



**Registered Office:** Jindal Mansion, 5A, Dr. G Deshmukh Marg, Mumbai 400 026.

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## **COURT CONVENED MEETING OF THE 10% CUMULATIVE REDEEMABLE PREFERENCE SHAREHOLDERS OF JSW STEEL LIMITED**

<b>Day</b>	:	Wednesday
<b>Date</b>	:	January 30, 2013
<b>Time</b>	:	12.30 p.m.
<b>Venue</b>	:	Y B Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021, Maharashtra.

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SUMMONS FOR DIRECTION NO 857OF 2012**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Composite Scheme of Amalgamation and Arrangement

AMONGST

JSW ISPAT Steel Limited ('The Transferor Company 1')

AND

JSW Building Systems Limited ('The Transferor Company 2')

AND

JSW Steel Coated Products Limited ('The Transferee Company 1')

AND

JSW Steel Limited ('The Transferee Company 2')

AND

Their respective shareholders and creditors

**JSW Steel Limited**, a Company incorporated under the Companies Act, 1956 having its Registered Office at Jindal Mansion, 5A, Dr. G Deshmukh Marg, Mumbai 400 026. )

.....Applicant Company

**NOTICE CONVENING THE MEETING OF 10% CUMULATIVE REDEEMABLE PREFERENCE SHAREHOLDERS OF JSW STEEL LIMITED, THE APPLICANT COMPANY**

To,

The 10% Cumulative Redeemable Preference Shareholders of JSW Steel Limited ("the Applicant Company"),

**TAKE NOTICE** that by an Order made on the 20<sup>th</sup> day of December, 2012, in the above Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the 10% Cumulative Redeemable Preference Shareholders of JSW Steel Limited, the Applicant Company, be convened and held at Y B Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021, Maharashtra on Wednesday, January 30, 2013 at 12.30 p.m. for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed arrangement embodied in the Composite Scheme of Amalgamation and Arrangement amongst JSW ISPAT Steel Limited and JSW Building Systems Limited and JSW Steel Coated Products Limited and JSW Steel Limited ("JSW Steel") and their respective Shareholders and Creditors ("the Scheme" or "this Scheme").

**TAKE FURTHER NOTICE** that in pursuance of the said Order and as directed therein, a meeting of the 10% Cumulative Redeemable Preference Shareholders of JSW Steel Limited, the Applicant Company will be convened and held at Y B Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400021, Maharashtra on Wednesday, January 30, 2013 at 12.30 p.m., at which place, day, date and time you are requested to attend.

**TAKE FURTHER NOTICE** that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered Office of the Applicant Company at Jindal Mansion, 5A, Dr. G Deshmukh Marg, Mumbai 400 026, not later than 48 hours before the said meeting.

The Hon'ble High Court has appointed Mr. Sajjan Jindal, Chairman and Managing Director of JSW Steel, and failing him, Dr. S K Gupta, Director of JSW Steel and failing him, Mr. Seshagiri Rao M V S, Jt. Managing Director and Group CFO of JSW Steel, to be the Chairman of the said meeting.

A copy of the Explanatory Statement under Section 393 of the Companies Act, 1956, Composite Scheme of Amalgamation and Arrangement, Form of Proxy and Attendance Slip are enclosed.

Sd/-

**Sajjan Jindal**

Chairman appointed for the meeting

Dated this 28th day of December, 2012

**Registered office:**

**JSW Steel Limited**

Jindal Mansion, 5A,  
Dr. G Deshmukh Marg,  
Mumbai 400 026

**Notes:**

1. All alterations made in the Form of Proxy should be initialled.
2. Only registered 10% Cumulative Redeemable Preference Shareholders of JSW Steel may attend and vote (either in person or by proxy or through an authorised representative under Section 187 of the Companies Act, 1956) at the 10% Cumulative Redeemable Preference Shareholders' meeting. The representative of a body corporate which is a registered 10% Cumulative Redeemable Preference Shareholder of JSW Steel may attend and vote at the 10% Cumulative Redeemable Preference Shareholders' meeting provided a certified true copy of the resolution of the Board of Directors under Section 187 of the Companies Act, 1956 or other governing body of the body corporate authorizing such representative to attend and vote at the 10% Cumulative Redeemable Preference Shareholders' meeting is deposited at the Registered Office of JSW Steel not later than 48 hours before the meeting.

Enclosures: As above

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**  
**ORDINARY ORIGINAL CIVIL JURISDICTION**  
**COMPANY SUMMONS FOR DIRECTION NO 857 OF 2012**

In the matter of the Companies Act, 1956 (1 of 1956);

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AND

JSW Steel Limited ('The Transferee Company 2')

AND

Their respective shareholders and creditors

**JSW Steel Limited**, a Company incorporated under the Companies Act, 1956 having its Registered Office at Jindal Mansion, 5A, Dr. G Deshmukh Marg, Mumbai 400 026.

.....Applicant Company

**EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956**

1. This is a statement accompanying the notice convening the meeting of the 10% Cumulative Redeemable Preference Shareholders of JSW Steel Limited, the Applicant Company, convened pursuant to an Order dated 20<sup>th</sup> day of December, 2012 passed by the High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, to be held at Y B Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021, Maharashtra on Wednesday, January 30, 2013 at 12.30 p.m. for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Composite Scheme of Amalgamation and Arrangement amongst JSW ISPAT Steel Limited ("JSW ISPAT") and JSW Building Systems Limited ("JSW Building") and JSW Steel Coated Products Limited ("JSW Steel Coated") and JSW Steel Limited ("JSW Steel") and their respective Shareholders and Creditors ("the Scheme" or "this Scheme"). The other definitions contained in the scheme shall apply to this Explanatory Statement also.
2. A copy of the Scheme setting out in detail the terms and conditions of the arrangement, inter alia, providing for transfer and vesting of the companies which has been approved by the Board of Directors of JSW Steel at its meeting held on 1<sup>st</sup> day of September, 2012 and as further updated in compliance with clause 23 (Modifications and Amendments to the Scheme) of the Scheme, is attached to this explanatory statement.

3. The resolution to be moved at the said meeting will read as follows:

**“RESOLVED THAT** subject to the approval of the Hon’ble High Court of Judicature at Bombay, the arrangement as embodied in the Composite Scheme of Amalgamation and Arrangement amongst JSW ISPAT Steel Limited and JSW Building Systems Limited and JSW Steel Coated Products Limited and JSW Steel Limited and their respective Shareholders and Creditors placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** any one of the Directors or the Company Secretary of JSW Steel Limited be and is hereby severally authorised to do all such acts, deeds and things as are considered requisite or necessary to effectively implement the Scheme and accept such modification and/or conditions, if any, which may be required and/or imposed by the High Court of Judicature at Bombay while sanctioning the Scheme.”

4. All the companies involved in the Scheme are part of the JSW Group. The proposed restructuring envisages:

- a) Transfer of the Kalmeshwar Undertaking of JSW ISPAT from JSW ISPAT to JSW Steel Coated; Transfer and Vesting of the Downstream Undertaking of JSW Steel, to JSW Steel Coated;
- b) Merger of residual JSW ISPAT and JSW Building with JSW Steel.

5. The background of all the companies involved in the Scheme is as under:

**5.1 JSW Steel Limited :**

- a. JSW Steel Limited (hereinafter referred to as “Applicant Company”) was incorporated on March 15, 1994 under the provisions of the Companies Act, 1956 under the name and style of “Jindal Vijayanagar Steel Limited” with the Registrar of Companies, Karnataka at Bangalore. The Registered Office of the Applicant Company was shifted from the State of Karnataka to the State of Maharashtra, pursuant to the order dated April 26, 2005 passed by the Hon’ble Company Law Board, Southern Region. The Certificate of Registration of the Company Law Board’s order for change of Registered Office was issued by the Registrar of Companies, Maharashtra, Mumbai on April 29, 2005. Subsequently, the name of the Applicant Company was changed to the present name i.e. “JSW Steel Limited” and fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on June 16, 2005. The Registered Office of the Applicant Company is situated at Jindal Mansion, 5A, Dr. G Deshmukh Marg, Mumbai 400 026.
- b. The authorised, issued, subscribed and paid-up share capital of the Applicant Company as on March 31, 2012 is as under:

<b>Particulars</b>	<b>Rs. in Crores</b>
<b>Authorized Capital</b>	
2,000,000,000 Equity Shares of Rs. 10 each	2,000.00
1,000,000,000 10 % Preference Shares of Rs. 10 each	1,000.00
<b>Total</b>	<b>3,000.00</b>
<b>Issued, Subscribed and Paid up Capital</b>	
223,117,200 Equity Shares of Rs. 10 each	223.12
Equity Shares Forfeited	61.03
279,034,907 - 10% Cumulative Redeemable Preference Shares of Rs. 10 each	279.03
<b>Total</b>	<b>563.18</b>

Subsequent to the above date and till the date of filing this Company Summons for Directions, there has been no change in the issued, subscribed and paid up capital of the Applicant Company.

The equity shares of the Applicant Company are listed on the BSE Limited and National Stock Exchange of India Limited.

c. The objects of the Applicant Company as set out in its Memorandum of Association are as follows: -

1. *To set up iron & steel making facilities and continuous casting and hot and cold rolling mill plants for producing ferrous and non-ferrous metals, alloy steels, steel ingots, steel slabs billets and all kinds and all sizes of iron and steel re-rolled sections, i.e. flats, angles, rounds, squares, rails, joists, channels, slabs, strips, coils, sheets, plates, deformed bars, plain and cold twisted bars and shaftings.*
2. *To carry on the business of manufacturers, processors, refiners, smelters, makers, converters, 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 there 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 properties, coke manufacturers, ferroalloy manufacturers, 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 metals, coal, coke, brick-earth, fire clay, bricks, ores, minerals and mineral substances, gases, alloys, metal scrap, chemicals and chemical substances of all kinds.*

d. The Applicant Company is presently engaged in the business of production of iron and steel.

#### 5.2 JSW ISPAT Steel Limited:

a. JSW ISPAT Steel Limited (hereinafter referred to as “JSW ISPAT”), was incorporated on May 23, 1984 under the provisions of the Companies Act, 1956 under the name and style of “Mittal Galvazinc Limited” with the Registrar of Companies, West Bengal at Calcutta. Subsequently, the name of the company was changed to “Nippon Denro Ispat Limited” and fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies on April 22, 1985. Further, the name of the company was changed to “Ispat Industries Limited” on September 13, 1996. The name of the company was further changed to “JSW ISPAT Steel Limited” on June 28, 2011. The Registered Office of JSW ISPAT was shifted from the State of West Bengal to the State of Maharashtra vide an order dated October 16, 2012 of the Regional Director (E R) Kolkata which has been registered by the Registrar of Companies, Maharashtra, on November 27, 2012. The Registered Office of JSW ISPAT is situated at ‘The Enclave’, 5th Floor, Behind Marathe Udyog Bhavan, New Prabhadevi Road, Prabhadevi, Mumbai 400 025.

b. The authorised, issued, subscribed and paid-up share capital of JSW ISPAT as on June 30, 2012 is as under:

<b>Share Capital</b>	<b>Rs. in crores</b>
<b>Authorized Capital</b>	
4,000,000,000 Equity Shares of Rs. 10 each	4,000.00
100,000,000 Preference Shares of Rs. 100 each	1,000.00
1,000,000,000 Preference Shares of Rs. 10 each	1,000.00
<b>Total</b>	<b>6,000.00</b>

<b>Share Capital</b>	<b>Rs. in crores</b>
<b>Issued, Subscribed and Paid up Capital</b>	
2,514,987,174 Equity Shares of Rs. 10 each, fully paid-up	2,514.99
484,679,959 - 0.01% Cumulative Redeemable Preference Shares of Rs. 10 each, fully paid-up	484.68
1,843,327 Equity Shares of Rs. 10 each, partly paid-up	1.15
1,228,885 - 0.01% Cumulative Redeemable Preference Shares of Rs. 10 each, partly paid-up	0.74
<b>Total</b>	<b>3,001.56</b>

As of the Date of this Scheme being approved by the Board of Directors of all the Companies, JSW Steel was owning 1,176,590,764 Equity Shares of Rs. 10 each in JSW ISPAT comprising of 46.75% of the equity share capital of JSW ISPAT.

Subsequent to the above date, there has been no change in the issued, subscribed and paid up capital of JSW ISPAT.

