



## Jindal Stainless Limited

(CIN: L26922HR1980PLC010901)

Regd. Office: O.P. Jindal Marg, Hisar – 125 005 (Haryana) India

Phone No. (01662) 222471-83, Fax No. (01662) 220499

Email Id. for Investors: investorcare@jindalstainless.com

Website: www.jindalstainless.com

Corporate Office: Jindal Centre, 12, Bhikaiji Cama Place, New Delhi – 110 066.

### NOTICE

**NOTICE** is hereby given that the **34<sup>th</sup> Annual General Meeting** of Shareholders of **Jindal Stainless Limited** will be held on **Monday, the 22<sup>nd</sup> day of September, 2014 at 11:30 a.m. at Registered Office** of the Company at O.P. Jindal Marg, Hisar - 125005 (Haryana) to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt
  - a. the audited financial statement of the Company for the financial year ended on 31<sup>st</sup> March, 2014, the Reports of Board of Directors and Auditors thereon, and
  - b. the audited consolidated financial statement of the Company for the financial year ended on 31<sup>st</sup> March, 2014.
2. To appoint a Director in place of Mr. Naveen Jindal (DIN:00001523), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jitender P. Verma (DIN: 05139151), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory and Branch Auditors and to fix their remuneration and in connection therewith, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:
  - I. **“RESOLVED** that in pursuance to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the retiring joint statutory auditors, M/s. Lodha & Co., Chartered Accountants (Firm Regn. No. 301051E), and M/s. S.S. Kothari Mehta & Co., Chartered Accountants (Firm Regn. No. 000756N), who, being eligible, offer themselves for re-appointment be and are hereby re-appointed as joint statutory auditors of the Company to conduct audit of the books of accounts of the Company for a period of three consecutive years, i.e. upto the conclusion of its 37<sup>th</sup> Annual General Meeting at a remuneration as may be finalized by the Board of Directors of the Company.”
  - II. **“RESOLVED** that in pursuance to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the retiring branch auditors of Visakhapatnam division of the Company, M/s. N.C. Aggarwal & Co., Chartered Accountants (Firm Regn. No. 003273N), who, being eligible, offer themselves for re-appointment be and are hereby re-appointed as branch auditors of Visakhapatnam division of the Company to conduct audit of the books of accounts of Visakhapatnam division of the Company for a period of three consecutive years, i.e. upto the conclusion of its 37<sup>th</sup> Annual General Meeting at a remuneration as may be finalized by the Board of Directors of the Company.”

#### **SPECIAL BUSINESS:**

**TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING RESOLUTIONS:**

##### **5. AS A SPECIAL RESOLUTION:**

**“RESOLVED** that pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as may be amended from time to time, Mr. Rajinder Parkash Jindal (DIN: 00004594), who was appointed as an Additional Director and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

##### **6. AS A SPECIAL RESOLUTION:**

**“RESOLVED** that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule V to the Companies Act, 2013, as may be amended from time to time, (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII) and subject to all necessary consents and approvals, if any, consent of the Company be and is hereby accorded to the appointment of Mr. Rajinder Parkash Jindal as ‘Whole Time Director’ of the Company designated as “Executive Director” for a period of three years w.e.f. 6<sup>th</sup> January, 2014 on the terms of remuneration set out below:

1. Period of appointment: 3 years with effect from 6<sup>th</sup> January, 2014 to 5<sup>th</sup> January, 2017.
2. Remuneration:
  - (a) **Annual Fixed Pay** (inclusive of basic salary, perquisites, allowances and other benefits):  
Upto Rs.40,00,000/- (Rupees Forty Lac only)

(b) **Variable Pay** (Performance Linked Incentive) to be paid annually as per Management Incentive Scheme of the Company: Such sum as may be determined by the Board and/or Nomination and Remuneration Committee of Directors of the Company, from time to time, provided that the total variable pay shall not exceed Rs.10 Lac annually in any of the financial years during his tenure.

(c) **Retirement / Other benefits:**

Retirement and other benefits to be paid as per the applicable policies and rules of the Company.

3. He shall also be entitled to such annual increment as may be determined by the Board and/or Nomination and Remuneration Committee of Directors of the Company, subject to the condition that the aggregate increase of remuneration by annual increments during his tenure shall not exceed 20% of his total remuneration including annual fixed pay, variable pay and retirement / other benefits mentioned above.
4. He shall also be entitled to reimbursement of all legitimate expenses actually and properly incurred by him while performing his duties and such reimbursement will not form part of his remuneration.
5. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
6. He shall be liable to retire by rotation.

“**RESOLVED FURTHER** that in the event of inadequacy or absence of profits in any financial year or years under Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule V to the Companies Act, 2013, as may be amended from time to time, the remuneration as approved herein be paid as minimum remuneration to Mr. Rajinder Parkash Jindal, subject to requisite approvals under the said Act.”

“**RESOLVED FURTHER** that the Board and/or Nomination and Remuneration Committee of Directors of the Company be and is hereby authorised to vary and/or revise the remuneration of Mr. Rajinder Parkash Jindal within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto.”

**7. AS AN ORDINARY RESOLUTION:**

“**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as may be amended from time to time and Clause 49 of the Listing Agreement, Mr. Girish Sharma (DIN: 05112440), who was appointed as an Additional Director on 29<sup>th</sup> May, 2014 by the Board of Directors and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose office shall not be liable to retirement by rotation, to hold office for a term of two years commencing from 29<sup>th</sup> May, 2014 till 28<sup>th</sup> May, 2016.”

**8. AS AN ORDINARY RESOLUTION:**

“**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as may be amended from time to time and Clause 49 of the Listing Agreement, Mr. Suman Jyoti Khaitan (DIN: 00023370), Director of the Company, whose period is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose office shall not be liable to retirement by rotation, to hold office for a term of five consecutive years commencing from the date of 34<sup>th</sup> Annual General Meeting of the Company ”.

