



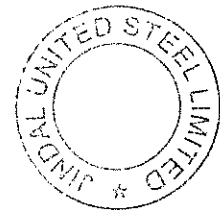
REPORT ADOPTED BY THE BOARD OF DIRECTORS OF JINDAL UNITED STEEL LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON 28TH JANUARY, 2022

1. This Composite Scheme of Arrangement ("**Scheme**") is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the rules and regulations issued thereunder and also read with Sections 2(1B) and the other applicable provisions of the Income-tax Act, 1961, in each case, as amended from time to time and as may be applicable, for:
 - i. Amalgamation of Jindal Coke Limited (the "**Amalgamating Company**") into and with Jindal United Steel Limited (the "**Amalgamated Company**"); and
 - ii. Other matters consequential or otherwise integrally connected herewith.

2. The Board of Directors of the Amalgamated Company ("**Board**") at its meeting held on 28th January, 2022 had approved the Scheme.

3. The Scheme is subject to the approval of:
 - i. Approval of Board of Directors of all the Applicant Companies;
 - ii. Approval of the shareholders/ members and secured and unsecured creditors of the Applicant Companies as directed by the Hon'ble National Company Law Tribunal ("**NCLT**"); and
 - iii. Order of the Chandigarh bench of NCLT approving the Scheme.

4. As per Section 232(2)(c) of the Act, a report is required to be adopted by the Directors of the merging companies, explaining effect of the Scheme on each class of shareholders, promoter and non-promoter shareholders and Key Managerial Personnel ("**KMP**") laying out in particular the share exchange ratio, specifying any special valuation difficulties.



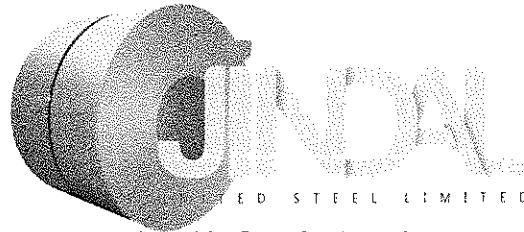
Jindal United Steel Limited

CIN: U28113HR2014PLC053875

Corporate Office: Jindal Centre, 12 Bhikaiji Cama Place, New Delhi - 110066, India

Registered Office: O.P. Jindal Marg, Hisar - 125005 (Haryana) India

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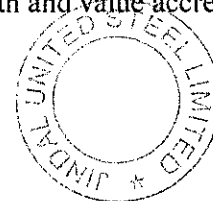


5. Following documents were placed before the Board:

- i. Draft copy of the Scheme;
- ii. Valuation Report dated 28th January, 2022 issued by Mr. Niranjana Kumar, Registered Valuer (IBBI Registration No.- IBBI/RV/06/2018/10137);
- iii. Audited financial statements for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 along with unaudited financial statements for the period ended September 30, 2021.

6. **The Need and Rationale for the Scheme:**

- i. The Amalgamated Company proposes to enter into this Scheme with Amalgamating Company to consolidate their respective manufacturing/service capabilities thereby increasing efficiencies in operations and use of resources and better catering to stainless steel and steel industry, to consolidate their diversified product and services portfolio for improving overall customer satisfaction, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, and to ensure optimization of working capital utilization.
- ii. The management of the respective Companies are of the view that the amalgamation proposed in this Scheme is, in particular, expected to have the following benefits:
 - a. Reduction in management overlaps and elimination of legal and regulatory compliances and associated costs due to operation of multiple entities.
 - b. Optimization of the allocated capital and availability of funds which can be deployed more efficiently to pursue the operational growth opportunities
 - c. Consolidation of businesses under the Amalgamation, which would result in pooling of financial, managerial, technical and human resources, thereby creating stronger base for future growth and value accretion for the stakeholders