The equity shares of JSW ISPAT are listed on BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited.

c. The objects of JSW ISPAT as set out in its Memorandum of Association are as follows:

- To carry on or to be interested in any business either solely or in partnership or with other companies, corporation or individuals or agents as manufacturers, importers, exporters, dealers, buyers, sellers, stockists, distributors, contractors, brokers, consultants, service organisations, concessionaires of all types of Coated/Plated including Zinc, Aluminium, Zinc-Aluminium alloys, Tin, Plastic Vinyl colour coated/plated and uncoated sheets/strips/coil or all grades of carbon steel, electrical steel, grain oriented and non-grain oriented, hot rolled or cold rolled and in corrugated shapes and in all kinds of plant and machinery, apparatus, furniture, utensils, tools, receptacles, electrical appliances, refrigeration equipment, automobile components, pipes and ductings, storage tanks, drums, buckets, storage bin, containers, air-conditioning ducts, agricultural storage and implements, buildings, roofs, ridges, drains, louvers and sidings, signal and other products in connection with the above and to carry on any other business (manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above or otherwise calculated directly or indirectly to enhance the value if any of the Company's property and right for the time being and to acquire established factory or factories or to promote and finance new companies for the purpose and to enter into collaboration with foreign companies, firms or individuals for the purpose of carrying on the foregoing manufacture or business.*
- To establish, own or acquire Steel Rolling and/or Steel Re-Rolling Mills, Iron and Steel Melting Furnace, Machine shop and to carry on all or any business as manufacturers, importers, exporters, traders, distributors, agents and dealers in all kinds and descriptions of Iron and Steel Products including Stainless Steel Products, Ingots, Billets, Blooms, Sheets, Strips, Rounds, Bars, Plates, Pipes, Tubes, Wires, Rails, Slabs, Tor-Steel, Beams, Joists, Channels, Angles, Rolls, Pig Iron and Tin Products, Hardware Products, Tools and Implements, Machine Parts, Engineering Goods, Utensils, Converters, Boilers, Ferrous and Non-Ferrous Metal Founders, Fabricators, Smiths, Workers, Builders, Refiners, Smelters, Processors, Rollers, Re-Rollers, Producers, Assemblers, Fitters, Repaireres, Painters, Fasteners, Wire-drawers, Tubefactors, Japanners, Annealers, Enamellers, Machinists, Grinders, Millers and Electroplaters, and to carry on any other business (manufacturing or other otherwise) which may seem to the Company capable of being conveniently carried*

*on in connection with the above or otherwise calculated directly or indirectly to enhance the value if any of the Company's property and right for the time being and to acquire established factory or factories or to promote and finance new companies for the purpose and to enter into collaboration with foreign companies, firms or individuals for the purpose of carrying on the foregoing manufacture or business.*

3. *To carry on the business of mechanical, civil and electrical engineers, contractors, erectors, metallurgists and as advisers and/or consultants on all matters and problems relating to the administration, management, organisation, production, finance, accountancy, legal, income tax, sales tax, professional tax, entry-tax, excise, customs, corporation or municipal tax, training of personnel for industrial business purposes, marketing, purchasing, importing and exporting, selling methods and principles to develop procedures and principles and to carry on research into all matters and problems relating to administration, management, organisation, production, finance, accountancy, legal, income tax, sales tax, professional tax, excise, customs, corporation or municipal tax, training or personnel for industrial and business purposes, marketing, selling, purchasing, importing and exporting, to collect, prepare, distribute and circulate data, statistics and information, relating to any type of business or industry, to analyse, collate, examine, consider, formulate, report and recommend on the means and/or methods for extending and/or developing and/or improving any type of business or industry, organisation and methods, techniques and procedures, to consider and evaluate problems relating to mills, manufacture, production, mining, engineering, storage, distribution, finance, marketing and sale and to make valuations and surveys and to acquire, obtain, supply, provide, maintain any patents, trademarks, designs, technical know-how and the like for the benefit of any person, company, corporate body, firm, trustee, association, society or organisation whatsoever and/or relating to the rendering of any services, to enter into agreements for collaboration, joint venture or the acquisition or disposal of assets including technical and other 'know-how' and to render such other services as may be ancillary or incidental to any of the foregoing matters but as do not fall within the scope of the managing agents or secretaries and treasurers or secretary of a company as defined by the Companies Act, 1956.*
  4. *To carry on or undertake or to be interested or engaged in any of the business whether in India or outside India, either solely or in partnership with other companies, corporation or individual or firm or any other association or persons as manufacturers, miners, exporters, importers, buyers, sellers, agents, service organisations and dealers in iron ores, ferrous ores, chromium ores, copper, sponge iron, aluminium notch bar, lime, dolomite, fluorspar, graphite electrodes and nipples, petroleum coke, aluminium wire, fuel-oil, nickel, tungsten, refractories, coal, manganese, magnesite, clay, fire clay, oxygen/acetylene gas, wasteheat recovery plant, captive power plant, air pollution control equipment, ferrous substance and metal of every description and grade and all products, intermediates and by-products consequent to or obtained in the process of manufacture of above articles and to carry on any other business (manufacture or otherwise) which may seem to the company capable of being conveniently carried on in connection with the above or either calculated directly or indirectly to enhance the value, if any, of the company's properties and rights for the time being.*
- d) JSW ISPAT is presently engaged in the business of production of steel with core competency being production of high quality steel.

### 5.3 JSW Building Systems Limited:

- a) JSW Building Systems Limited (hereinafter referred to as "JSW Building") was incorporated on March 28, 2008 under the provisions of the Companies Act, 1956 under the name and style of "JSW Building Systems Limited" with the Registrar of Companies, Maharashtra, Mumbai. The Registered Office of JSW Building is situated at 302, Naman Centre, 3rd Floor, Plot No. C-31, G-Block, Bandra Kurla Complex, Opp. Bank of Baroda, Bharat Nagar, Bandra (East), Mumbai 400 051.



- b) The authorised, issued, subscribed and paid-up share capital of the JSW Building as on March 31, 2012 is as under:

Share Capital	Rs. in crores
<b>Authorised Capital</b>	
15,000,000 Equity Shares of Rs. 10 each	15.00
<b>Total</b>	<b>15.00</b>
<b>Issued, Subscribed and Paid up Capital</b>	
28,10,000 Equity Shares of Rs. 10 each	2.81
<b>Total</b>	<b>2.81</b>

As of the Date of this Scheme being approved by the Board of Directors of all the Companies, JSW Building was a wholly owned subsidiary of JSW Steel.

Subsequent to the above date, there has been no change in the issued, subscribed and paid up capital of JSW Building.

- c) The objects of JSW Building as set out in its Memorandum of Association are as follows:

- To design, make, prepare, develop, create, alter, replace, repair pre-fabricated building systems & technologies, pre-fabricated building accessories, parts, materials, tools & equipments and to act as builders, developers, re-developers, re-builders, repairers, constructors, reconstructors, contractors, sub-contractors, government or semi government contractors, demolishers, dismantlers, restorers, erectors, developers of co-operative housing society, housing schemes, township and construct houses, building or works of every description on any land of the Company, or upon any other lands or property and to pull down, rebuild, enlarge, alter and improve existing houses, buildings or works thereon, to convert appropriate any such land into and for roads, street, squares, gardens and other convenient and generally to deal with and improve the property of the company. To carry on business of purchase of land, development rights, immovable properties and to erect, develop, build, acquire on lease basis.*
- To carry on the business of civil engineers, architects, surveyors, designers, valuers, town planners, estimators, interior and exterior decorators, conductors, improvers of factories, galas, houses, buildings, structures, bridges, highways, roads, by pre-fabricated building systems and technologies and work of all other related varieties including structural and piling engineering work, preparing building sites and graphic and to act as consultants including Project Management Consultancy for any of the aforesaid business activities.*

- d) JSW Building is presently not engaged in any significant business activity.

#### 5.4 JSW Steel Coated Products Limited:

- a) JSW Steel Coated Products Limited (hereinafter referred to as "JSW Steel Coated") was incorporated on September 2, 1985 under the provisions of the Companies Act, 1956 under the name and style of "Maharashtra Sponge Iron Limited" with the Registrar of Companies, Maharashtra, Mumbai. The name was changed to "JSW Steel Coated Products Limited" as certified by the Registrar of Companies, Maharashtra, Mumbai on October 31, 2012.
- b) The authorised, issued, subscribed and paid-up share capital of the JSW Steel Coated as on March 31, 2012 is as under:

Share Capital	Rs. in crores
<b>Authorized Capital</b>	
50,000 Equity Shares of Rs. 10 each	0.05
<b>Issued, Subscribed and Paid up Capital</b>	
50,000 Equity Shares of Rs. 10 each	0.05

As of the Date of this Scheme being approved by the Board of Directors of all the Companies, JSW Building was owning 100% of the equity share capital of JSW Steel Coated.

Subsequent to the above date, there has been no change in the issued, subscribed and paid up capital of JSW Steel Coated.

c) The main objects, interalia, of JSW Steel Coated as set out in the Memorandum of Association are as under:

1) *To carry on the business of manufactures, processors, dealers, stockists, distributors, exporters, importers, and commission agents of intermediates, semi-finished and finished products in the fields and grade of sponge iron, iron and steel alloy steels, high speed steels, wire roads, steel wires, steel castings, steel forgings, steel ingots, steel bars, steel sheets, steel rods, steel pipes, steel nails, steel plates, steel tubes, steel granules, steel scraps, tools, implements, equipments, and accessories, ferrous and non-ferrous metals, copper, brass, and aluminium castings and folding.*

2) *To carry on in India and elsewhere the trade or business of manufacturers, operators, processors, refiners, smelters, converters, finishers, importers, exporters, agents, merchants, distributors, contractors, brokers, consultants, buyers, sellers, coating, prospecting and dealers in all kinds and forms of steels including setting up/acquiring iron and steel making facilities and continuous casting and hot and cold rolling mill plants for producing cold rolled coils/sheets, galvanized coil and sheets, galvanized pre-painted coils and sheets and alloy steels, steel slabs billets, flats, angles, rounds, squares, channels, slabs, strips, coils and the business of colour coated/organic coated steel, whether in coiled or profiled forms, stainless steel, silicon steel, special steel, mild steel, pipe fitting, strips, rollers and also in the business of iron masters, steel and metal converters and to deal in iron, pig iron, granulated slag, iron ore fines, steel and other metals, minerals and mineral substances.*

d) JSW Steel Coated is presently not engaged in any significant business activity.

## 6. Rationale of the Scheme

(i) The Applicant Company and JSW ISPAT are both engaged in similar lines of business.

(ii) The proposed restructuring is likely to result in the following synergies:

- The combined entity will be an integrated steel player with a capacity of 14.3 million tons per annum. This will help the combined entity in achieving economies of scale. The combined entity will be able to use best practices and business processes of both JSW ISPAT and the Applicant Company for optimal utilization of resources, better administration and reduction in cost.
- The consolidation will result in improved capital allocation and will also help the combined entity in reduction of cost of financing.
- The combined entity will be able to leverage the combined distribution network of JSW ISPAT and the Applicant Company which would strengthen its market reach pan India. Further, the combined entity will have access to expertise for multiple steel making technologies and shore based infrastructure.
- The transfer of the Kalmeshwar Undertaking, as defined in clause 1.1.16 of Part I to the Scheme and the Downstream Undertaking, as defined in clause 1.1.8 of Part I to the Scheme will enable focused approach in management of business of coated products.
- The overall restructuring is likely to result in direct and indirect tax efficiencies.
- Rationalization of the holding structure of various businesses resulting in an improved alignment of debt and cash flows and the elimination of cross holdings.
- Improvement of organizational capability and leadership, arising from the pooling of human capital possessing diverse skills, talent and experience, enabling the combined entity to compete successfully in an increasingly competitive industry.

(iii) The synergies arising out of the consolidation of business and the reorganization would benefit the shareholders, strategic partners, lenders, employees and all other stakeholders of companies involved.

7. The details of Cross Holdings of the companies is as follows:
- a) Applicant Company holds 46.75% of the equity share capital of JSW ISPAT. On merger of JSW ISPAT into the Applicant Company, the said cross holding would get cancelled.
  - b) Applicant Company holds 100% equity share capital of JSW Building. On merger of JSW Building with JSW Steel, the holding of JSW Steel in JSW Building will stand cancelled.
  - c) JSW Building holds 100% equity share capital in JSW Steel Coated. On merger of JSW Building with JSW Steel, JSW Steel will hold 100% stake in JSW Steel Coated.
8. The Board of Directors of all the companies involved in the scheme vide their resolution dated 1st day of September, 2012 approved the Scheme. The copy of the Scheme setting out in detail the terms and conditions of the arrangement, is forming a part of this Explanatory Statement.
9. The salient features of the Scheme are as follows:
- (a) Appointed Date means the 1st day of July, 2012 or such other date as may be approved by the Court.
  - (b) Effective Date means the date on which the certified or authenticated copy of the Orders of High Court of Judicature at Bombay or any other appropriate authority under Sections 391 to 394 of the Companies Act, 1956 ("Act") sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai.
  - (c) Transfer and Vesting of the Kalmeshwar Undertaking of JSW ISPAT, and the Downstream Undertaking of Applicant Company into JSW Steel Coated
    - With effect from the Appointed Date and upon the Scheme becoming effective, the Kalmeshwar Undertaking of JSW ISPAT, and the Downstream Undertaking of Applicant Company shall, pursuant to the provisions of Sections 391 to 394 and all other applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested, on a going concern basis, from JSW ISPAT into JSW Steel Coated, and from Applicant Company into JSW Steel Coated, respectively, and all the interest of JSW ISPAT in the Kalmeshwar Undertaking, and of Applicant Company in the Downstream Undertaking, shall consequently vest into JSW Steel Coated.
    - JSW Steel Coated is a wholly owned subsidiary of JSW Building, which in turn is a wholly owned subsidiary of Applicant Company. As Residual JSW ISPAT is proposed to be amalgamated with Applicant Company under Part III of this Scheme, the transfer and vesting of Kalmeshwar Undertaking of JSW ISPAT and of the Downstream Undertaking of Applicant Company shall be without any consideration and JSW Steel Coated shall not be required to issue any shares or pay any consideration to JSW ISPAT or Applicant Company or to their respective shareholders upon transfer and vesting of Kalmeshwar Undertaking of JSW ISPAT and the Downstream Undertaking of Applicant Company as the case may be.
  - (d) Merger of Residual JSW ISPAT and JSW Building into Applicant Company
    - With effect from the Appointed Date and upon the Scheme becoming effective, each of Residual JSW ISPAT and JSW Building shall, pursuant to the provisions of Sections 391 to 394 and all other applicable provisions of the Act and without any further act, instrument, deed or matter or thing, stand merged with Applicant Company, as a going concern, as of the Appointed Date, and all its assets, liabilities, properties, rights, benefits and interest therein shall consequently vest into Applicant Company with effect from Effective Date, subject however, to all the encumbrances, if any, affecting the same or any part hereof and arising out of liabilities which shall also stand transferred to Applicant Company.
    - Upon the coming into effect of this Scheme, and in consideration of the merger of Residual JSW ISPAT into Applicant Company, the Applicant Company shall, without any further act or deed and without any further payment, issue and allot shares at par to each Equity Shareholder, or its respective heirs, executors, administrators, legal representatives or other successors in title, of JSW ISPAT (other than Applicant Company), determined as

of the Record Date by the Board of Directors of Applicant Company, whose name is recorded in the Register of Equity Shareholders of JSW ISPAT, or in the records of the depository, in the following proportion:

- (a) For every 72 (seventy two) fully paid-up equity shares of face value of Rs. 10/- (Rupees Ten only) each held in JSW ISPAT, 1 (one) equity share of face value of Rs. 10/- (Rupees Ten only) each, credited as fully paid up, in the Applicant Company; and
  - (b) For every 1 (one) fully paid-up 0.01% Cumulative Redeemable Preference Share of face value of Rs. 10/- (Rupees Ten only) each held in JSW ISPAT, 1 (one) 0.01% Cumulative Redeemable Preference Share of face value of Rs. 10/- (Rupees Ten only) each, having the same rights and terms and credited as fully paid up, in the Applicant Company;
  - (c) Equity shares of JSW ISPAT, where calls are in arrears as of the Effective Date, will be reclassified as fully paid-up equity shares of JSW ISPAT to the extent of aggregate amount paid-up on all partly-paid-up equity shares held by the particular shareholder, e.g. A shareholder holding 100 shares with Rs. 5 paid up will be considered to be holding 50 fully paid-up shares of Rs. 10 each. Such Shareholder will be entitled to equity shares in the Applicant Company as per the ratio in (a) above on the basis of equivalent revised number of fully paid-up shares and fraction if any as per the aforesaid reclassification. Similarly, 0.01% Cumulative Redeemable Preference Shares of JSW ISPAT with calls in arrears as of the Effective Date will be reclassified as fully paid-up 0.01% Cumulative Redeemable Preference Shares of JSW ISPAT to the extent of the aggregate amount paid-up on all such partly-paid-up 0.01% Cumulative Redeemable Preference Shares held by the particular shareholder and such shareholder will be entitled to 0.01% Cumulative Redeemable Preference Shares in the Applicant Company as per the ratio in (b) above on the basis of equivalent revised number of fully paid-up 0.01% Cumulative Redeemable Preference Shares and fraction if any as per the aforesaid reclassification.
- JSW Building is a wholly owned subsidiary of Applicant Company. Therefore, Applicant Company shall not issue any shares to the shareholders of JSW Building upon the coming into effect of this Scheme, and in consideration of the merger of JSW Building into Applicant Company.
- (e) Upon the Scheme becoming effective, JSW ISPAT and JSW Building shall stand dissolved without being wound up.
  - (f) This Scheme is and shall be conditional upon and subject to:
    - i. The obtaining of statutory approvals under the Act, including that of the shareholders, lenders and creditors of JSW ISPAT, JSW Steel, JSW Building and JSW Steel Coated as may be required / directed by the Court;
    - ii. The sanctioning of this Scheme by the Court, with or without any modifications or amendments;
    - iii. The filing of a certified copy of the order of the Court with the Registrar of Companies, Mumbai by JSW ISPAT, JSW Building, JSW Steel Coated and JSW Steel; and
    - iv. Any other sanctions and orders as may be directed by the Court in respect of this Scheme.