**9. AS AN ORDINARY RESOLUTION:**

“**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as may be amended from time to time and Clause 49 of the Listing Agreement, Mr. T.S. Bhattacharya (DIN: 00157305), Director of the Company, whose period is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose office shall not be liable to retirement by rotation, to hold office for a term of two years commencing from the date of 34<sup>th</sup> Annual General Meeting of the Company ”.

**10. AS AN ORDINARY RESOLUTION:**

“**RESOLVED** that pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as may be amended from time to time, M/s Ramanath Iyer & Co., (FRN 00019), Cost Accountants, 808, Pearls Business Park, Netaji Subash Place, Pitampura, New Delhi – 110 088, the Cost Auditors appointed by the Board of Directors of the Company for the accounting year 2014-15 in connection with conducting audit of cost accounting records of business activities relating to Steel business, be paid a remuneration of Rs.3,30,000 (Rupees three lac thirty thousand only) including Performance Appraisal Fee, apart from reimbursement of actual expenses to be incurred by them in connection with conducting the audit of cost records of the Company.”

**RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

**11. AS A SPECIAL RESOLUTION:**

“**RESOLVED** that pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, as may be amended, from time to time, the draft set of Articles of Association of the Company, a copy of which is placed before the meeting, be and is hereby approved and adopted as the new Articles of Association of the Company, in substitution of the existing Articles of Association of the Company.

**RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

**12. AS A SPECIAL RESOLUTION:**

“**RESOLVED** that pursuant to the provisions of Section 177 and other applicable provisions, if any, of the Companies Act, 2013 read with related Rules thereto and Clause 49 of the Listing Agreement as may be amended from time to time, the approval of the Company be and is hereby accorded to the Board of Directors, to enter into contracts / arrangements / transactions with Jindal Stainless Steelway Limited (JSSL) and PT. Jindal Stainless Indonesia (PTJSI), subsidiaries of the Company and ‘Related Party’ as defined under Section 2(76) of the Companies Act, 2013 and Clause 49 VII(B)(2) of the Listing Agreement (effective from 1st October 2014), relating to sale or purchase of products, goods, materials or services besides other common corporate expenditure, for an estimated amount of up to Rs. 170,000 Lacs and Rs. 90,000 Lacs for JSSL and PTJSI respectively, every financial year on such terms and conditions as may be mutually agreed upon between the Company and JSSL and PTJSI, provided however that the said transactions shall at all times be on arm’s length basis and in the ordinary course of Company’s business.

“**RESOLVED FURTHER** that the Board of Directors be and are hereby authorized to decide upon the nature and value of the products, goods, materials or services etc. to be transacted with JSSL and PTJSI within the aforesaid limits.”

“**RESOLVED FURTHER** that the Board of Directors of the Company be and are hereby also authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

“**RESOLVED FURTHER** that the Board of Directors of the Company be and are hereby also authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company to give effect to the above resolutions.”

**13. AS A SPECIAL RESOLUTION:**

“**RESOLVED** that pursuant to Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, the applicable provisions of the Companies Act, 1956, the Companies Act, 2013 and such other laws, rules, regulations, guidelines or notifications as may be applicable, if any, and subject to approval of audited annual accounts for the financial year 2013-14 by the members of the Company in this Annual General Meeting, the report of the Board of Directors explaining the reasons of erosion of more than 50% of the Peak Net Worth of the Company as per the audited financial results of the Company for the year ended 31<sup>st</sup> March, 2014 be and is hereby considered and approved.”

“**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorised to inform and report the Company as potentially sick industrial company to the Board for Industrial and Financial Reconstruction (BIFR) and such other state and central government authorities as may be required under the laws, rules, regulations, guidelines and directives for the time being in force in India in the prescribed form and to intimate such other authorities, entities, financial institutions, stock exchanges, body corporates, associations and persons as may be necessary in terms of the agreements, security documents, undertakings, declarations and memorandum of understanding entered into by the Company.”

“**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any Director(s) or any Committee of Director(s) or to any Officer(s) of the Company to give effect to the above resolutions.”

By order of the Board

Registered Office:

O.P. Jindal Marg, Hisar – 125 005.

August 14, 2014

(Jitendra Kumar)

Company Secretary

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. Pursuant to Section 105 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 a person shall not act as proxy for more than fifty (50) members and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
2. A blank proxy form is sent herewith.
3. The instrument appointing the proxy should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to special business to be transacted at the meeting is annexed hereto.

5. Under the 'Green Initiative' of the Ministry of Corporate Affairs, Notice of Annual General Meeting is being sent to the members who have registered Email ids, through Email and to all other members by Regd. Post/Courier.
6. All documents referred to in the accompanying Notice and the Explanatory Statement are open to inspection by the members at the registered office of the Company on all working days up to the date of Annual General Meeting between 11:00 AM and 1:00 PM.
7. The business of the meeting may be transacted by the members through electronic voting system. Members who do not have access to e-voting facility have the option to request for physical copy of the Ballot Form by sending an e-mail to investorcare@jindalstainless.com by mentioning their Folio / DP ID and Client ID No or download from Company's website www.jindalstainless.com. However, the duly completed Ballot Form should reach the registered office of the Company not later than Wednesday, 17<sup>th</sup> September, 2014 (6.00 p.m. IST). A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through Ballot shall prevail and e-voting shall be treated as invalid.

#### **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

##### **ITEM NO. 5 & 6**

The Board of Directors had appointed Mr. Rajinder Parkash Jindal as an Additional Director with effect from 6<sup>th</sup> January, 2014, pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and Articles of Association of the Company. He was appointed as Wholetime Director designated as Executive Director for a period of three years with effect from 6<sup>th</sup> January, 2014, at a remuneration approved by the Nomination and Remuneration Committee and Board of Directors, subject to the approval of the Shareholders of the Company.

