1
	93	14/2/1
	93	17/1/2
	93	18/1/1
	93	6/1
	93	15/1/2
	93	5/1
	93	6/2
	93	15/1/1
	93	16/2
	93	17/2/2
	93	18/2/2
	93	23
	93	24
	93	25
	117	1/1
	118	5
	94	9/1
	94	10
	94	11/1/1
	94	12/1
	94	20/2/2
	94	21/1/2
	91	21
	91	22
	91	23
	91	24/1
	92	25
	93	5/2
	94	1
	94	2

Total Hissar Area: Kanal 97, Marla 0		
Mirkan	39	15
	39	6/2
	31	25/2
	32	19/2
	32	21/1
	32	21/2
	32	22
	32	23
	40	5/2
	40	6
	40	14/2
	40	15
	40	17
	40	18
	40	24
40	25	
39	1	
39	2	
39	3	
39	8	
39	9	
39	10	
39	11	
39	12	
39	13/1	
39	19	
39	20	
39	21	
39	22	
40	16	
32	20	
31	16/1	
39	17/2	
39	24/1	
39	14/1/1	
39	14/2/2	
39	13/2	
39	17/1	
39	18	
39	23	
39	4/1	

	147	16		94	3		39	7/2
	147	25		94	4/1		31	24
	147	9/3		94	13/2/1		31	25/1
	147	10/2		94	14/1		40	3/2
	147	11		91	24/2		40	4
	147	12/1		94	4/2		40	5/1
		6/2/						
	148	1		94	8/1		39	4/2
	148	15/2		94	7		39	7/1
		6/2/						
	148	2.		139	24		39	14/1/2
	148	7/2.		139	23/2		39	14/2/1
							Total Mirkan Area: Kanal 301, Marla 3	
	148	8/2.		167	4(8-0))(share 4/9)			
	148	14		167	4(8-0)Share of 57/100			
	148	15/1.		167	4(8-0)Share of 32/60			
Total Area: Kanal 2787, Marla 7								
Gurgaon (Sector 32), Institutional Plot # 50-P: Area: 4050 Sq-Mtrs								

Details of buildings, plant and machinery of the Hisar Unit:

The Hisar Unit comprises of industrial and non-industrial buildings. Industrial building primarily comprise of Stackle Mill Bay, Hot Strip Mill Bay, Finishing and Grinding Section Bay, CTL and Cupro Nickle Plant Bay, Electric Arc Furnace (EAF) Bay, Caster Bay, Annealing Pickling Shed, Sendzimir Mill Shed, Slitting Line Shed, 4 (four) Hi Mill Shed, Speciality Product Division Shed, Coin Blanking Line Shed, etc.

The Hisar Unit consists of the following key plant and machinery:

- 4 (four) Hi Twin stand Hot Steckel Mill consists of a Roughing Stand, 2 (two) Finishing Stands and a Walking Beam Slab Reheating Furnace;
- Tandem Strip Mill;
- Hot Steckel Mill comprising of Reheating Furnace, Roughing Stand, 5 (five) Finishing Stands and Down Coiler;
- Plate Annealing and Pickling facilities;
- Shot Blasting, Straightening and Leveling equipment;
- Steel Melting Shop comprising of 2 (two) Electric Arc Furnace, 2 (two) Ladle Furnace, 2 (two) Slab Caster and 1 (one) Bloom Caster;
- Cupro Nickle Plant;

- 4 (four) 20 Hi-Sendzimir Cold Rolling Mills;
- 4 (four) continuous Anneal and Pickle lines;
- 1 (one) bright Annealing Line;
- 3 (three) Coil Preparation Lines;
- 4 (four) Slitting Lines;
- Coin Blanking Line; and
- 1 (one) Leveling and Sheet Shearing Line with associated facilities.

PART B

**LIST OF INVESTMENTS OF THE TRANSFEROR COMPANY IN DOMESTIC SUBSIDIARIES
COMPRISING PART OF THE BUSINESS UNDERTAKING 1 AS OF THE APPOINTED DATE**

1

<i>S. No.</i>	<i>Name of the domestic subsidiary</i>	<i>Number of shares held by the Transferor Company</i>	<i>Percentage of shares held by the Transferor Company in the total share capital</i>
1.	JSL Lifestyle Limited	177,95,600	78.47%
2.	Jindal Stainless Steelway Limited	140,61,667	81.91%
3.	JSL Architecture Limited	41,00,100	53.51%
4.	Green Delhi BQS Limited	51,000	51.00%
5.	JSL Media Limited	49,970	99.94%
6.	JSL Logistics Limited	50,000	100.00%

SCHEDULE 3

LIST OF CERTAIN ASSETS OF THE HSM PLANT AS OF MARCH 31, 2014

Sl. No.	Description
1.	Finishing Mill
2.	Down Coil Equipment
3.	Roughing Mill
4.	Re- Heating Furnace
5.	Plate Finishing Shop
6.	Water System
7.	Roll Shop
8.	Furnace Entry & Exit Equipment
9.	Electrical Installation
10.	Coil Box Equipment
11.	EOT Cranes
12.	Run Out Table & Laminar Cooling
13.	Bell Annealing Furnace
14.	Pollution Control Equipment

SCHEDULE 4

LIST OF CERTAIN ASSETS OF THE COKE PLANT AS OF MARCH 31, 2014

Sl. No.	Description
1.	Coke Oven Plant and Machinery
2.	By Product Plant (Coal Tar / De-Sulpharization/Ammoniam Sulphate)
3.	Coke Oven Battery
4.	Dedusting
5.	DG SET
6.	Electrical Installation Coke Oven
7.	Boiler
8.	Chimney
9.	Payloader / Excavator / Loader & Fork lift