**The features set out above being only the salient features of the Scheme, the 10% Cumulative Redeemable Preference Shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.**

10. The Share Swap Ratio was approved by the Board of Directors of the Applicant Company on 1st day of September, 2012 after considering the valuation arrived at by KPMG India Private Limited and Fairness Opinion report from Enam Securities Private Limited. Further, the Board of Directors of JSW ISPAT obtained a valuation report from Price Waterhouse & Co., Chartered Accountants and Fairness Opinion from Citigroup Global Markets India Private Limited.

11. The Pre-Scheme share holding pattern of the Applicant Company as on September 30, 2012 is as under:

Category code	Category of Shareholder	Pre-Scheme			
		10% Cumulative Redeemable Preference Shares		0.01% Cumulative Redeemable Preference Shares	
		Total number of shares	As a percentage of (A+B+C)	Total number of shares	As a percentage of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>				
<b>1</b>	<b>Indian</b>				
(a)	Individuals/ Hindu Undivided Family	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-
(c)	Bodies Corporate	673,500	0.24	-	-
(d)	Financial Institutions/ Banks	-	-	-	-
(e)	Any Others (specify)	-	-	-	-
	<b>Sub Total(A)(1)</b>	<b>673,500</b>	<b>0.24</b>	<b>-</b>	<b>-</b>
<b>2</b>	<b>Foreign</b>				
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Any Others (specify)	-	-	-	-
	<b>Sub Total(A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+ (A)(2)</b>	<b>673,500</b>	<b>0.24</b>	<b>-</b>	<b>-</b>
<b>(B)</b>	<b>Public shareholding</b>				
<b>1</b>	<b>Institutions</b>				
(a)	Mutual Funds/ UTI	-	-	-	-
(b)	Financial Institutions /Banks	278,360,157	99.76	-	-
(c)	Central Government / State Government(s)	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-
(h)	Any Other (specify)	-	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>278,360,157</b>	<b>99.76</b>	<b>-</b>	<b>-</b>
<b>B 2</b>	<b>Non-institutions</b>				
(a)	Bodies Corporate	810	0.00	-	-
(b)	Individuals:				
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	440	0.00	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	-	-	-	-

Category code	Category of Shareholder	Pre-Scheme			
		10% Cumulative Redeemable Preference Shares		0.01% Cumulative Redeemable Preference Shares	
		Total number of shares	As a percentage of (A+B+C)	Total number of shares	As a percentage of (A+B+C)
(c)	Any Other (specify)	-	-	-	-
(c-i)	Clearing Member	-	-	-	-
(c-ii)	Non Resident Indians	-	-	-	-
(c-iii)	Directors & their Relatives	-	-	-	-
	<b>Sub-Total (B)(2)</b>	<b>1,250</b>	<b>0.00</b>	-	-
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>278,361,407</b>	<b>99.76</b>	-	-
	<b>TOTAL (A)+(B)</b>	<b>279,034,907</b>	<b>100.00</b>	-	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>279,034,907</b>	<b>100.00</b>	-	-

12. The Post-Scheme (expected) shareholding pattern of the Applicant Company, based on shareholding as on September 30, 2012 is as under:

Category code	Category of Shareholder	Post-Scheme			
		10% Cumulative Redeemable Preference Shares		0.01% Cumulative Redeemable Preference Shares*	
		Total number of shares	As a percentage of (A+B+C)	Total number of shares	As a percentage of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>				
<b>1</b>	<b>Indian</b>				
(a)	Individuals/ Hindu Undivided Family	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-
(c)	Bodies Corporate	673,500	0.24	-	-
(d)	Financial Institutions/ Banks	-	-	-	-
(e)	Any Others (Specify)	-	-	-	-
	<b>Sub Total(A)(1)</b>	<b>673,500</b>	<b>0.24</b>	-	-
<b>2</b>	<b>Foreign</b>				
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Any Other (specify)	-	-	-	-
	<b>Sub Total(A)(2)</b>	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+ (A)(2)</b>	<b>673,500</b>	<b>0.24</b>	-	-

Category code	Category of Shareholder	Post-Scheme			
		10% Cumulative Redeemable Preference Shares		0.01% Cumulative Redeemable Preference Shares*	
		Total number of shares	As a percentage of (A+B+C)	Total number of shares	As a percentage of (A+B+C)
<b>(B)</b>	<b>Public shareholding</b>				
<b>1</b>	<b>Institutions</b>				
(a)	Mutual Funds/ UTI	–	–	657,642	0.14
(b)	Financial Institutions / Banks	278,360,157	99.76	19,050,051	3.92
(c)	Central Government/ State Government(s)	–	–	–	–
(d)	Venture Capital Funds	–	–	512	0.00
(e)	Insurance Companies	–	–	3,580,295	0.74
(f)	Foreign Institutional Investors	–	–	792,508	0.16
(g)	Foreign Venture Capital Investors	–	–	–	–
(h)	Any Other (specify)	–	–	–	–
	<b>Sub-Total (B)(1)</b>	<b>278,360,157</b>	<b>99.76</b>	<b>24,081,008</b>	<b>4.96</b>
<b>B 2</b>	<b>Non-institutions</b>				
(a)	Bodies Corporate	810	0.00	370,473,378	76.23
(b)	Individuals:				
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	440	0.00	63,026,411	12.97
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	–	–	25,199,105	5.19
(c)	Any Other (Trust, Foreign Companies, Market Maker, HUF etc.)	–	–	489,468	0.10
(c-i)	Clearing Member	–	–	1,438,773	0.30
(c-ii)	Non Resident Indians	–	–	1,200,701	0.25
(c-iii)	Directors & their Relatives (Independent Directors)	–	–	–	–
	<b>Sub-Total (B)(2)</b>	<b>1,250</b>	<b>0.00</b>	<b>461,827,836</b>	<b>95.04</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>278,361,407</b>	<b>99.76</b>	<b>485,908,844</b>	<b>100.00</b>
	<b>TOTAL (A)+(B)</b>	<b>279,034,907</b>	<b>100.00</b>	<b>485,908,844</b>	<b>100.00</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	–	–	–	–
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>279,034,907</b>	<b>100.00</b>	<b>485,908,844</b>	<b>100.00</b>

\* Partly paid-up shares of JSW ISPAT have been considered as fully paid-up for the purpose of this shareholding pattern.

13. The directors of the Applicant Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent the said directors are common directors in the companies, or to the extent the said directors are the partners, directors, shareholders of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies or to the extent they may be allotted shares in Applicant Company as a result of the Scheme. Save as aforesaid, none of the Directors of the Applicant Company have any material interest in the Scheme.
14. Details of Directors of Applicant Company, JSW ISPAT, JSW Building and JSW Steel Coated holding shares in Applicant Company and JSW ISPAT are as under:
- a) The extent of the shareholding of the Directors of Applicant Company either singly or jointly or as nominee as on September 30, 2012 is as under:

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>Designation</b>	<b>10% Cumulative Redeemable Preference shares in Applicant Company</b>	<b>0.01% Cumulative Redeemable Preference shares in JSW ISPAT</b>
1.	Mr. Sajjan Jindal	Chairman and Managing Director	NIL	NIL
2.	Mr. Seshagiri Rao M.V.S.	Jt Managing Director and Group CFO	NIL	NIL
3.	Dr. Vinod Nowal	Director and CEO	NIL	NIL
4.	Mr. Jayant Acharya	Director (Commercial and Marketing)	NIL	NIL
5.	Dr. S. K. Gupta	Director	NIL	NIL
6.	Dr. Rajneesh Goel (IAS)	Nominee Director (KSIIDC)	NIL	NIL
7.	Mrs. Zarin Daruwala	Nominee Director (ICICI Bank)	NIL	NIL
8.	Mr. Anthony Paul Pedder	Director	NIL	NIL
9.	Mr. Sudipto Sarkar	Director	NIL	NIL
10.	Dr. Vijay Kelkar	Director	NIL	NIL
11.	Mr. Uday M. Chitale	Director	NIL	NIL
12.	Mr. K. Vijayaraghavan	Director	NIL	NIL
13.	Mr. Yasushi Kurokawa	Nominee Director (JFE Steel Corporation, Japan)	NIL	NIL



- b) The extent of the shareholding of the Directors of JSW ISPAT either singly or jointly or as nominee as on September 30, 2012 is as under:

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>Designation</b>	<b>10% Cumulative Redeemable Preference shares in Applicant Company</b>	<b>0.01% Cumulative Redeemable Preference shares in JSW ISPAT</b>
1.	Mr. Sajjan Jindal	Chairman	NIL	NIL
2.	Mr. Vinod Mittal	Vice Chairman	NIL	NIL
3.	Mr. Pramod Mittal	Director	NIL	NIL
4.	Mr. Seshagiri Rao M.V.S.	Director	NIL	NIL
5.	Mr. U. Mahesh Rao	Director	NIL	NIL
6.	Mr. Vinod Kothari	Director	NIL	NIL
7.	Mr. Atul Sud	Director	NIL	NIL
8.	Mr. Haigreve Khaitan	Director	NIL	NIL
9.	Mr. Krishnendu Banerjee	Nominee Director (IDBI Bank)	NIL	NIL
10.	Mr. Mayank Agrawal	Nominee Director (ICICI Bank)	NIL	NIL
11.	Mr. B. K. Singh	Chief Executive Officer	NIL	NIL

- c) The extent of the shareholding of the Directors of JSW Building either singly or jointly or as nominee as on September 30, 2012 is as under:

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>Designation</b>	<b>10% Cumulative Redeemable Preference shares in Applicant Company</b>	<b>0.01% Cumulative Redeemable Preference shares in JSW ISPAT</b>
1.	Mr. Jayant Acharya	Chairman & Director	NIL	NIL
2.	Mr. Rajeev Pai	Director	NIL	NIL
3.	Mr. R. C. Sharma	Director	NIL	NIL

- d) The extent of the shareholding of the Directors of JSW Steel Coated either singly or jointly or as nominee as on September 30, 2012 is as under:

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>Designation</b>	<b>10% Cumulative Redeemable Preference shares in Applicant Company</b>	<b>0.01% Cumulative Redeemable Preference shares in JSW ISPAT</b>
1.	Mr. Surendranath Vandakudri	Director	NIL	NIL
2.	Mr. Jayaraman Vardarajan	Director	NIL	NIL
3.	Mr. Ravindra Bhalerao	Director	NIL	NIL

15. JSW Steel has obtained the approval to the Scheme in the terms of Clause 24(f) of the Listing Agreements of the National Stock Exchange of India Limited and BSE Limited vide their letters dated October 5, 2012 and October 4, 2012 respectively. Further, approval from Competition Commission of India has been received vide its letter dated October 25, 2012.
16. No investigation proceedings are pending or are likely to be pending under Sections 235 to 251 of the Companies Act, 1956 in respect of JSW Steel.

17. The rights and interests of the members and creditors of JSW Steel will not be prejudicially affected by the Scheme.
18. On the Scheme being approved as per the requirements of Section 391 of the Companies Act, 1956, all the companies involved in the scheme will each seek the sanction of the Hon'ble High Court of Judicature at Bombay to the Scheme.
19. **A 10% CUMULATIVE REDEEMABLE PREFERENCE SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF JSW STEEL. THE INSTRUMENT APPOINTING THE PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF JSW STEEL NOT LATER THAN 48 (FORTY EIGHT) HOURS PRIOR TO THE COMMENCEMENT OF THE MEETING.**
20. Corporate members intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy in original of the resolution of the Board of Directors under Section 187 of the Companies Act, 1956 or other governing body of the body corporate not later than 48 (forty eight) hours before commencement of the meeting, authorizing such person to attend and vote on its behalf at the meeting.
21. Inspection of the following documents may be had by the Members of JSW Steel at the Registered Office of JSW Steel up to one day prior to the date of the meeting between 11 a.m. and 1 p.m. on all working days (except Saturdays, Sundays and public holidays):
  - (a) Copy of the Order dated 20th day of December, 2012 of the High Court of Judicature at Bombay passed in Company Summons for Direction No. 857 of 2012 directing the convening of the meeting of the 10% Cumulative Redeemable Preference Shareholders of JSW Steel.
  - (b) Composite Scheme of Arrangement and Amalgamation.
  - (c) Memorandum and Articles of Association of the Applicant Company, JSW ISPAT, JSW Building and JSW Steel Coated.
  - (d) The Audited Financial Statements of the Applicant Company, JSW Building and JSW Steel Coated for last three financial years ended March 31, 2012, March 31, 2011 and March 31, 2010. In case of JSW ISPAT, the financial years ended June 30, 2012, June 30, 2011 and June 30, 2010.
  - (e) The Unaudited Provisional Financial Statements of JSW Steel, JSW ISPAT, JSW Building and JSW Steel Coated as on October 31, 2012.
  - (f) Valuation Report from KPMG India Private Limited.
  - (g) Fairness opinion of Enam Securities Private Limited.
  - (h) Copy of No Objection Certificate to the Scheme received from the National Stock Exchange of India Limited and BSE Limited dated October 5, 2012 and October 4, 2012 respectively.
  - (i) Copy of approval of Competition Commission of India dated October 25, 2012.