In terms of the provisions of Section 161(1) of the Act, Mr. Rajinder Parkash Jindal will hold office up to the date of the ensuing Annual General Meeting of the Company.

A notice pursuant to Section 160 of the Companies Act, 2013 has been received from a member signifying its intention to propose him as a candidate for the office of Director. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

Mr. Rajinder Parkash Jindal has attained the age of seventy years. As per proviso to Section 196(3)(a) of the Companies Act, 2013, appointment of a person who has attained the age of seventy years may be made by passing a special resolution. In accordance with the requirement of proviso to Section 196(3)(a) of the Companies Act, 2013, the justification for appointing Mr. Rajinder Parkash Jindal is provided herein below:

A diploma in Mechanical Engineering, Mr. Rajinder Parkash Jindal has a work experience of more than 40 years in various fields such as technical, administration, public affairs etc. Besides his administrative acumen, Mr. Jindal has keen interest in games, art, and culture and women education. He has been the Co-Chairman of Haryana Affairs Committee of Punjab, Haryana & Delhi Chamber of Commerce and Industry. Presently, he is the Chairman of number of government ITIs which have been adopted by the Company. He is also the President of Citizens' Progressive Forum of Hisar, whose sole aim is to promote Art, Culture and Games. His association with the Company dates back to 1970.

Keeping in view his vast experience and knowledge, it will be in the interest of the Company to appoint Mr. Rajinder Parkash Jindal as a Director liable to retire by rotation.

Pursuant to the provisions of Schedule V of Companies Act, 2013, since the Company has incurred loss during the financial year ended 31<sup>st</sup> March 2014, besides other approvals if any, the shareholders approval by way of special resolution will be required for payment of remuneration as per provisions of Section II of Part II of Schedule V of the Companies Act, 2013.

The profile of Mr. Rajinder Parkash Jindal and other information as required under second proviso of Section II(B) of Part II of the Schedule V to the Act are provided under the head 'Additional Information'. His appointment will be subject to retirement by rotation.

In compliance with the provisions of Section 197 of the Companies Act, 2013, the terms of remuneration specified in the resolution are placed before the members in the general meeting for their approval.

There is no contract of service in writing with Mr. Rajinder Parkash Jindal. The terms set out in the resolution may be treated in compliance of Section 190 of the Companies Act, 2013.

Your Directors recommend the resolutions at Item No. 5 and 6 as special resolutions for your approval.

Mr. Rajinder Parkash Jindal, being concerned, may be deemed to be interested in the resolutions.

None of the other Directors or key managerial personnel of the Company or their relatives other are in any way concerned or interested, financially or otherwise, in the above referred resolutions.

##### **ITEM NO. 7**

The Board of Directors appointed Mr. Girish Sharma as an Additional Director with effect from 29<sup>th</sup> May, 2014. His appointment was recommended by the Nomination and Remuneration Committee of the Company.

In terms of provisions of Section 161(1) of the Act, he will hold office up to the date of this ensuing Annual General Meeting. In terms of Section 149 of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors), Rules 2014, an Independent Director shall hold office for a period of up to 5 consecutive years and shall not be liable to retire by rotation.

He is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declaration from him that he meets with the criteria of Independence as prescribed under Section 149(6) of the Act and Clause 49 of the listing agreement.

The Board of Directors considered the matter of his appointment in its meeting held on 8<sup>th</sup> August, 2014 on recommendation of the Nomination and Remuneration Committee and felt that his continued association would be of immense benefit to the Company and proposed his appointment as an Independent Director under Section 149 of the Act, whose office shall not be liable to retirement by rotation, to hold office for a term of two years commencing from 29<sup>th</sup> May, 2014 till 28<sup>th</sup> May, 2016. In the opinion of the Board, he fulfills the conditions of appointment as an Independent Director as specified in the Act and the listing agreement.

The Company has received notice in writing from a member in terms of Section 160 of the Act alongwith deposit of requisite amount proposing his candidature to be appointed as director in this Annual General Meeting.

His brief resume, educational and professional qualifications, nature of his work experience etc. are given under the head "Additional Information".

The Board recommends the resolution set out at Item No. 7 as an ordinary resolution to the Shareholders for their approval.

Mr. Girish Sharma, being concerned, may be deemed to be interested in the resolution.

None of the other Directors or key managerial personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the above referred resolution.

#### **ITEM NOS. 8 & 9**

In terms of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors), Rules 2014, the Independent Directors shall hold office for a period of up to 5 consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of up to 5 years each. In terms of revised Clause 49 of the listing agreement which will be applicable from 1<sup>st</sup> October, 2014, persons who have already served as Independent Directors on the Board of a company for 5 years or more can be appointed for only one term of 5 years.

Mr. Suman Jyoti Khaitan and Mr. T.S. Bhattacharya are Independent Directors of the Company and have been holding the office of director for a period more than 5 years. As per their existing terms of appointment, the period of their office is liable to determination by retirement by rotation in terms of Section 152 of the Act.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of both of the above mentioned Directors for appointment as Independent Directors of the Company. They are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has also received declarations from these Directors that they meet with the criteria of Independence as prescribed under Section 149(6) of the Act and Clause 49 of the listing agreement.

The Board of Directors considered the matter of their appointment in its meeting held on 8<sup>th</sup> August, 2014 on recommendation of the Nomination and Remuneration Committee and felt that their continued association would be of immense benefit to the Company and proposed the appointment of Mr. Suman Jyoti Khaitan and Mr. T.S. Bhattacharya as Independent Directors under Section 149 of the Act, whose office shall not be liable to retirement by rotation, to hold office for a term of five years and two years respectively commencing from the date of this Annual General Meeting of the Company. In the opinion of the Board, both the above mentioned directors fulfill conditions of appointment as Independent Directors as specified in the Act and the listing agreement.