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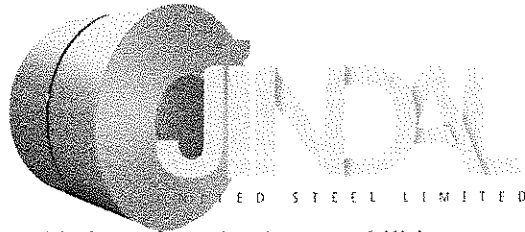
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- d. Consolidation of production capabilities to create larger scale of business and operations to cater to demand of stainless steel and steel industry.
 - e. Consolidation of the complementing strengths will enable the Amalgamated Company to have increased capability for offering diversified products and services on a single platform.
 - f. The combined financial strength is expected to further accelerate the scaling up of the operations of the Amalgamated Company.
 - g. The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage given the simplified capital structure, improved balance sheet, optimized management structure and consolidation of cross location talent pool.
- iii. The management of the respective Companies are of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders, and all other stakeholders of the respective Companies. Further, the Scheme will enable the synergies that already exist between the Amalgamating Company and the Amalgamated Company in terms of services and resources to be used optimally for the benefit of their stakeholders.

7. Share Entitlement Ratio Report:

Exchange ratio as per the Valuation report dated 28th January, 2022 issued by Mr. Niranjana Kumar, Registered Valuer (IBBI Registration No.- IBBI/RV/06/2018/10137) is as under:

- i. Following share exchange ratio has been determined for the allotment of the equity shares of the Amalgamated Company having face value of Rs. 10/- each to the shareholders of the Amalgamating Company as on the Part B Record Date (as defined in the Scheme), in consideration for the amalgamation of the Amalgamating Company with and into the Amalgamated Company:



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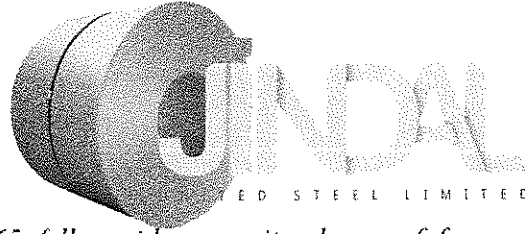
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“10,765 fully paid up equity shares of face value of Rs. 10 each of the Amalgamated Company shall be issued and allotted as fully paid up equity shares to the equity shareholders of the Amalgamating Company, for every 1,000 fully paid up equity shares of face value of Rs. 10 each held by them in the Amalgamating Company.”

- ii. Following share exchange ratio has been determined for the allotment of the preference shares of the Amalgamated Company having face value of Rs. 10/- each to the preference shareholders of the Amalgamating Company as on the Part B Record Date (as defined in the Scheme), in consideration for the amalgamation of the Amalgamating Company with and into the Amalgamated Company:

“1 (One) fully paid Non-Cumulative Non-Convertible Redeemable Preference Shares of face value of Rs. 10 each of the Amalgamated Company shall be issued and allotted as fully paid up preference shares to the preference shareholders of the Amalgamating Company, for every 1 (One) fully paid up Non-Cumulative Non-Convertible Redeemable Preference shares of face value of Rs. 10 each held by them in the Amalgamating Company.”

No special valuation difficulties were reported.

8. Effect of the Scheme on the equity shareholders of the Amalgamated Company:

The Board reviewed the Valuation Report dated 28th January, 2022 issued by Mr. Niranjana Kumar, Registered Valuer (IBBI Registration No.- IBBI/RV/06/2018/10137) for determination of share entitlement ratio under the Scheme.

The Board is of the informed opinion that the proposed Scheme is in the best interests of the Amalgamating Company and its shareholders and creditors.

9. Effect of the Scheme on the KMPs of the Amalgamated Company:



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There is no impact of the Scheme on the KMPs of the Amalgamated Company. Further, none of the KMPs have any interest in the Scheme except to the extent of shares held by them, if any, in the Amalgamated Company.

Adoption of the Report by the Directors:

The Directors of the Company have adopted this Report after noting and considering the information set forth in this Report and documents placed before the Directors.

For and Behalf of the Board

For Jindal United Steel Limited

O.P. Verma

Om Parkash Verma
Director

DIN: 07137865

Address: Jindal Centre, 12, Bhikaiji Cama Place,
New Delhi - 110066

Place: New Delhi

Date: 28th January, 2022

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