This statement may also be treated as an Explanatory Statement under Section 173 of the Companies Act, 1956. A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of JSW Steel Limited.

Sd/-  
**Sajjan Jindal**  
Chairman appointed for the meeting

Dated this 28th day of December, 2012

**Registered office:**

**JSW Steel Limited**  
Jindal Mansion, 5A,  
Dr. G Deshmukh Marg,  
Mumbai 400 026.

**COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION  
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956  
AMONGST  
JSW ISPAT STEEL LIMITED  
AND  
JSW BUILDING SYSTEMS LIMITED  
AND  
JSW STEEL COATED PRODUCTS LIMITED  
AND  
JSW STEEL LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**A. PREAMBLE**

The Composite Scheme of Arrangement and Amalgamation is divided into the following Parts:

- (i) **Part I** deals with Definitions, Interpretation, Coming into Effect and Share Capital;
- (ii) **Part II** deals with the transfer and vesting of the Kalmeshwar Undertaking of JSW ISPAT from JSW ISPAT to JSW Steel Coated, as well as the transfer and vesting of the Downstream Undertaking of JSW Steel, from JSW Steel to JSW Steel Coated;
- (iii) **Part III** deals with the merger of Residual JSW ISPAT and JSW Building with Residual JSW Steel; and
- (iv) **Part IV** deals with General/Residuary Terms and Conditions.

**B. BACKGROUND**

- (i) JSW Steel is engaged in the business of production of iron and steel. JSW Steel offers the entire gamut of steel products, including hot rolled, cold rolled, galvanized, galvalume, pre-painted galvanized, pre-painted galvalume, TMT rebars, wire rods & special steel bars, rounds & blooms. JSW Steel has four production units at Toranagallu in Karnataka, Vasind & Tarapur in Maharashtra and Salem in Tamil Nadu. The Downstream Undertaking is engaged in the process of converting steel into value added products. The Downstream Undertaking offers a diverse range of products comprising of HR plates, CRCA products, galvanized, plain and corrugated products and coated products for multi-sector applications.

JSW Steel's equity and preference shares are listed on the BSE and the NSE.

- (ii) JSW ISPAT is engaged in the business of production of steel with core competency in the production of high quality steel. It produces world-class sponge iron, galvanized sheets, hot rolled coils and cold rolled coils. JSW ISPAT has two production units located in Dolvi and Kalmeshwar in the State of Maharashtra. The Kalmeshwar Undertaking of JSW ISPAT has a cold rolling mill, galvanizing lines and colour coating mills.

JSW ISPAT's equity and preference shares are listed on the BSE, the NSE and the CSE.

- (iii) JSW Steel holds 46.75% of the equity share capital of JSW ISPAT as on June 30, 2012.
- (iv) JSW Building is a wholly owned subsidiary of JSW Steel. JSW Building, in turn, holds 100% of the shares of JSW Steel Coated.

### **C. RATIONALE OF THE SCHEME**

- (i) JSW Steel and JSW ISPAT are both engaged in similar lines of business.
- (ii) The proposed restructuring is likely to result in the following synergies:
  - The combined entity will be an integrated steel player with a capacity of 14.3 million tons per annum. This will help the Amalgamated Company in achieving economies of scale. The Amalgamated Company will be able to use best practices and business processes of both JSW ISPAT and JSW Steel for optimal utilization of resources, better administration and reduction in cost.
  - The consolidation will result in improved capital allocation and will also help the Amalgamated Company in reduction of cost of financing.
  - The Amalgamated Company will be able to leverage the combined distribution network of JSW ISPAT and JSW Steel which would strengthen its market reach pan India. Further, the Amalgamated Company will have access to expertise for multiple steel making technologies and shore based infrastructure.
  - The transfer of the Kalmeshwar Undertaking and the Downstream Undertaking will enable focused approach in management of business of coated products.
  - The overall restructuring is likely to result in direct and indirect tax efficiencies.
  - Rationalization of the holding structure of various businesses resulting in an improved alignment of debt and cash flows and the elimination of cross holdings.
  - Improvement of organizational capability and leadership, arising from the pooling of human capital possessing diverse skills, talent and experience, enabling the Amalgamated Company to compete successfully in an increasingly competitive industry.
- (iii) The synergies arising out of the consolidation of business and the reorganization would benefit the shareholders, strategic partners, lenders, employees and all other stakeholders of companies involved.

## PART I

### 1 DEFINITIONS AND INTERPRETATION AND SHARE CAPITAL

#### 1.1 Definitions

- 1.1.1 **“Act”** means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendments thereof;
- 1.1.2 **“Amalgamated Company”** means JSW Steel on the effectiveness of the Scheme;
- 1.1.3 **“Appointed Date”** means July 1, 2012 or such other date as may be approved by the Court;
- 1.1.4 **“BSE”** means the BSE Limited;
- 1.1.5 **“Companies”** means JSW Steel, JSW ISPAT, JSW Building and JSW Steel Coated;
- 1.1.6 **“Court”** or **“High Court”** means the Jurisdictional High Court and shall include the National Company Law Tribunal, or any other body exercising the High Court’s functions in this regard;
- 1.1.7 **“CSE”** means the Calcutta Stock Exchange Limited;
- 1.1.8 **“Downstream Undertaking”** means the business of JSW Steel, carried on from the Vasind and Tarapur units, on a going concern basis, and shall mean and include (without limitation) the following
- (i) All assets and liabilities of JSW Steel pertaining to the business of Vasind and Tarapur units;
  - (ii) Notwithstanding the generality of the provisions of Clause (i) above, the said undertaking shall include:
    - (a) all properties and assets, whether moveable or immovable, including all rights (whether freehold, leasehold or license), title, interest, cash and bank balances, bills of exchange, covenant and undertakings of JSW Steel pertaining to the Vasind and Tarapur units;
    - (b) all assets (whether moveable or immovable, real or personal, corporeal or incorporeal, in possession, or in reversion, leasehold or otherwise, present, future, contingent, tangible or intangible) of JSW Steel pertaining to the Vasind and Tarapur units including but not limited to the plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits including deposits or outstandings in litigations or paid under protest, provisions, advances, receivables, funds, leases, licences, tenancy rights, premises, hire purchase and lease arrangements including benefits of agreements, contracts and arrangements, powers, authorities, industrial and other licences, registrations, quotas, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, tax incentives / benefits, indirect tax credits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested into or granted in favour of or held for the benefit of or enjoyed by JSW Steel pertaining to the Vasind and Tarapur units;
    - (c) all identified liabilities/claims present and future, which specifically arise out of the activities or operations of the Vasind and Tarapur units, excise duty, sales tax, VAT, Service tax etc., payable to the tax authorities in respect of assessments pertaining to periods prior to the Appointed Date, and the specific contingent liabilities pertaining to or relatable to the Vasind and Tarapur units, as may be determined by the Board of Directors of JSW Steel;

- (iii) All intellectual property rights, including patents, trademarks and copyrights of JSW Steel pertaining to the business of the Vasind and Tarapur units;
- (iv) All books, records, files, papers, engineering and process information, computer programmes, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to Vasind and Tarapur units;
- (v) All employees of JSW Steel engaged in the Vasind and Tarapur units;
- (vi) All earnest monies, security deposits, or other entitlements, if any, in connection with or relating to JSW Steel pertaining to the Vasind and Tarapur units;

Explanation: Whether any particular asset, liability or reserve should be included as asset, liability or reserve of the Vasind and Tarapur units or otherwise shall be decided mutually by the Board of Directors of JSW Steel and JSW Steel Coated or any Committee thereof;

- 1.1.9 **“Effective Date”** means the last of the dates on which the conditions and matters referred to in Clause 24 of this Scheme occur or have been fulfilled. Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date;
- 1.1.10 **“Encumbrance”** means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever; and the term “Encumbered” shall be construed accordingly;
- 1.1.11 **“GDR”** shall mean ‘Global Depositary Receipts’;
- 1.1.12 **“JSW Building”** means JSW Building Systems Limited, a company incorporated under the Act, having its registered office at 302, Naman Centre, Plot No. C-31, G Block, Bandra Kurla Complex, Bharat Nagar, Bandra (East), Mumbai 400 051;
- 1.1.13 **“JSW ISPAT”** means JSW ISPAT Steel Limited, a company incorporated under the Act, having its registered office at Victoria House, Pandurang Budhkar Marg, Lower Parel, Mumbai 400 013;
- 1.1.14 **“JSW Steel”** means JSW Steel Limited, a company incorporated under the Act, having its registered office at Jindal Mansion, 5A, Dr. G Deshmukh Marg, Mumbai 400 026;
- 1.1.15 **“JSW Steel Coated”** means JSW Steel Coated Products Limited, a company incorporated under the Act, having its registered office at Jindal Mansion, 5A, Dr. G Deshmukh Marg, Mumbai 400 026;
- 1.1.16 **“Kalmeshwar Undertaking”** means the business of JSW ISPAT, carried out of the unit located at Kalmeshwar, near Nagpur, Maharashtra, on a going concern basis, and shall mean and include (without limitation) the following:
  - (i) All assets and liabilities of JSW ISPAT identified as pertaining to the business of the unit located at Kalmeshwar;
  - (ii) Notwithstanding the generality of the provisions of Clause (i) above, the above undertaking shall include:
    - (a) all properties and assets, whether moveable or immoveable, including all rights (whether freehold, leasehold or license), title, interest, cash and bank balances, bills of exchange, covenant and undertakings of JSW ISPAT pertaining to the unit located at Kalmeshwar;
    - (b) all assets (whether moveable or immoveable, real or personal, corporeal or incorporeal, in possession, or in reversion, leasehold or otherwise, present, future, contingent, tangible or intangible) of JSW ISPAT pertaining

to the unit located at Kalmeshwar including but not limited to the plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits including deposits or outstandings in litigations or paid under protest, provisions, advances, receivables, funds, leases, licences, tenancy rights, premises, hire purchase and lease arrangements including benefits of agreements, contracts and arrangements, powers, authorities, industrial and other licences, registrations, quotas, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, tax incentives or benefits, indirect tax credits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested into or granted in favour of or held for the benefit of or enjoyed by JSW ISPAT pertaining to the unit located at Kalmeshwar;

- (c) all identified liabilities/claims present and future, which specifically arise out of the activities or operations of the unit located at Kalmeshwar, excise duty, sales tax, VAT, Service tax etc., payable to the tax authorities in respect of assessments pertaining to periods prior to the Appointed Date, and the specific contingent liabilities pertaining to or relating to the unit located at Kalmeshwar, as may be determined by the Board of Directors of JSW ISPAT;
- (iii) All intellectual property rights, including patents, trademarks and copyrights of JSW ISPAT pertaining to the unit located at Kalmeshwar;
- (iv) All books, records, files, papers, engineering and process information, computer programmes, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the unit located at Kalmeshwar;
- (v) All employees of JSW ISPAT engaged in the unit located at Kalmeshwar;
- (vi) All earnest monies, security deposits, or other entitlements, if any, in connection with or relating to JSW ISPAT pertaining to the unit located at Kalmeshwar;

Explanation: Whether any particular asset, liability or reserve should be included as asset, liability or reserve of the unit located at Kalmeshwar or otherwise shall be decided mutually by the Board of Directors of JSW ISPAT and JSW Steel Coated or any Committee thereof;

- 1.1.17 “**NSE**” means the National Stock Exchange of India Limited;
- 1.1.18 “**Record Date**” means the date to be fixed by the Board of Amalgamated Company for the purposes of determining the shareholders of JSW ISPAT to whom shares would be issued on amalgamation of Residual JSW ISPAT into and with Residual JSW Steel pursuant to Part III of this Scheme;
- 1.1.19 “**Residual JSW ISPAT**” means all the businesses, assets, properties, liabilities of JSW ISPAT remaining in JSW ISPAT after the transfer of the Kalmeshwar Undertaking from JSW ISPAT to JSW Steel Coated in terms of Part II of this Scheme;
- 1.1.20 “**Residual JSW Steel**” means all the businesses, assets, properties and liabilities of JSW Steel remaining in JSW Steel after the transfer of the Downstream Undertaking from JSW Steel to JSW Steel Coated in terms of Part II of this Scheme;
- 1.1.21 “**Scheme**” or “**the Scheme**” or “**this Scheme**” means this composite scheme of amalgamation and arrangement submitted to the Court with any modification amendments;

1.1.22 “Trustee” means an individual trustee or a Board of Trustees or a corporate trustee to whom shares are allotted in terms of clause 12.1.2 of this Scheme.

## 1.2 Interpretation

The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the Regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

- 1.2.1 References to Clauses and paragraphs, unless otherwise provided, are to clauses, and paragraphs of this Scheme.
- 1.2.2 The headings herein shall not affect the construction of this Scheme.
- 1.2.3 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 1.2.4 Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.2.5 References to person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

## 1.3 Date of Taking Effect and Operative Date

This Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Court shall be effective from the Appointed Date but shall be operative from the Effective Date.

## 1.4 Share Capital

1.4.1 The share capital of JSW ISPAT as on June 30, 2012 was as under:

Share Capital	Rs. in crores
<b>Authorised Capital</b>	
4,000,000,000 Equity Shares of Rs. 10 each	4,000.00
100,000,000 Preference Shares of Rs. 100 each	1,000.00
1,000,000,000 Preference Shares of Rs. 10 each	1,000.00
<b>Total</b>	<b>6,000.00</b>
<b>Paid up Capital</b>	
2,514,987,174 Equity Shares of Rs. 10 each, fully paid-up	2,514.99
484,679,959 - 0.01% Cumulative Redeemable Preference Shares of Rs. 10 each, fully paid-up	484.68
1,843,327 Equity Shares of Rs. 10 each partly paid-up	1.15
1,228,885 - 0.01% Cumulative Redeemable Preference Shares of Rs. 10 each partly paid-up	0.74
<b>Total</b>	<b>3,001.56</b>

Subsequent to the above date and till date of filing the Scheme with the stock exchanges, there has been no change in the issued, subscribed and paid up capital of JSW ISPAT.