Brief resumes of the aforesaid Directors, their educational and professional qualifications, nature of their work experience etc. are given under the head "Additional Information".

The Board recommends the resolutions set out at Item No. 8 and 9 as ordinary resolutions to the shareholders for their approval.

Both Mr. Suman Jyoti Khaitan and Mr. T.S. Bhattacharya and their relatives are interested in these resolutions. Save and except the above, no other Director / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

#### **ITEM NO. 10**

Pursuant to Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors should be ratified by the shareholders of the Company.

The Board of Directors, in its meeting held on 29<sup>th</sup> May, 2014, on the basis of recommendations of the Audit Committee appointed M/s Ramanath Iyer & Co., (FRN 00019), Cost Accountants, 808, Pearls Business Park, Netaji Subash Place, Pitampura, New Delhi-110088, as the Cost Auditors to conduct audit of cost records of the Company for the financial year 2014-15 in respect of business activities relating to Steel business and subject to ratification by shareholders, fixed their remuneration at Rs.3,30,000 (Rupees three lac thirty thousand only) including Performance Appraisal Fee, apart from reimbursement of actual expenses to be incurred by them in connection with conducting the audit of cost records of the Company.

The Board recommends the resolution set out at Item No. 10 as an ordinary resolution to the shareholders for their approval.

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

#### **ITEM NO. 11**

The present Articles of Association of the Company are based on the provisions of the Companies Act, 1956. Consequent to the notification and applicability of large number of Sections of the Companies Act, 2013 and Rules framed there under, it has become necessary to alter the existing Articles of Association of the Company to be in line with the new Act. The Board of Directors considered this matter in its meeting held on 8<sup>th</sup> August, 2014 and decided to adopt a new set of Articles of Association and replace the existing Articles of Association. A copy of draft Articles is available at the registered office of the Company.

As per Section 14 of the Companies Act, 2013, approval of the shareholders of the Company by way of a special resolution is required for alteration of Articles of Association of the Company.

The Board recommends the resolution set out at Item No. 11 to the shareholders for their approval as special resolution.

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

#### **ITEM NO. 12**

The Company in the ordinary course of its business and on arm's length basis, sells goods to Jindal Stainless Steelway Limited ("JSSL") and PT. Jindal Stainless Indonesia ("PTJSI"), its subsidiaries, and also purchases goods from them, besides allocating common corporate expenditure.

JSSL and PTJSI are subsidiaries of the Company and 'Related Party' within the meaning of Section 2(76) of the Companies Act, 2013 and Clause 49 VII(B)(2) of the Listing Agreement (effective from 1<sup>st</sup> October, 2014).

The values of the transactions proposed which will be on an arm's length basis, are based on the Company's estimated transaction value for FY 2014-15.

The proposal has been approved by the Audit Committee and Board of Directors of the Company in their respective meetings held on 8<sup>th</sup> August, 2014.

The proviso to Clause 49 VII(C) of the Listing Agreement (effective from 1<sup>st</sup> October, 2014) provides that a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds five percent of the annual turnover or twenty percent of the net worth of the company as per the last audited financial statements of the company, whichever is higher. Further, Clause 49 VII(E) provides that all material related party transactions shall require approval of the shareholders through special resolution.

The contracts / arrangements / transactions relating to sale or purchase of products, goods, materials or services besides common corporate expenditure envisaged with JSSL and PTJSI are likely to exceed the thresholds prescribed under proviso to Clause 49 VII(C) of the Listing Agreement (effective from 1<sup>st</sup> October, 2014) and are considered material.

Approval of the Shareholders is therefore being sought in terms of revised Clause 49 of the Listing Agreement (effective from 1<sup>st</sup> October, 2014).

The Board recommends the resolution set out at Item No. 12 as special resolution to the shareholders for their approval.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Jitender P. Verma who is also Director of Jindal Stainless Steelway Limited, are in any way, concerned or interested, financially or otherwise, in this resolution.

#### **ITEM NO. 13**

In terms of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA"), if the accumulated losses of an industrial company, as at the end of any financial year have resulted in erosion of fifty percent or more of its peak net worth during the immediately preceding four financial years, that company falls under the category of potentially sick industrial company and therefore the fact is required to be reported to Board of Industrial and Financial Restructuring (BIFR) within 60 days from the date of finalization of the audited accounts which is the date of the Annual General Meeting at which the audited accounts of the company are adopted.

As per the audited accounts of the Company for the financial year ended 31.03.2014 finalized and approved by the Board of Directors subject to the approval of shareholders in this Annual General Meeting, the current year Net Worth of the Company is Rs.18,585.82 Lacs. The Peak Net Worth during the immediately preceding four financial years is Rs.225,289.54 Lacs. Therefore, there has been an erosion of Rs.206,703.72 Lacs i.e., 92% from the Peak Net Worth of the Company during the immediately preceding four years.

In terms of the provisions of Section 23 of SICA, a report on such erosion and its causes is required to be submitted before the Shareholders for their consideration and approval. The said report is annexed herewith and forms part of this Notice and Explanatory Statement.

The Board recommends the resolution set out at Item No. 13 as special resolution to the shareholders for their approval.