As of the Date of this Scheme being approved by the Board of Directors of all the Companies, JSW Steel owns 1,176,590,764 Equity Shares of Rs. 10 each in JSW ISPAT comprising of 46.75% of the equity share capital of JSW ISPAT.



1.4.2 The share capital of JSW Building as on March 31, 2012 was as under:

Share Capital	Rs. in crores
<b>Authorised Capital</b>	
15,000,000 Equity Shares of Rs. 10 each	15.00
<b>Paid up Capital</b>	
28,10,000 Equity Shares of Rs. 10 each	2.81

As of the Date of this Scheme being approved by the Board of Directors of all the Companies, JSW Building is a wholly owned subsidiary of JSW Steel.

Subsequent to March 31, 2012 and till the date of filing the Scheme with stock exchanges, there has been no change in the issued, subscribed and paid up capital of JSW Building.

1.4.3 The share capital of the JSW Steel Coated as on March 31, 2012 was as under:

Share Capital	Rs. in Crores
<b>Authorised Capital</b>	
50,000 Equity Shares of Rs. 10 each	0.05
<b>Paid up Capital</b>	
50,000 Equity Shares of Rs. 10 each	0.05

Subsequent to March 31, 2012 and till the date of filing the Scheme with stock exchanges, there has been no change in the issued, subscribed and paid up capital of JSW Steel Coated.

As of the Date of this Scheme being approved by the Board of Directors of all the Companies, JSW Building owns 100% of the equity share capital of JSW Steel Coated.

1.4.4 The share capital of JSW Steel as on March 31, 2012 was as under:

Share Capital	Rs. in crores
<b>Authorised Capital</b>	
2,000,000,000 Equity Shares of Rs. 10 each	2,000.00
1,000,000,000 Preference Shares of Rs. 10 each	1,000.00
<b>Total</b>	<b>3,000.00</b>
<b>Paid up Capital</b>	
223,117,200 Equity Shares of Rs. 10 each	223.12
Equity shares forfeited	61.03
279,034,907 - 10% Cumulative Redeemable Preference Shares of Rs. 10 each	279.03
<b>Total</b>	<b>563.18</b>

Subsequent to March 31, 2012 and till the date of filing the Scheme with the stock exchanges, there has been no change in the issued, subscribed and paid up capital of JSW Steel.

JSW Steel has a GDR program, however no GDRs are outstanding as on September 30, 2012.

## PART II

### TRANSFER AND VESTING OF THE KALMESHWAR UNDERTAKING OF JSW ISPAT, AND THE DOWNSTREAM UNDERTAKING OF JSW STEEL INTO JSW STEEL COATED

#### 2 TRANSFER AND VESTING

- 2.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Kalmeshwar Undertaking of JSW ISPAT, and the Downstream Undertaking of JSW Steel shall, pursuant to the provisions of Sections 391 to 394 and all other applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested, on a going concern basis, from JSW ISPAT into JSW Steel Coated, and from JSW Steel into JSW Steel Coated, respectively, and all the interest of JSW ISPAT in the Kalmeshwar Undertaking, and of JSW Steel in the Downstream Undertaking, shall consequently vest into JSW Steel Coated. The transfer and vesting shall be effected as follows:
- 2.2 Without prejudice to the generality of above, in respect of such of the assets of the Kalmeshwar Undertaking of JSW ISPAT and the Downstream Undertaking of JSW Steel as are moveable in nature or are otherwise capable of transfer and vesting by manual delivery or by endorsement and/or delivery or by physical possession including plant, machinery and equipment, the same may be transferred to and vested into JSW Steel Coated as follows:
- (i) All the moveable assets capable of being transferred and vested by delivery, including plant and machinery, shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to JSW Steel Coated along with such other documents as may be necessary towards the end and intent that the property therein passes to JSW Steel Coated on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of JSW Steel Coated accordingly. The investments held in dematerialized form will be transferred to JSW Steel Coated by issuing appropriate delivery instructions to the depository participant with whom JSW ISPAT or JSW Steel, as the case may be, has an account.
  - (ii) The moveable assets, other than those specified in Clause 2.2 (i) above, including actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of JSW Steel Coated. JSW Steel Coated may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of JSW Steel Coated to recover or realise the same is in substitution of the right of JSW ISPAT or JSW Steel as the case may be, and that appropriate entry should be passed in their respective books to record the aforesaid charges.
- 2.3 Without prejudice to Clause 2.1 above, with effect from the Appointed Date and upon the Scheme becoming effective, all immoveable properties, including land together with the, buildings and structure standing thereon, whether freehold or leasehold, relating to the Kalmeshwar Undertaking of JSW ISPAT, and the Downstream Undertaking of JSW Steel and any documents of title, rights, interests, claims, including leases, licenses and easements in relation thereto, shall, pursuant to the provisions of Sections 391 to 394 and all other applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested into JSW Steel Coated, as of the Appointed Date. With effect from the Effective Date, JSW Steel Coated shall be accountable for ground rent and municipal taxes. The mutation of the title to the immoveable properties shall be made and duly recorded before the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of JSW Steel Coated.

2.4 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, of every kind, nature and description of JSW ISPAT relating to Kalmeshwar Undertaking and that of JSW Steel relating to Downstream Undertaking, shall, without any further act or deed, be transferred to or be deemed to be transferred to JSW Steel Coated so as to become, from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of JSW Steel Coated and 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, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause 2.4.

2.5 For the avoidance of doubt, all existing Encumbrances pertaining to the assets of the Kalmeshwar Undertaking and the Downstream Undertaking of JSW Steel being transferred in terms of this Part II, will continue with respect to the original loans and liabilities with respect to which such Encumbrances were extended, except to the extent modified in consultation with the lenders in favour of whom such Encumbrances have been created.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by JSW ISPAT in relation to Kalmeshwar Undertaking or by JSW Steel in relation to Downstream Undertaking by virtue of this Scheme and lenders of Kalmeshwar Undertaking and Downstream Undertaking shall not get any further or additional security over the assets of JSW Steel Coated and JSW Steel Coated shall not be obliged to create any further or additional security after the Scheme has become operative.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by JSW Steel Coated and the lenders of JSW Steel Coated shall not get any further or additional security over the assets of Kalmeshwar Undertaking or Downstream Undertaking and JSW Steel Coated shall not be obliged to create any further or additional security after the Scheme has become operative.

Where any of the liabilities and obligations attributed to Kalmeshwar Undertaking of JSW ISPAT or Downstream Undertaking of JSW Steel on the Appointed Date has been discharged by JSW ISPAT or JSW Steel as the case may be, on behalf of Kalmeshwar Undertaking or Downstream Undertaking respectively after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of JSW Steel Coated. Where JSW ISPAT or JSW Steel has, after the Appointed Date and prior to the Effective Date, taken any further loans, liabilities or obligations pertaining to Kalmeshwar Undertaking or Downstream Undertaking respectively, or provides any security on the existing loans of Kalmeshwar Undertaking or Downstream Undertaking respectively, such further loan shall also be deemed to have been for and on behalf of JSW Steel Coated and JSW Steel Coated shall assume liability for the same.

2.6 Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Kalmeshwar Undertaking and the Downstream Undertaking which JSW ISPAT and JSW Steel, as the case may be, own, or to which JSW ISPAT and JSW Steel, as the case may be, are party to, and which cannot be transferred to JSW Steel Coated for any reason whatsoever, JSW ISPAT and JSW Steel, as the case may be, shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of JSW Steel Coated, insofar as it is permissible so to do, till such time as the transfer is effected.

2.7 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory or other licences, permissions or approvals or consents held by JSW ISPAT and JSW Steel required to carry on operations in Kalmeshwar Undertaking and Downstream Undertaking respectively shall stand transferred to or vested into JSW Steel Coated, without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory or other authorities concerned therewith in favour of JSW Steel Coated. The benefit of all statutory and regulatory permissions including the statutory or other licences, tax registrations, permits, permissions or approvals or consents required to carry on the operations of Kalmeshwar Undertaking of

JSW ISPAT and Downstream Undertaking of JSW Steel shall vest into and become available to JSW Steel Coated pursuant to the Scheme. Any no-objection certificates, licences, permissions, consents, approvals, authorisations, registrations or statutory rights as are jointly held by Kalmeshwar Undertaking and Residual JSW ISPAT or Downstream Undertaking and Residual JSW Steel shall be deemed to constitute separate licences, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights of Kalmeshwar Undertaking and Downstream Undertaking as the case may be on the one hand and Residual JSW ISPAT and Residual JSW Steel as the case may be on the other. The concerned statutory or other authorities and licensors shall endorse and/or mutate or record the separation, make entry in their records and/or upon the relevant document itself so as to give effect to this Scheme in order to facilitate the continuation of operations of Kalmeshwar Undertaking and Downstream Undertaking in JSW Steel Coated, without any hindrance, from the Effective Date.

- 2.8 JSW ISPAT and JSW Steel may be entitled to various benefits under incentive schemes and policies in relation to Kalmeshwar Undertaking and Downstream Undertaking respectively. Pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies pertaining to Kalmeshwar Undertaking of JSW ISPAT or Downstream Undertaking of JSW Steel as the case may be shall be transferred to and vested into JSW Steel Coated and all benefits, entitlements and incentives of any nature whatsoever including benefits under income tax, excise (including modified value added tax, central value added tax), sales tax (including deferment of any tax), service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to Kalmeshwar Undertaking and Downstream Undertaking, to the extent statutorily available, shall be claimed by JSW Steel Coated, subject to continued compliance by JSW Steel Coated of all the terms and conditions subject to which the benefits under the incentive schemes were made available to JSW ISPAT or JSW Steel respectively. It is hereby clarified that transfer and vesting of Kalmeshwar Undertaking and Downstream Undertaking pursuant to the Scheme shall not impact availability of any benefits to Residual JSW ISPAT or Residual JSW Steel.
- 2.9 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, JSW ISPAT and JSW Steel Coated shall execute any instrument(s) and/or documents(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge with the Registrar of Companies to give formal effect to the above provisions, if required.

### **3 CONSIDERATION**

- 3.1 JSW Steel Coated is a wholly owned subsidiary of JSW Building, which in turn is a wholly owned subsidiary of JSW Steel. As Residual JSW ISPAT is proposed to be amalgamated with JSW Steel under Part III of this Scheme, the transfer and vesting of Kalmeshwar Undertaking of JSW ISPAT and of the Downstream Undertaking of JSW Steel shall be without any consideration and JSW Steel Coated shall not be required to issue any shares or pay any consideration to JSW ISPAT or JSW Steel or to their respective shareholders upon transfer and vesting of Kalmeshwar Undertaking of JSW ISPAT and the Downstream Undertaking of JSW Steel as the case may be.

### **4 ACCOUNTING TREATMENT IN THE BOOKS OF JSW STEEL COATED**

Upon the Scheme becoming effective:

- 4.1 JSW Steel Coated shall record all the assets and liabilities of Kalmeshwar Undertaking and Downstream Undertaking as of the Appointed Date vested into it in pursuance to Part II of the Scheme, at their respective fair values.
- 4.2 JSW Steel Coated shall credit an amount equal to the difference in fair values of assets and liabilities of Kalmeshwar Undertaking and Downstream Undertaking to its capital reserve account.

### **5 ACCOUNTING TREATMENT IN THE BOOKS OF JSW ISPAT**

Upon the Scheme becoming effective:

- 5.1 JSW ISPAT shall reduce the assets and liabilities pertaining to the Kalmeshwar Undertaking as of the Appointed Date from its books of accounts.

- 5.2 The difference, being the excess of the book value of assets of Kalmeshwar Undertaking over the book value of liabilities, shall be debited by JSW ISPAT to balance appearing in the profit and loss account of its balance sheet and in case of a shortfall, the same shall be credited to the general reserve account of JSW ISPAT.

## **6 CONDUCT OF BUSINESS OF KALMESHWAR UNDERTAKING OF JSW ISPAT AND DOWNSTREAM UNDERTAKING OF JSW STEEL**

- 6.1 On and from the Appointed Date and until the Effective Date:
- 6.1.1 JSW ISPAT and JSW Steel shall be deemed to have carried on its business and activities in relation to Kalmeshwar Undertaking and Downstream Undertaking respectively, and shall hold and deal with all assets and properties of Kalmeshwar Undertaking and Downstream Undertaking as the case may be for and on account of and in trust for JSW Steel Coated;
- 6.1.2 Any income or profit accruing or arising to JSW ISPAT and JSW Steel in relation to Kalmeshwar Undertaking and Downstream Undertaking respectively and all costs, charges, expenses and losses incurred by JSW ISPAT and JSW Steel in relation to Kalmeshwar Undertaking and Downstream Undertaking respectively shall, for all purposes, be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of JSW Steel Coated;
- 6.1.3 JSW ISPAT and JSW Steel shall not utilise the profits or income, if any, relating to Kalmeshwar Undertaking and Downstream Undertaking respectively for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date, without the prior written consent of JSW Steel Coated;
- 6.1.4 JSW ISPAT and JSW Steel shall carry on the business of Kalmeshwar Undertaking and Downstream Undertaking respectively with reasonable diligence, in the ordinary course of business and JSW ISPAT and JSW Steel shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with Kalmeshwar Undertaking and Downstream Undertaking respectively, save and except, in each case, in the following circumstances:
- (i) if the same is in the ordinary course of business as carried on by it as on the Appointed Date; or
  - (ii) if the same is expressly permitted by this Scheme; or
  - (iii) if the written consent of JSW Steel Coated, as the case may be, has been obtained.
- 6.1.5 JSW ISPAT and JSW Steel shall not vary or alter, except in the ordinary course of its business and as may be required for reorganisation, the terms and conditions of employment of any of its employees in relation to Kalmeshwar Undertaking and Downstream Undertaking respectively;
- 6.1.6 All assets acquired and all liabilities incurred by JSW ISPAT and JSW Steel for operation of and in relation to Kalmeshwar Undertaking and Downstream Undertaking respectively shall also, without any further act, instrument or deed, stand transferred to and vested into or be deemed to have been transferred to or vested into JSW Steel Coated upon the coming into effect of the Scheme; and
- 6.1.7 Any of the rights, powers, authorities, privileges, attached, related or pertaining to Kalmeshwar Undertaking and Downstream Undertaking that have been exercised by JSW ISPAT and JSW Steel respectively shall be deemed to have been exercised by JSW ISPAT and JSW Steel respectively for and on behalf of, and in trust for and as an agent of JSW Steel Coated. Similarly, any of the obligations, duties and commitments attached, related or pertaining to Kalmeshwar Undertaking and Downstream Undertaking that

have been undertaken or discharged by JSW ISPAT and JSW Steel respectively shall be deemed to have been undertaken for and on behalf of, and in trust for and as an agent of JSW Steel Coated.