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

**The relevant details pursuant to Schedule V of the Companies Act, 2013, are as under:**

| <b>Sr. No.</b> | <b>Description</b>                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>I</b>       | <b>General Information</b>                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 1              | Nature of Industry                                                                                                                                                                                                  | Your Company is engaged in manufacturing of Stainless Steel                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 2              | Date or expected date of commencement of commercial production                                                                                                                                                      | Your Company is already in commercial production                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 3              | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus                                                                 | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 4              | Financial performance based on given indicators                                                                                                                                                                     | During the year ended 31st March, 2014, Gross Revenue from operations of your Company on standalone basis are Rs.12,972.73 crore. Profit before other income, Finance Cost, Depreciation, Exceptional Items, Tax & Amortisation on standalone basis stood at Rs.885.66 crore. The detailed balance sheet, profit & loss account and other financial statement forms part of this annual report.                                                                                                                                                                                                                                                                                                            |
| 5              | Foreign investments or collaborators if any                                                                                                                                                                         | There are no foreign collaborators in your Company. Total foreign investment, comprising of foreign institutional investors, overseas corporate bodies, non-resident incorporated bodies, non-resident Indian etc. as on 31st March, 2014 stands at 59.44%.                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>II</b>      | <b>Information about Appointee</b>                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 1              | Background details                                                                                                                                                                                                  | A Diploma in Mechanical Engineering, Mr. Rajinder Parkash Jindal has a work experience of more than 40 years in various fields such as technical, administration, public affairs etc. Besides his administrative acumen, Mr. Jindal has keen interest in games, art, and culture and women education. He has been the Co-Chairman of Haryana Affairs Committee of Punjab, Haryana & Delhi Chamber of Commerce and Industry. Presently, he is the Chairman of number of government ITIs which have been adopted by the Company. He is also the President of Citizens' Progressive Forum of Hisar, whose sole aim is to promote Art, Culture and Games. His association with the Company dates back to 1970. |
| 2              | Past remuneration                                                                                                                                                                                                   | Mr. Rajinder Parkash Jindal was not drawing any remuneration from the Company prior to the proposed date of his appointment as Wholetime Director designated as Executive Director of the Company i.e. 6th January, 2014.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 3              | Job Profile and his suitability                                                                                                                                                                                     | Mr. Rajinder Parkash Jindal is a Wholetime Director designated as Executive Director of the Company. He has also been nominated as Occupier of factories and as an Owner of Jindal Chromite Mines of the Company. Taking into account Mr. Jindal's qualifications, his extensive experience and the responsibilities shouldered by him, the Board considers his appointment to be in the best interests of the Company.                                                                                                                                                                                                                                                                                    |
| 4              | Remuneration proposed                                                                                                                                                                                               | The details of remuneration proposed to be paid to Mr. Rajinder Parkash Jindal have been provided at Resolution No. 6 of this Notice forming part of this Annual Report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 5              | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | The executives' remuneration in the industry is on the rise. The Nomination and Remuneration Committee perused remuneration of managerial persons in the steel industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Mr. Rajinder Parkash Jindal, before approving the remuneration as proposed herein before.                                                                                                                                                                                                                                                                                                             |

|            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6          | Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.                                                                                                                                                                                                                                                                                                                                                                                       | Besides the remuneration proposed herein, Mr. Rajinder Parkash Jindal does not have, directly or indirectly, any material pecuniary relationship with the Company or with the key managerial personnel.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>III</b> | <b>Other Information</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 1          | Reasons for loss or inadequate profits                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>The financial results of the Company during the year 2013-14 have been adversely impacted inter alia on account of Continued dumping of stainless steel flat products in India and in particular the continued influx of cheap stainless steel from China</li> <li>Continued build up of capacity in China despite the prevailing situation of excess production vis-à-vis local consumption and continued slowdown in local demand.</li> <li>Adverse Duty Structure for the Domestic Stainless Steel Industry, both in terms of import duty on raw materials as well as finished goods vis-à-vis other countries and in particular with reference to China</li> <li>Increase in basic custom duty on import of Steel Scrap</li> <li>Increase in raw material cost due to volatile currency</li> </ul> |
| 2          | Steps taken or proposed to be taken for improvement                                                                                                                                                                                                                                                                                                                                                                                                                                                         | The Company has undertaken / is under the process of undertaking several measures to further improve the efficiency in its business processes and to optimize the cost. The Company is now focussing more on the domestic market and diversification into international markets so that it can mitigate challenges arising from external sources.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 3          | Expected increase in productivity and profit in measurable terms                                                                                                                                                                                                                                                                                                                                                                                                                                            | In the competitive environment, it is difficult to estimate the revenue/profits in measurable terms. As mentioned above, the Company is taking various efforts to increase its productivity and the management is confident of increase in revenue and profits in coming years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>IV</b>  | <b>Disclosures</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 1          | The remuneration paid to each Managerial Personnel is suitably disclosed in the Board of Directors' Report under the heading "Corporate Governance" being part of the Annual Report                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 2          | The following disclosures are mentioned in the Board of Directors' Report under the heading "Corporate Governance" attached to the annual report:<br>(i) All elements of remuneration package, such as salary, benefits, bonuses, stock options, pensions etc. of all directors;<br>(ii) Details of fixed component and performance linked incentives alongwith the performance criteria;<br>(iii) Service contracts, notice period.<br>(iv) Stock option details is given as Annexure to Directors Report. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

**Additional Information :** As required in terms of clause 49 of the listing agreement.

**Brief Profile of new directors appointed/re-appointed and the directors, who retire by rotation and are eligible for re-appointment:**

**Brief Profile of Mr. Naveen Jindal:**

Mr. Naveen Jindal is the Chairman of Jindal Steel & Power Limited (JSPL), Jindal Power Limited, the subsidiary company of JSPL and Jindal Petroleum Limited. He holds a master's degree in business management from the University of Texas at Dallas, USA. He has been the Managing Director of Jindal Steel & Power Limited for fourteen years upto 30th September, 2012. Under his able leadership and guidance, Jindal Steel & Power Limited completed various expansion plans and new projects successfully and achieved high levels of growth and has established its footprints globally. He was among the 25 Indians who were a part of the annual list of 250 Young Global Leaders in 2007 issued by the World Economic Forum. He has been ranked as India's Best CEO by the BT-INSEAD-HBR Study and JSPL was rated as the value creator in India for the period 1995 to 2011 by the Business Today. He has also been ranked among the top ten India Inc's Most Powerful CEO's 2011 list by Economic Times-Corporate Dossier. He has been conferred with the Ernst and Young Entrepreneur of the year Award 2010 in the field of Energy & Infrastructure. He was re-elected to the Indian Parliament in 2009 in the 15<sup>th</sup> Lok Sabha elections. He is a member of the Public Accounts Committee and other Parliamentary Committees.