- 6.2 JSW ISPAT, JSW Steel or JSW Steel Coated either singly or jointly (as may be required) shall be entitled, pending the sanction of the Scheme by the Court, to apply to the Central/ State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which JSW Steel Coated may require to own and carry on the business of Kalmeshwar Undertaking and Downstream Undertaking.

## **7 EMPLOYEES**

- 7.1 Upon the Scheme becoming effective, all permanent employees of JSW ISPAT engaged in Kalmeshwar Undertaking and all permanent employees of JSW Steel engaged in Downstream Undertaking and in both cases in service on the Effective Date shall be deemed to have become the permanent employees of JSW Steel Coated on the Appointed Date without any interruption in their service as a result of the transfer and vesting of Kalmeshwar Undertaking of JSW ISPAT and Downstream Undertaking of JSW Steel to JSW Steel Coated on the same terms and conditions of employment as were with JSW ISPAT and JSW Steel respectively. On the basis of continuity of service, the terms and conditions of their employment with JSW Steel Coated shall not be less favorable than those applicable to them with reference to their employment in Kalmeshwar Undertaking of JSW ISPAT and / or Downstream Undertaking of JSW Steel on the Effective Date.
- 7.2 With regard to provident fund, gratuity fund, superannuation fund or any other special fund or any other special scheme created or existing for the benefit of the permanent employees of JSW ISPAT or JSW Steel engaged in Kalmeshwar Undertaking or Downstream Undertaking respectively, upon the Scheme becoming effective, the existing amounts, whether held by way of cash and/or investments, in the gratuity fund, provident fund and superannuation fund trusts, if any, created by JSW ISPAT and JSW Steel respectively shall be transferred to the gratuity fund, provident fund and superannuation fund schemes created by JSW Steel Coated on the same terms and conditions in relation to the permanent employees. With effect from the Effective Date but subject to getting the Scheme approved by relevant authorities, JSW Steel Coated shall make the necessary contributions for such permanent employees in relation to the existing gratuity fund, superannuation fund, provident fund benefits and benefits under any other special fund or scheme, provided that JSW Steel Coated may continue to make contributions in the gratuity fund, provident fund and superannuation fund trusts, if any, created by JSW ISPAT and JSW Steel as the case may be for such permanent employees till such time as necessary statutory approvals are received by JSW Steel Coated for setting up its own gratuity fund, provident fund, superannuation fund or any other special fund.
- 7.3 In relation to the permanent employees of JSW ISPAT engaged in Kalmeshwar Undertaking and those of JSW Steel engaged in Downstream Undertaking who are not covered under the provident fund trust of JSW ISPAT and JSW Steel respectively, and for whom JSW ISPAT and JSW Steel respectively is making contributions to the Government provident fund, JSW Steel Coated shall stand substituted for JSW ISPAT and JSW Steel as the case may be for all purposes whatsoever, including those relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc in respect of such permanent employees.
- 7.4 In relation to any other fund created or existing for the benefit of the permanent employees of JSW ISPAT engaged in Kalmeshwar Undertaking and for the permanent employees of JSW Steel engaged in Downstream Undertaking, JSW Steel Coated shall stand substituted for JSW ISPAT and JSW Steel respectively, for all purposes whatsoever, including those relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc in respect of such permanent employees.
- 7.5 JSW Steel Coated undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/permanent employees by JSW ISPAT and JSW Steel in relation to

Kalmeshwar Undertaking and Downstream Undertaking respectively. JSW Steel Coated agrees that, for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees with JSW ISPAT and JSW Steel as the case may be shall also be taken into account, and agrees and undertakes to pay the same as and when payable under applicable law.

## **8 LEGAL PROCEEDINGS**

- 8.1 Upon the Scheme becoming effective on the Effective Date, all suits, appeals, legal, administrative or other proceedings of whatsoever nature, including those relating to indirect taxation, by or against JSW ISPAT and JSW Steel in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority pending and/or arising on or after the Appointed Date and relating to Kalmeshwar Undertaking and Downstream Undertaking respectively shall be continued and enforced by or against JSW Steel Coated only to the exclusion of JSW ISPAT and JSW Steel as the case may be in the manner and to the same extent as would have been continued and enforced by or against JSW ISPAT and JSW Steel as the case may be. JSW ISPAT and JSW Steel shall not be liable to pay any amounts arising out of such proceedings including interest, penalties, damages, costs etc and the same shall be paid only by JSW Steel Coated. On and from the Effective Date, JSW Steel Coated shall and may, if required, with prior consent from JSW ISPAT and JSW steel as the case may be, initiate any legal proceedings in relation to Kalmeshwar Undertaking and Downstream Undertaking in the name of JSW ISPAT and JSW Steel as the case may be.
- 8.2 After the Appointed Date, if any proceedings are taken against JSW ISPAT or JSW Steel in respect of the matters referred to in the Clause 8.1 above, JSW ISPAT and JSW Steel shall defend the same at the cost of JSW Steel Coated and JSW Steel Coated shall reimburse and indemnify JSW ISPAT and JSW Steel as the case may be against all liabilities and obligations incurred by it / them in respect there of and further reimburse all amounts including interest, penalties, damages, costs etc which it / they may be called upon to pay or secure in respect of any liability or obligation relating to Kalmeshwar Undertaking or Downstream Undertaking as the case may be.
- 8.3 JSW Steel Coated undertakes to have all legal or other proceedings initiated by or against JSW ISPAT or JSW Steel referred to in Clause 8.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against JSW Steel Coated to the exclusion of JSW ISPAT and JSW Steel to the extent legally permissible after the Scheme being effective. To the extent such proceedings cannot be taken over by JSW Steel Coated, the proceedings shall be pursued by JSW ISPAT or JSW Steel as the case may be for and on behalf of JSW Steel Coated as per the instructions of and entirely at the cost and expenses of JSW Steel Coated.

## **9 CONTRACTS, DEEDS, ETC.**

- 9.1 Notwithstanding anything else contained in this Clause 9, but subject to the other provisions of this Part II, all contracts, deeds, bonds, insurance policies (other than those taken for JSW ISPAT and JSW Steel as a whole or without reference to specific assets pertaining to Kalmeshwar Undertaking and Downstream Undertaking respectively), agreements and other instruments, if any, of whatsoever nature relating to Kalmeshwar Undertaking and Downstream Undertaking and to which JSW ISPAT and JSW Steel respectively is a party or from which JSW ISPAT and JSW Steel, respectively benefit, and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of JSW Steel Coated, as the case may be, and may be enforced by or against JSW Steel Coated as fully and effectually as if, instead of JSW ISPAT or JSW Steel, JSW Steel Coated had been a party thereto.
- 9.2 Without prejudice to the aforesaid, it is clarified that if any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to Kalmeshwar Undertaking and Downstream Undertaking which cannot be transferred to JSW Steel Coated for any reason whatsoever, JSW ISPAT and JSW Steel respectively shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature

in trust for the benefit of JSW Steel Coated, in so far as it is permissible so to do, till such time as the transfer is effected.

## **10 SAVING OF CONCLUDED TRANSACTIONS / RESOLUTIONS**

- 10.1 The transfer of properties and liabilities relating to Kalmeshwar Undertaking of JSW ISPAT and Downstream Undertaking of JSW Steel pursuant to Clause 2 of Part II of this Scheme and the continuance of proceedings by or against JSW ISPAT or JSW Steel as the case may be under Clause 8 above shall not affect any transaction, resolutions or proceedings already concluded or approved, or liabilities incurred, or any liabilities discharged by JSW ISPAT and JSW Steel in connection with Kalmeshwar Undertaking and Downstream Undertaking respectively, subject to the provisions of Clause 9 above, on or after the Appointed Date and until the Effective Date, to the end and intent that JSW Steel Coated shall accept and adopt all acts, deeds and things done and executed by JSW ISPAT and JSW Steel as the case may be in respect thereto as done and executed on behalf of itself.



## PART III

### **MERGER OF RESIDUAL JSW ISPAT AND JSW BUILDING INTO RESIDUAL JSW STEEL**

#### **11 MERGER OF RESIDUAL JSW ISPAT AND JSW BUILDING INTO RESIDUAL JSW STEEL**

- 11.1 Part III of the Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of Part III of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including those resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section/s of the Income Tax Act, 1961 shall prevail and Part III of the Scheme shall stand modified to the extent determined necessary to comply with conditions contained Section 2(1B) of the Income Tax Act, 1961.
- 11.2 With effect from the Appointed Date and upon the Scheme becoming effective, each of Residual JSW ISPAT and JSW Building shall, pursuant to the provisions of Sections 391 to 394 and all other applicable provisions of the Act and without any further act, instrument, deed or matter or thing, stand merged with Residual JSW Steel, as a going concern, as of the Appointed Date, and all its assets, liabilities, properties, rights, benefits and interest therein shall consequently vest into Residual JSW Steel with effect from Effective Date, subject however, to all the encumbrances, if any, affecting the same or any part hereof and arising out of liabilities which shall also stand transferred to Residual JSW Steel.
- 11.3 Without prejudice to the generality of Clause 11.2, in respect of such of the assets of Residual JSW ISPAT and JSW Building as are moveable in nature or are otherwise capable of transfer and vesting by manual delivery or by endorsement and/or delivery or by physical possession including plant, machinery and equipment, the same shall stand so transferred upon the coming into effect of the Scheme, and shall become the property of the Amalgamated Company with effect from the Appointed Date, without requiring any deed or instrument of conveyance for transfer of the same.
- (i) All the moveable assets capable of being transferred and vested by delivery, including plant and machinery, shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to Residual JSW Steel along with such other documents as may be necessary towards the end and intent that the property therein passes to Residual JSW Steel on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of Residual JSW Steel accordingly. The investments held in dematerialized form will be transferred to Residual JSW Steel by issuing appropriate delivery instructions to the depository participant with whom Residual JSW ISPAT and/or JSW Building have an account. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Board of Directors of JSW ISPAT, JSW Building and JSW Steel or any Committee thereof, being a Date after the sanction of the Scheme by the High Court.
  - (ii) The moveable assets, other than those specified in Clause 11.3 (i) above, including actionable claims, sundry debtors, outstanding loans and advances including tax incentives/benefits, indirect tax credits etc., if any, recoverable in cash or in kind or for value to be received, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of Residual JSW Steel. Residual JSW Steel may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of Residual JSW Steel to recover or realise the same is in substitution of the right of Residual JSW ISPAT or JSW Building, as the case may be, and that appropriate entry should be passed in their respective books to record the aforesaid charges.

- 11.4 Without prejudice to Clause 11.2 above, with effect from the Appointed Date and upon the Scheme becoming effective, all immoveable properties, including land together with buildings and structure standing thereon, whether freehold or leasehold, relating to Residual JSW ISPAT and JSW Building and any documents of title, rights, interests, claims, including leases, licenses and easements in relation thereto, shall, pursuant to the provisions of Sections 391 to 394 and all other applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested into the Amalgamated Company, as of the Appointed Date. With effect from the Appointed Date, the Amalgamated Company shall be deemed to be accountable for ground rent and municipal taxes. The mutation of the title to the immoveable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of Residual JSW Steel.
- 11.5 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, of every kind, nature and description of Residual JSW ISPAT and JSW Building, shall, under the provisions of Sections 391 to 394 of the Act and without any further act or deed, be transferred to or be deemed to be transferred to Amalgamated Company so as to become, from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company and 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, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause 11.5.
- 11.6 The merger of Residual JSW ISPAT and JSW Building shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of Residual JSW ISPAT and JSW Building, as the case may be, except to the extent modified in consultation with the lenders in favour of whom such Encumbrances have been created.
- Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Residual JSW ISPAT and JSW Building and the lenders of Residual JSW ISPAT and JSW Building shall not get any further or additional security over the assets of Residual JSW Steel and the Amalgamated Company shall not be obliged to create any further or additional security after the Scheme has become operative.
- Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Residual JSW Steel and the lenders of Residual JSW Steel shall not get any further or additional security over the assets of Residual JSW ISPAT or JSW Building, received on merger and the Amalgamated Company shall not be obliged to create any further or additional security after the Scheme has become operative.
- 11.7 Where any of the liabilities and obligations attributed to Residual JSW ISPAT and/or JSW Building on the Appointed Date has been discharged by Residual JSW ISPAT and/or JSW Building respectively after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Amalgamated Company. Where Residual JSW ISPAT or JSW Building has taken any further loans, liabilities or obligations, or provides any security on the existing loans of Residual JSW ISPAT and/or JSW Building respectively, such further loan shall also be deemed to have been for and on behalf of the Amalgamated Company and the Amalgamated Company shall assume liability for the same.
- 11.8 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory or other licences, permissions or approvals or consents held by Residual JSW ISPAT and/or JSW Building, including but not limited to the relevant mining licenses or leases, mineral concessions, raw material sourcing arrangement/agreements, water supply/ environment approvals, factory licences, electricity permits, telephone connections, building and parking rights, all the incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by Residual JSW ISPAT or JSW Building, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices

and residential properties, permissions, incentives, if any, and all other rights, title, interests, privileges and benefits of every kind, shall stand transferred to and vested into the Amalgamated Company, without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory or other authorities concerned therewith in favour of the Amalgamated Company. The benefit of all statutory and regulatory permissions including the statutory or other licences, tax registrations, permits, permissions or approvals or consents required to carry on the operations of Residual JSW ISPAT and/or JSW Building shall vest into and become available to the Amalgamated Company pursuant to this Scheme.