**Outside Directorship:** Jindal Steel & Power Limited (Chairman), Jindal Power Limited (Chairman), Jindal Petroleum Limited (Chairman), Jindal Synergy Investment Limited (Director), Salasar Finvest Limited (Director), The Delhi and District Cricket Association Limited (Director), OPJ Trading Private Limited (Director)

**Committee Membership:** Nil

**Brief Profile of Mr. Jitender P. Verma:**

Mr. Jitender P. Verma is a Commerce Graduate and a “Fellow” member of the Institute of Chartered Accountants of India (ICAI). He is also a Graduate member of Institute of Directors, Thailand. He has a rich experience of 25 years at senior management level in India and Overseas across various industries, including last 7 years in Stainless Steel industry.

Prior to joining Jindal Stainless Limited, he served ‘Thainox Stainless PLC’ (a Thai-Listed entity and an earlier subsidiary of Arcelor-Mittal Group) as CFO, Acting Managing Director and Board member from 2005 till 2011. He also served ‘Dole Food Inc.’, a US Fortune 500 MNC in various capacities like Finance Director, Thailand; Regional Treasurer, Asia, based at Hong Kong; Finance Director - Asia, based at Manila, during the period 1998 to 2005. Prior to that, he served ‘Seagate Technologies, a US Fortune 500 MNC’ as Director - Finance during 1996 to 1998. He was also associated with G.P. Group of Companies and East India Hotels Limited, during early part of his professional career.

**Outside Directorship:** Jindal Stainless Steelway Limited, JSL Lifestyle Limited and JSL Architecture Limited.

**Committee Membership:** Member of Stakeholders Relationship Committee of Jindal Stainless Limited; Chairman of Audit Committees and Nomination and Remuneration Committees of Jindal Stainless Steelway Limited and JSL Architecture Limited; Member of Audit Committee and Nomination and Remuneration Committee of JSL Lifestyle Limited.

**Brief Profile of Mr. Rajinder Parkash Jindal:**

A Diploma in Mechanical Engineering, Mr. Rajinder Parkash Jindal has a work experience of more than 40 years in various fields such as technical, administration, public affairs etc. Besides his administrative acumen, Mr. Jindal has keen interest in games, art, and culture and women education. He has been the Co-Chairman of Haryana Affairs Committee of Punjab, Haryana & Delhi Chamber of Commerce and Industry. Presently, he is the Chairman of number of government ITIs which have been adopted by the Company. He is also the President of Citizens’ Progressive Forum of Hisar, whose sole aim is to promote Art, Culture and Games. His association with the Company dates back to 1970.

**Outside Directorship:** Director of Nalwa Sons Investments Limited, Nalwa Investments Limited and Jindal Steel & Alloys Limited.

**Committee Membership:** Chairman of Audit Committee of Nalwa Sons Investments Limited, Member of Stakeholders Relationship Committee of Jindal Stainless Limited and Nalwa Sons Investments Limited and Nomination and Remuneration Committee of Nalwa Sons Investments Limited.

**Brief Profile of Mr. Girish Sharma:**

Mr. Girish Sharma is a Commerce Graduate from Delhi University and has completed his Masters in Marketing and Business Management from the Faculty of Management Studies, Delhi University.

Mr. Sharma had recently been retired as Chief Commissioner of Income Tax after putting more than 33 years in IRS in various capacities. During his tenure, he served in the capacity as Director, Government of India, Department of Fertilizers from December, 1997 to February, 2002 and has been associated with number of public sector companies as Director and has been Chairman & Managing Director of Pyrites, Phosphates & Chemicals Ltd., a Government of India Enterprise. He has widely travelled across the globe and has attended various seminars on different issues of management. He has been involved with tax administration and investigation in the Department of Income Tax.

**Outside Directorship:** Director of Delhi Gymkhana Club, Jindal Saw Limited and Arya Iron and Steel Company Private Limited.

**Committee Membership:** Member of Nomination and Remuneration Committee of Jindal Stainless Limited. Member of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of Jindal Saw Limited.

**Brief Profile of Mr. Suman Jyoti Khaitan:**

Mr. Suman Jyoti Khaitan, a graduate in economics and law, is an eminent lawyer and a partner of Khaitan & Partners, New Delhi, an Indian law firm. He has wide experience in handling and advising on important legal matters in various areas of practice including arbitration, aviation, banking, civil, corporate, criminal, finance, insurance, litigation, power, project finance and taxation matters.

**Outside Directorship:** Director of Oriental Carbon and Chemicals Limited, Lumax Industries Limited, Gopi Nursery Private Limited, PHD Chamber of Commerce and Industry, Suman Khaitan Advisory Services Private Limited, Monnet Power Company Limited Indo Rama Synthetics (India) Limited, Skipper Electricals (India) Limited.

**Committee Membership:** Member of Audit Committee and Remuneration Committee of Indo Rama Synthetics (India) Limited, Member of Remuneration Committee of Lumax Industries Limited, Member of Audit Committee, Shareholders / Investors Grievance Committee and Remuneration Committee of Oriental Carbon and Chemicals Limited, Chairman of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of Jindal Stainless Limited.

**Brief Profile of Mr. T.S. Bhattacharya:**

Mr. T.S. Bhattacharya has a master degree in nuclear physics, a post graduate diploma in management sciences and is a Certified Associate of Indian Institute of Bankers. He has over 38 years of rich banking experience and last served the post of the Managing Director of State Bank of India in the year 2008, before joining the Company.