- 11.9 Residual JSW ISPAT and JSW Building may be entitled to various benefits under incentive schemes and policies, and pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies pertaining to Residual JSW ISPAT and JSW Building shall be transferred to and vested in the Amalgamated Company and all benefits, entitlements and incentives of any nature whatsoever including benefits under income tax, excise (including modified value added tax, central value added tax), sales tax (including deferment of / exemption from any tax), service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to Residual JSW ISPAT and JSW Building, to the extent statutorily available, shall be claimed by the Amalgamated Company, and these shall relate to the Appointed Date, subject to continued compliance by the Amalgamated Company of all the terms and conditions subject to which the benefits under the incentive schemes were made available to Residual JSW ISPAT and JSW Building respectively.
- 11.10 The payment of taxes and duties (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise, by Residual JSW ISPAT or JSW Building in respect of its profits or activities or operation after the Appointed Date, including any refund and claims are concerned, shall be deemed to be paid/be receivable by the Amalgamated Company and shall, in all proceedings, be dealt with accordingly.

## 12 CONSIDERATION

### 12.1 MERGER OF RESIDUAL JSW ISPAT INTO RESIDUAL JSW STEEL

12.1.1 Upon the coming into effect of this Scheme, and in consideration of the merger of Residual JSW ISPAT into Residual JSW Steel, the Amalgamated Company shall, without any further act or deed and without any further payment, issue and allot shares at par to each member, or its respective heirs, executors, administrators, legal representatives or other successors in title, of JSW ISPAT (other than JSW Steel), determined as of the Record Date by the Board of Directors of Amalgamated Company, whose name is recorded in the Register of Members of JSW ISPAT, or in the records of the depository, in the following proportion:

- (a) For every 72 (seventy two) fully paid-up equity shares of face value of Rs. 10/- (Rupees Ten only) each held in JSW ISPAT, 1 (one) equity share of face value of Rs. 10/- (Rupees Ten only) each, credited as fully paid up, in the Amalgamated Company; and
- (b) For every 1 (one) fully paid-up 0.01% Cumulative Redeemable Preference Shares of face value of Rs. 10/- (Rupees Ten only) each held in JSW ISPAT, 1 (one) 0.01% Cumulative Redeemable Preference Shares of face value of Rs. 10/- (Rupees Ten only) each, having the same rights and terms and credited as fully paid up, in the Amalgamated Company;
- (c) Equity shares of JSW ISPAT, where calls are in arrears as of the Effective Date, will be reclassified as fully paid-up equity shares of JSW ISPAT to the extent of aggregate amount paid-up on all partly-paid-up equity shares held by the particular shareholder, e.g. A shareholder holding 100 shares with Rs. 5 paid up will be considered to be holding 50 fully paid-up shares of Rs. 10 each. Such Shareholder will be entitled to equity shares in Amalgamated

Company as per the ratio in (a) above on the basis of equivalent revised number of fully paid-up shares and fraction if any as per the aforesaid reclassification. Similarly, 0.01% cumulative redeemable preference shares of JSW ISPAT with calls in arrears as of the Effective Date will be reclassified as fully paid-up 0.01% cumulative redeemable preference shares of JSW ISPAT to the extent of the aggregate amount paid-up on all such partly-paid-up 0.01% cumulative redeemable preference shares held by the particular shareholder and such shareholder will be entitled to 0.01% cumulative redeemable preference shares in Amalgamated Company as per the ratio in (b) above on the basis of equivalent revised number of fully paid-up 0.01% cumulative redeemable preference shares and fraction if any as per the aforesaid reclassification.

- 12.1.2 No fractional shares shall be issued by the Amalgamated Company; however the Board of Directors (or its duly authorised committee) of the Amalgamated Company shall consolidate all fractional entitlement(s) and, without any further application, act, instrument or deed, allot equity shares in lieu thereof directly to a Trustee who shall hold the shares in trust, on behalf of the members entitled to such fractional entitlements, for the specific purpose of selling the same at such time or times and at such price or prices as the Trustee may in its sole discretion decide. The Trustee shall pay to the Amalgamated Company, the net sale proceeds thereof, whereupon the Amalgamated Company shall distribute such net sale proceeds, subject to taxes, if any, to the erstwhile members of JSW ISPAT in proportion to their respective fractional entitlements.
- 12.1.3 On the Scheme becoming effective, the equity shares, if any, held by Residual JSW Steel in JSW ISPAT shall stand cancelled and no consideration will be issued for such cancellation.
- 12.1.4 The equity/preference shares shall be issued in dematerialised form; provided that the shareholders provide details of their respective accounts with the depository participant and such other confirmations as may be required within such time as may be prescribed by the Board of Directors of Amalgamated Company, or by a committee created thereof. All those equity / preference shareholders who hold shares of JSW ISPAT in physical form shall be issued equity/preference shares in dematerialised form, provided that they provide details of their respective accounts with the depository participant. The Shareholders who fail to provide such details shall be issued equity / preference shares in physical form unless otherwise communicated in writing by such shareholders on or before such date as may be determined by the Board of Directors of Amalgamated Company or by a Committee created thereof.
- 12.1.5 The equity shares to be issued by Amalgamated Company to the members of JSW ISPAT pursuant to Clause 12.1.1 of this Scheme, in respect of any shares in JSW ISPAT which are held in abeyance under the provisions of Section 206A of the Act or otherwise, pending allotment or settlement of dispute, by order of court or otherwise, be held in abeyance by the Amalgamated Company
- 12.1.6 The Equity Shares to be issued to the members of JSW ISPAT under Clause 12.1.1 shall be subject to the terms of the Memorandum and Articles of Association of the Amalgamated Company and shall rank pari passu with the existing equity shares of the Amalgamated Company in all respects including, but subject to the provisions of Section 205 of the Act, in respect of dividend (including interim dividend) declared after the Effective date. The shareholders of JSW Steel and JSW ISPAT shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members for the financial year upto the Appointed Date. It is clarified that the aforesaid provision in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any member of JSW Steel and JSW ISPAT to demand or claim any dividends which,

subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of JSW Steel and JSW ISPAT and subject to the approval of the shareholders of JSW Steel and JSW ISPAT.

12.1.7 It is clarified that until the coming into effect of this Scheme, JSW Steel, JSW ISPAT, JSW Building and JSW Steel Coated shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

12.1.8 For the purpose of issue of equity / preference shares to the shareholders of JSW ISPAT, the Amalgamated Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities and undertake necessary compliances for the issue and allotment by the Amalgamated Company of shares to the shareholders of JSW ISPAT under this Scheme.

12.1.9 The issue and allotment of the equity / preference shares by Amalgamated Company to the shareholders of JSW ISPAT as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out without any further act or deed by Amalgamated Company as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with. JSW Steel shall obtain the necessary approval from its shareholders, as required and as may be directed by the Court, in terms of the Scheme only, under and pursuant to provisions of Section 391 to Section 394 of the Act.

12.1.10 Subject to necessary approval from the relevant stock exchanges, the new equity / preference shares of the Amalgamated Company will be listed and/or admitted to trading on the BSE and on the NSE where the shares of JSW Steel are listed and/or admitted to trading. The Amalgamated Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.

## **12.2 MERGER OF JSW BUILDING INTO RESIDUAL JSW STEEL**

JSW Building is a wholly owned subsidiary of JSW Steel. Therefore, the Amalgamated Company shall not issue any shares to the shareholders of JSW Building upon the coming into effect of this Scheme, and in consideration of the merger of JSW Building into Residual JSW Steel.

## **13 ACCOUNTING TREATMENT IN THE BOOKS OF JSW STEEL**

13.1 Upon the Scheme becoming effective, Amalgamated Company shall record all the assets and liabilities of Residual JSW ISPAT and JSW Building, as of Appointed Date and assets acquired thereafter, vested into it in pursuance to Part III of this Scheme, at their respective fair values.

13.2 Amalgamated Company shall credit the aggregate face value as per Clause 12.1 above, of the equity and preference shares issued by it to the members of JSW ISPAT pursuant to Part III of this Scheme to its share capital account in its books of account.

13.3 Inter-company investments and balances, if any, between JSW Steel, JSW Building and Residual JSW ISPAT, shall stand cancelled.

13.4 JSW Steel shall reduce the book value of assets and liabilities as on the Appointed Date forming part of Downstream Undertaking transferred to and vested in JSW Steel Coated as per Part II of this Scheme from its books of account.

13.5 The difference arising in the books of accounts of JSW Steel as a result of 13.1 to 13.4 above shall be credited by Amalgamated Company to its capital reserve account. The deficit, if any, shall be debited to its goodwill account.

13.6 In case of any differences in accounting policy between JSW ISPAT, JSW Building and JSW Steel, the impact of such differences shall be quantified and adjusted in the capital reserve account of Amalgamated Company to ensure that the financial statements of the Amalgamated Company on the Appointed Date are on the basis of consistent accounting policy.

13.7 Notwithstanding the above, the Board of Directors of the Amalgamated Company is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India and applicable generally accepted accounting principles.

#### **14 CONDUCT OF BUSINESS OF RESIDUAL JSW ISPAT AND JSW BUILDING**

14.1 On and from the Appointed Date and until the Effective Date:

- 14.1.1 Residual JSW ISPAT and JSW Building shall be deemed to have carried on their business and activities and shall hold and deal with all respective assets and properties for and on account of and in trust for the Amalgamated Company.
- 14.1.2 Any income or profit accruing or arising to Residual JSW ISPAT and JSW Building and all costs, charges, expenses and losses incurred by Residual JSW ISPAT and JSW Building shall, for all purposes, be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the Amalgamated Company.
- 14.1.3 All assets acquired and all liabilities incurred by Residual JSW ISPAT and JSW Building shall, without any further act, instrument or deed, stand transferred to and vested into or to be deemed to have been transferred to or vested into the Amalgamated Company upon the coming into effect of the Scheme;
- 14.1.4 JSW ISPAT and JSW Building shall not utilise the profits or income, if any, for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date, without the prior written consent of the Amalgamated Company.
- 14.1.5 Residual JSW ISPAT and JSW Building shall carry on their respective businesses with reasonable diligence, in the ordinary course of business and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with their respective assets, save and except, in each case, in the following circumstances:
  - (i) if the same is in the ordinary course of business as carried on by them as on the Appointed Date; or
  - (ii) if the same is expressly permitted by this Scheme; or
  - (iii) if the written consent of JSW Steel, as the case may be, has been obtained.
- 14.1.6 Pending sanction of this Scheme, JSW ISPAT, JSW Building and JSW Steel shall not make any change in their respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, reorganisation, or in any other manner, affect the reorganisation of capital herein, except as may be expressly permitted under this Scheme or as may be required to give effect to this Scheme.
- 14.1.7 Residual JSW ISPAT and JSW Building shall not vary or alter, except in the ordinary course of their respective businesses and as may be required for reorganisation, the terms and conditions of employment of any of their respective permanent employees; and
- 14.1.8 Any of the rights, powers, authorities, privileges, attached, related or pertaining to Residual JSW ISPAT or those attached, related or pertaining to JSW Building shall be deemed to have been exercised by Residual JSW ISPAT or JSW Building, as the case may be, for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to Residual JSW ISPAT or those attached, related or pertaining to JSW Building that have been undertaken or discharged by Residual JSW ISPAT or JSW Building, as the case may be, shall be deemed to have been undertaken for and on behalf of, and in trust for the Amalgamated Company.

14.2 Residual JSW ISPAT and/or JSW Building and/or JSW Steel shall be entitled, pending the sanction of the Scheme by the Court, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Amalgamated Company may require to own and carry on the business of Residual JSW ISPAT and JSW Building.

## **15 EMPLOYEES OF RESIDUAL JSW ISPAT AND JSW BUILDING**

15.1 Upon the Scheme becoming effective, all permanent employees of Residual JSW ISPAT and JSW Building in service on the Effective Date shall be deemed to have become the permanent employees of the Amalgamated Company without any interruption in their service as a result of the merger of Residual JSW ISPAT and JSW Building with Residual JSW Steel, on the same terms and conditions of employment as were with Residual JSW ISPAT and JSW Building respectively.

15.2 With regard to provident fund, gratuity fund, superannuation fund or any other special fund or any other special scheme created or existing for the benefit of the permanent employees of Residual JSW ISPAT and JSW Building, upon the Scheme becoming effective, the existing amounts, whether held by way of cash and/or investments, in the gratuity fund, provident fund and superannuation fund trusts, if any, created by Residual JSW ISPAT and JSW Building for its permanent employees shall be transferred to the gratuity fund, provident fund and superannuation fund schemes created by JSW Steel on the same terms and conditions in relation to such respective permanent employees. With effect from the Effective Date but subject to getting the Scheme approved by relevant authorities, the Amalgamated Company shall make the necessary contributions for such permanent employees in relation to the existing gratuity fund, superannuation fund, provident fund benefits and benefits under any other special fund or scheme. Provided that the Amalgamated Company may continue to make contributions in the gratuity fund, provident fund and superannuation fund trusts, if any, created by Residual JSW ISPAT and JSW Building for its respective permanent employees till such time as necessary statutory approvals are received by the Amalgamated Company for setting up its own gratuity fund, provident fund, superannuation fund or any other special fund.

15.3 In relation to the permanent employees engaged in Residual JSW ISPAT and JSW Building who are not covered under the provident fund trust of Residual JSW ISPAT and JSW Building as the case may be, and for whom Residual JSW ISPAT and JSW Building as the case may be is making contributions to the Government provident fund, the Amalgamated Company shall stand substituted for Residual JSW ISPAT and JSW Building as the case may be for all purposes whatsoever, including those relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc in respect of such employees.

15.4 In relation to any other fund created or existing for the benefit of the permanent employees engaged in Residual JSW ISPAT and JSW Building, the Amalgamated Company shall stand substituted for Residual JSW ISPAT and JSW Building as the case may be, for all purposes whatsoever, including those relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc in respect of such permanent employees.

15.5 The Amalgamated Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/ permanent employees by Residual JSW ISPAT and JSW Building. The Amalgamated Company agrees that, for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees of Residual JSW ISPAT and JSW Building shall also be taken into account, and agrees and undertakes to pay the same as and when payable under applicable law.

## **16 LEGAL PROCEEDINGS**

16.1 Upon the Scheme becoming effective on the Effective Date, all suits, appeals, legal, administrative or other proceedings of whatsoever nature, including those relating to taxation laws, by or against Residual JSW ISPAT and JSW Building in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority pending and/or arising on or after the Appointed Date shall be continued and enforced by or against the Amalgamated Company in the manner

and to the same extent as would have been continued and enforced by or against Residual JSW ISPAT and JSW Building, as the case may be. JSW Steel shall and may, if required, initiate any legal proceedings in relation to Residual JSW ISPAT and JSW Building.