**Outside Directorship:** Director of IDFC Securities Limited, Amartex Industries Limited, Speciality Restaurants Limited, Surya Roshni Limited, IDFC AMC Trustee Company Limited, Ind Swift Laboratories Limited, Nandan Denim Limited, Ess Dee Aluminum Limited,

**Committee Membership:** Chairman of Audit Committee of Specialty Restaurants Limited, Member of Audit Committee and Nomination and Remuneration Committee of Jindal Stainless Limited, Member of Audit Committee of Surya Roshni Limited.

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

By order of the Board

(Jitendra Kumar)  
Company Secretary

**REPORT ON EROSION OF PEAK NET WORTH, CAUSES THEREOF AND ACTION TAKEN BY THE COMPANY IN TERMS OF SECTION 23 OF SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT 1985.**

In terms of requirements of Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985 (“SICA”), a report of Board of Directors on erosion of more than 50 % of Peak Net Worth during the immediately preceding four financial years along with causes and steps taken / proposed to be taken by the Company’s Management for its revival is being submitted herewith.

Under the provisions of SICA, Net Worth of the Company for present as well as preceding four financial years is as follows:

(Amount in Rs. Lacs)

| Financial Year / Net Worth Components             | 2013-14          | 2012-13           | 2011-12           | 2010-11           | 2009-10           |
|---------------------------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| <b>(A) Paid up capital</b>                        |                  |                   |                   |                   |                   |
| Equity Share Capital                              | 4307.50          | 4,081.55          | 3,790.11          | 3,746.32          | 3,711.64          |
| Preference Share Capital                          | 316.21           |                   |                   |                   |                   |
| <b>Sub-Total (A)</b>                              | <b>4,623.71</b>  | <b>4,081.55</b>   | <b>3,790.11</b>   | <b>3,746.32</b>   | <b>3,711.64</b>   |
| <b>(B) Reserves &amp; Surplus</b>                 |                  |                   |                   |                   |                   |
| Capital Redemption Reserve                        | 2,000.00         | 2,000.00          | 2,000.00          | 2,000.00          | 2,000.00          |
| Securities Premium Reserve                        | 101,063.35       | 90,949.25         | 79,988.69         | 77,407.49         | 75,364.04         |
| Employee Stock Option Outstanding                 | 466.82           | 525.83            | 464.39            | 221.95            | -                 |
| Debenture Redemption Reserve                      | 6,106.25         | 6,419.84          | 6,796.96          | 7,398.45          | 9,757.85          |
| General Reserve                                   | -                | 43,020.99         | 62,856.91         | 62,856.91         | 62,856.91         |
| Surplus / (Deficit) in Statement of Profit & Loss | (95,674.31)      | -                 | 61,868.76         | 71,658.42         | 37,465.33         |
| <b>Sub-Total (B)</b>                              | <b>13,962.11</b> | <b>142,915.91</b> | <b>213,975.71</b> | <b>221,543.22</b> | <b>187,444.13</b> |
| <b>Total (C=A+B)</b>                              | <b>18,585.82</b> | <b>146,997.46</b> | <b>217,765.82</b> | <b>225,289.54</b> | <b>191,155.77</b> |

Current Year Net Worth (D) Rs. 18,585.82 Lacs

Peak Net Worth (E) Rs. 225,289.54 Lacs

Erosion in Peak Net Worth (F) Rs. 206,703.72 Lacs

% Erosion of Peak Net Worth (F/E) 92%

As presented above, as per the audited accounts of the Company for the year ended 31.03.2014, the current year Net Worth of the Company is Rs. 18,585.82 Lacs. The Peak Net Worth during the immediately preceding four financial years is Rs. 225,289.54 Lacs. Therefore, there has been an erosion of Rs. 206,703.72 Lacs i.e., 92% from the Peak Net Worth of the Company during the immediately preceding four years. Thus, under the provisions of SICA the Company is a potentially sick industrial Company.

**CAUSES OF EROSION OF NET WORTH OF THE COMPANY:**

Following are the main reasons for losses and Net Worth erosion:

- Overall economic slowdown resulting in weak demand for stainless steel internationally, squeezing profit margins.
- Exponential surge in imports into India over the last 5 years especially from China due to unfavourable duty structure in India as compared to China.
- Adversely affected operations and profitability of ferro alloys & captive power plant at Odisha on account of higher input prices of chrome ore and coal due to prevailing trade policies of public sector entities having monopolistic position.
- Owing to aforesaid reasons, the ramp up of Odisha stainless steel operations was slower as compared to the projected levels
- Highly volatile Indian Rupee against USD, with sharp depreciation especially in last couple of years, had an adverse effect on the profitability of the Company.

**STEPS TAKEN / PROPOSED TO BE TAKEN BY THE COMPANY MANAGEMENT:**

- The Company has been rigorously working on a comprehensive plan of Asset Monetisation cum Business Reorganisation Scheme ("Scheme") which would entail monetisation of identified assets of the Company through demerger / slump sale.
- The gain on monetisation of assets under the Scheme would improve the net worth of the Company resulting in better credit worthiness of the Company.
- The Scheme would also entail substantial reduction in the debt level and thus would assist the Company in deleveraging and in ensuring long term viability of the Company.
- The Company expects to increase the capacity utilisation at its Jajpur Stainless Steel plant which in turn is expected to reduce its cost and thus improve its profitability.