16.2 After the Appointed Date, if any proceedings are taken against Residual JSW ISPAT and JSW Building in respect of the matters referred to in the Clause 16.1 above, Residual JSW ISPAT and JSW Building as the case may be shall defend the same at the cost of Residual JSW Steel and Residual JSW Steel shall reimburse and indemnify Residual JSW ISPAT and JSW Building as the case may be against all liabilities and obligations incurred by Residual JSW ISPAT and JSW Building in respect thereof and further reimburse all amounts including interest, penalties, damages, costs etc which Residual JSW ISPAT and JSW Building may be called upon to pay or secure in respect of any liability or obligation relating to Residual JSW ISPAT and JSW Building respectively.

16.3 The Amalgamated Company undertakes to have all legal or other proceedings initiated by or against Residual JSW ISPAT and JSW Building referred to in Clause 16.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company to the extent legally permissible after the Scheme being effective.

## **17 CONTRACTS, DEEDS, ETC.**

17.1 Notwithstanding anything else contained in this Clause 18, but subject to the other provisions of this Part III, all contracts, deeds, bonds, insurance policies of Residual JSW ISPAT and JSW Building and to which Residual JSW ISPAT and JSW Building is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Amalgamated Company, as the case may be, and may be enforced by or against the Amalgamated Company as fully and effectually as if, instead of Residual JSW ISPAT and JSW Building, as the case may be, the Amalgamated Company had been a party thereto.

17.2 Without prejudice to Clause 18.1, on and from the Effective Date, and consequent to the cancellation of the share capital of Residual JSW ISPAT on its amalgamation with Residual JSW Steel in terms of Part III, any agreements, memoranda, arrangements, or understandings pertaining to the outstanding program of GDRs issued by Residual JSW ISPAT shall stand terminated.

## **18 SAVING OF CONCLUDED TRANSACTIONS/ RESOLUTIONS**

18.1 The transfer of properties and liabilities relating to Residual JSW ISPAT and JSW Building pursuant to Clause 11 of Part III of this Scheme, and the continuance of proceedings by or against Residual JSW ISPAT and JSW Building, as the case may be, under Clause 17 above shall not affect any transaction, resolutions or proceedings already concluded or approved, or liabilities incurred, or any liabilities discharged by Residual JSW ISPAT and JSW Building, subject to the provisions of Clause 18 above, on or after the Appointed Date and until the Effective Date, to the end and intent that the Amalgamated Company shall accept and adopt all acts, deeds and things done and executed by Residual JSW ISPAT and JSW Building in respect thereto as done and executed on behalf of itself.

## **19 AUTHORISED SHARE CAPITAL**

- i. Upon the Scheme coming into effect, the authorised equity share capital of JSW Steel in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed, including payment of stamp duty and fees payable to the Registrar of Companies, by an amount of Rs. 4,015 crores (Rupees Four thousand Fifteen crores only), and the authorised preference share capital of JSW Steel in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed, including payment of stamp duty and fees payable to the Registrar of Companies, by an amount of Rs. 2,000 crores (Rupees Two thousand crores only), and the Memorandum of Association and Articles of Association of JSW Steel (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be



deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 16, Section 31, Section 94 or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty shall be deemed to have been paid and JSW Steel shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

Accordingly, in terms of this Scheme, the authorised share capital of JSW Steel shall stand enhanced to an amount of Rs. 9,015 crores (Rupees Nine thousand Fifteen crores only) divided into (a) 601.5 crores equity shares of Rs. 10/- each and (b) 300 crores preference shares of Rs. 10/- each and the capital clause being Clause V of the Memorandum of Association of JSW Steel shall on the Effective Date stand substituted to read as follows:

*“V. The Authorised Share Capital of the Company is Rs. 90,15,00,00,000 (Rupees Nine thousand Fifteen crores only) consisting of 6,01,50,00,000 (Six hundred one crores and fifty lakhs only) equity shares of Rs. 10/- (Rupees Ten Only) each and 300,00,00,000 (Three hundred crore) preference shares of Rs. 10/- (Rupees Ten only) each, with power to increase or reduce its Share Capital from time to time and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Companies Act and the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges, conditions or restrictions in such manner as may be for the time being provided by the Articles of Association of the Company.”*

Article 3 of the Articles of Association of JSW Steel shall, on the Effective Date, also stand substituted to read as follows:

*“3. The Authorised Share Capital of the Company is Rs. 90,15,00,00,000 (Rupees Nine thousand Fifteen crores only) consisting of 6,01,50,00,000 (Six hundred one crore and fifty lakhs only) equity shares of Rs. 10/- (Rupees Ten Only) each and 300,00,00,000 (Three hundred crore) preference shares of Rs. 10 (Rupees 10 only) each, with power to increase or reduce its Share Capital from time to time and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges, conditions or restrictions in accordance with the Companies Act and the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and to acquire, purchase, hold, resell any of its own fully/partly paid shares and /or preference shares whether redeemable or not and to make any payment out of Capital or out of the funds at its disposal, for and in respect of such purchase, subject to the provisions of the Companies Act in force from time to time.”*

- 20** Upon the Scheme becoming effective, the issued, subscribed and paid-up capital of JSW Steel shall stand suitably increased consequent upon the issuance of new equity shares and preference shares.

It is clarified that no special resolution under Section 81(1A) of the Act shall be required to be passed by JSW Steel separately in a general meeting for issue of shares to the shareholders of the JSW ISPAT under this Scheme and on the members of JSW Steel approving this Scheme, it shall be deemed that they have given their consent to the issue of equity and preference shares of JSW Steel to the shareholders of JSW ISPAT in accordance with and in terms of the Share Exchange Ratio.

## **21 DISSOLUTION OF JSW ISPAT AND JSW BUILDING**

- 21.1 On the Scheme becoming effective, JSW ISPAT and JSW Building shall be dissolved without being wound up.

## PART IV

### GENERAL/RESIDUARY TERMS AND CONDITIONS

#### **22 APPLICATION TO HIGH COURT**

22.1 JSW ISPAT, JSW Building, JSW Steel Coated and JSW Steel shall, with all reasonable dispatch, make all necessary applications under Sections 391 and 394 of the Act and other applicable provisions of the Act to the Court for seeking approval of this Scheme.

#### **23 MODIFICATION OR AMENDMENTS TO THE SCHEME**

23.1 JSW ISPAT, JSW Building, JSW Steel Coated and JSW Steel by their respective Boards or any persons authorised by them, 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 make such modifications/amendments which may otherwise be considered necessary, desirable or appropriate to them in their sole discretion. JSW ISPAT, JSW Building, JSW Steel Coated and JSW Steel, by their respective Boards, be and are hereby authorised to take all such steps as may be necessary, desirable or proper for the purposes of implementing this Scheme and to resolve any doubts, difficulties or questions regarding the implementation of this Scheme or otherwise arising under this Scheme, whether by reason of any directive or orders of any other authorities or otherwise, howsoever arising out of or under or by virtue of this Scheme and/or any matter concerned or connected therewith.

23.2 In the event of any of the conditions that may be imposed by the Court or other authorities which JSW ISPAT, JSW Building, JSW Steel Coated or JSW Steel may find unacceptable for any reason, JSW ISPAT, JSW Building, JSW Steel Coated or JSW Steel are at liberty to withdraw the Scheme.

#### **24 CONDITIONALITY OF THE SCHEME**

24.1 This Scheme is and shall be conditional upon and subject to:

24.1.1 The approval of the Stock Exchanges to the Scheme being obtained;

24.1.2 The approval of the Competition Commission of India to the Scheme being obtained;

24.1.3 The obtaining of statutory approvals under the Act, including that of shareholders, lenders and creditors of JSW ISPAT, JSW Steel, JSW Building and JSW Steel Coated as may be required / directed by the Court;

24.1.4 The sanctioning of this Scheme by the Court, with or without any modifications or amendments;

24.1.5 The filing of a certified copy of the order of the Court with the Registrar of Companies, Mumbai by JSW ISPAT, JSW Building, JSW Steel Coated and JSW Steel; and

24.1.6 Any other sanctions and orders as may be directed by the Court in respect of this Scheme.

25 Each part of the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme. The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if is approved in its entirety unless specifically agreed otherwise by respective Board of Directors of JSW ISPAT, JSW Building, JSW Steel Coated and JSW Steel or any Committee constituted by such Board.

#### **26 EFFECT OF NON-RECEIPT OF APPROVALS**

26.1 In the event that this Scheme is not sanctioned by the Court or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in this Scheme are not obtained or complied with or for any other reason, the Effective Date does not occur on or before 31st day of August, 2013 or within such further time as may be agreed to by the Board of Directors of JSW ISPAT, JSW Building, JSW Steel Coated and JSW Steel, the Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter se by the Parties or their shareholders or creditors or employees or any other person. In such an event, all the costs, charges and expenses in connection with this

Scheme shall be borne equally by JSW ISPAT, JSW Building, JSW Steel Coated and JSW Steel, unless otherwise mutually agreed.

26.2 The non-receipt of any sanctions or approvals for a particular asset or liability forming part of the Kalmeshwar Undertaking, the Downstream Undertaking, Residual JSW ISPAT and JSW Building getting transferred pursuant to this Scheme, shall not affect the effectiveness of the respective section of the Scheme if the Boards of JSW ISPAT, JSW Building, JSW Steel Coated and JSW Steel so decide.

## **27 SEVERABILITY**

If any part of this Scheme is invalid, ruled illegal by any court or authority of competent jurisdiction or unenforceable under present or future laws, or in the event of non-receipt of any sanctions or approvals with respect to a particular asset or liability proposed to be transferred pursuant to this Scheme, then subject to the decision of JSW ISPAT, JSW Steel, JSW Building and JSW Steel Coated, such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.

## **28 COSTS, CHARGES & EXPENSES**

All the costs, charges and expenses arising out of or incurred in connection with and in implementing this Scheme and matters incidental thereto, including those relating to transfer and vesting of all assets covered by and consequent to this Scheme, shall be borne by the Amalgamated Company.

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# **JSW STEEL LIMITED**

**Registered Office:** Jindal Mansion, 5A, Dr. G Deshmukh Marg, Mumbai 400 026.

Tel. No.: +91 22 23513000 Fax: +91 22 23526400

## ATTENDANCE SLIP

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.**

I/We hereby record my/our presence at the Court Convened Meeting of the 10% Cumulative Redeemable Preference Shareholders of JSW Steel Limited, the Applicant Company, convened pursuant to the Order dated 20th day of December, 2012 of the Hon'ble High Court of Judicature at Bombay, at Y B Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400021, Maharashtra, on January 30, 2013 at 12.30 p.m.

DP ID\* : \_\_\_\_\_ Client ID\* / Folio No. : \_\_\_\_\_

No. of Share(s) held : \_\_\_\_\_

Name and Address of the 10% Cumulative Redeemable Preference Shareholder(s) (in BLOCK LETTERS):

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Signature : \_\_\_\_\_

Name and Address of the Proxy Holder (in BLOCK LETTERS to be filled in by the proxy attending instead of the 10% Cumulative Redeemable Preference Shareholder):

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Signature of the Proxy : \_\_\_\_\_

**Note:-**

10% Cumulative Redeemable Preference Shareholders attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall after affixing their signature on it.

\* Applicable only in case of investors holding shares in Electronic Form.



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SUMMONS FOR DIRECTION NO 857 OF 2012**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Composite Scheme of Amalgamation and Arrangement

AMONGST

JSW ISPAT Steel Limited ('The Transferor Company 1')

AND

JSW Building Systems Limited ('The Transferor Company 2')

AND

JSW Steel Coated Products Limited ('The Transferee Company 1')

AND

JSW Steel Limited ('The Transferee Company 2')

AND

Their respective shareholders and creditors

**JSW Steel Limited**, a Company incorporated under the )  
Companies Act, 1956 having its Registered Office at Jindal )  
Mansion, 5A, Dr. G Deshmukh Marg, Mumbai 400 026. ) ..... Applicant Company

**FORM OF PROXY**

I/We \_\_\_\_\_ the undersigned, being the  
10% Cumulative Redeemable Preference Shareholder(s) of JSW Steel Limited, the Applicant Company do hereby appoint  
Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_ and  
failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy, to act for  
me/us at the meeting of the 10% Cumulative Redeemable Preference Shareholders to be held at Y B Chavan Auditorium,  
General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021, Maharashtra on January 30, 2013 at 12.30 p.m.  
for the purpose of considering and, if thought fit, approving, with or without modification, the arrangement embodied  
in the proposed Composite Scheme of Amalgamation and Arrangement and at such meeting, and any adjournment/  
adjournments thereof, to vote, for me/us and in my/our name(s) \_\_\_\_\_ (herein, if for  
insert 'FOR', if against insert 'AGAINST' and in the latter case strike out the words "with or without modifications" before the  
words "the arrangement") the said arrangement embodied in the Scheme as my/our proxy may approve.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2013

Name \_\_\_\_\_

Address \_\_\_\_\_

DP ID\* : \_\_\_\_\_ Client ID\* / Folio No. \_\_\_\_\_

No. of 10% Cumulative Redeemable Preference shares held : \_\_\_\_\_

**Signatures of Shareholder(s)**

Sole / First Holder : \_\_\_\_\_

Second Holder : \_\_\_\_\_

Third Holder : \_\_\_\_\_

Signature of Proxy: \_\_\_\_\_

Affix  
Rs. 1/-  
Revenue  
Stamp

Signature across the Stamp

**Notes:**

- (1) **THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT JINDAL MANSION, 5A, DR. G DESHMUKH MARG, MUMBAI 400 026 ATLEAST 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING. THE PROXY NEED NOT BE A 10% CUMULATIVE REDEEMABLE PREFERENCE SHAREHOLDER OF JSW STEEL LIMITED. ALL ALTERATIONS MADE IN THE FORM OF PROXY SHOULD BE INITIALED.**
- (2) In case of multiple proxies, the proxy later in time shall be accepted.
- (3) Body Corporate and Foreign Institutional Investor (FI), 10% Cumulative Redeemable Preference Shareholder(s) would be required to deposit certified copies of Board/Custodial resolutions/Power of Attorney in original, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of JSW Steel Limited at Jindal Mansion, 5A, Dr. G Deshmukh Marg, Mumbai 400 026 at least 48 hours before the time of holding the meeting.

\* Applicable only in case of investors holding shares in Electronic Form.

*If undelivered please return to:*

***JSW* Steel Limited**

'The Enclave', 5th Floor,  
Behind Marathe Udyog Bhavan,  
New Prabhadevi Road, Prabhadevi, Mumbai 400 025