**FOR ATTENTION OF SHAREHOLDERS**

1. The register of members and share transfer books of the Company will remain closed from Wednesday, 10<sup>th</sup> September, 2014 to Friday, 12<sup>th</sup> September, 2014 (both days inclusive).
2. Members are requested to immediately notify to the Registrar any change in their address, in respect of equity shares held in physical mode and to their depository participants (DPs) in respect of equity shares held in dematerialised form.
3. As per provisions of the Companies Act, 2013 read with relevant Rules thereof, facility for making nominations is available to individuals holding shares in the Company. Members holding shares in physical form may obtain Nomination Form No. SH-13 from the Company's RTA. Members holding shares in electronic form are required to approach their DPs for the nomination.
4. The Company's equity shares are compulsorily traded in dematerialised form by all investors. Shareholders are requested to get the shares dematerialised in their own interest.
5. The Securities and Exchange Board of India (SEBI) has, vide its Circular No. MRD/DoP/Cir-05/2009 dated 20<sup>th</sup> May, 2009, made it mandatory for the transferees to furnish copy of PAN card to the Company / RTA for registration of transfer of shares in physical form.
6. The Company has created an Email Id. 'investorcare@jindalstainless.com', which is being used exclusively for the purpose of redressing the complaints of the investors.
7. Members should quote their email addresses, telephone / fax numbers to get a prompt reply to their communications.
8. Members desiring any information/clarification on the accounts are requested to write to the Company at least seven days in advance, so as to enable the management to keep the information ready at the annual general meeting.
9. As a measure of economy, copies of the Annual Report will not be distributed at the meeting. Members are requested to bring along their copies.
10. Members/proxies are requested to bring the attendance slip, duly filled in.
11. In pursuance of the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached. The annual accounts and other related documents of the subsidiaries are available at the website of the Company and will be made available to any member of the Company who may be interested in obtaining the same. The consolidated financial statements of the Company include the financial results of all the subsidiary companies. The members, if they desire, may write to Company Secretary at O.P. Jindal Marg, Hisar – 125 005 (Haryana) to obtain the copy of the annual report of the subsidiary companies.  
  
The annual accounts of the subsidiary companies would be open and accessible for inspection by shareholder / investor at registered office of the Company and registered office of the subsidiary companies on any working day except holidays.
12. Members attending the AGM and desiring to go round the factory, are requested to inform a week in advance so that necessary arrangements are made.

**IN DEFERENCE TO THE GOVT. POLICY, NO GIFTS WILL BE DISTRIBUTED AT THE A.G.M.**



## Jindal Stainless Limited

Regd. Office: O. P. Jindal Marg, Hisar –125 005 (Haryana)  
(CIN: L26922HR1980PLC010901)

### Attendance Slip

|                                      |  |
|--------------------------------------|--|
| Registered Folio / DP ID & Client ID |  |
| Name                                 |  |
| Address of Shareholder               |  |

I/We hereby record my/our presence at the 34<sup>th</sup> Annual General Meeting of the Company at its Registered Office at O. P. Jindal Marg, Hisar –125005 (Haryana) on Monday, the 22<sup>nd</sup> day of September, 2014 at 11:30 a.m.

Signature of Shareholder / Proxy Present: .....

#### Notes:

1. You are requested to sign and hand this over at the entrance.
2. If you are attending the meeting in person or by proxy please bring copy of notice and annual report for reference at the meeting.
3. Each equity share of the Company carries one vote.
4. Please read carefully the instructions before exercising the vote.

#### Instructions for E-voting:

Pursuant to Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide E-Voting facility as an alternate for Shareholders of the Company to enable them to cast their votes electronically on the resolutions mentioned in the Notice of the 34<sup>th</sup> Annual General Meeting of the Company to be held on Monday, the 22<sup>nd</sup> day of September, 2014. For this purpose, necessary arrangements have been made with the Central Depository Services (India) Limited ("CDSL") to facilitate e-voting. E-Voting is optional to the shareholders. The Company has appointed Mr. Subhash Gupta, Advocate as the Scrutiniser for conducting the e-voting process in a fair and transparent manner. The list of shareholders/ beneficial owners shall be reckoned on the equity shares as on Thursday, August 14, 2014.

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

- (i) The voting period begins on Monday, 15<sup>th</sup> September, 2014 at 9:00 a.m. and ends on Wednesday, 17<sup>th</sup> September, 2014 at 6:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 14<sup>th</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| <b>For Members holding shares in Demat Form and Physical Form</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAN                                                               | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name followed by Client Id./Folio No. in PAN field.</li> <li>In case the Folio No. is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For example, if your name is Ramesh Kumar and your Folio No. is 485 then enter RA00000485 in the PAN field.</li> </ul> |
| DOB                                                               | <p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Dividend Bank Details                                             | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the No. of Shares, which you are holding as on the cut-off date i.e. August 14, 2014, in the Dividend Bank details field.</li> </ul>                                                                                                                                                                                                                      |

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

## Form No. MGT-11

### Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)  
of the Companies (Management and Administration) Rules, 2014]

CIN: L26922HR1980PLC010901

Name of the Company: Jindal Stainless Limited

Registered office: O.P. Jindal Marg, Hisar – 125005, Haryana

|                        |  |
|------------------------|--|
| Name of the member(s): |  |
| Registered address:    |  |
| Email Id.:             |  |
| Folio No. / Client Id: |  |
| DP Id.:                |  |

I / We, being the member(s) of ..... shares of the above name company, hereby appoint

1. Name: ....., Address: .....

Email Id.: ..... Signature: ....., or failing him

2. Name: ....., Address: .....

Email Id.: ..... Signature: ....., or failing him

3. Name: ....., Address: .....

Email Id.: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34<sup>th</sup> Annual General Meeting of the Company, to be held on the 22<sup>nd</sup> day of September, 2014 at 11:30 a.m. at Registered Office of the Company at O.P. Jindal Marg, Hisar – 125 005, Haryana and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No. | Resolution                                                                                                                                     | For | Against |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| 1.      | To adopt Standalone and Consolidated Financial Statements of the Company including Report of Board of Directors and Auditors.                  |     |         |
| 2.      | To appoint a Director in place of Mr. Naveen Jindal, who retires by rotation and being eligible, offers himself for re-appointment.            |     |         |
| 3.      | To appoint a Director in place of Mr. Jitender P. Verma, who retires by rotation and being eligible, offers himself for re-appointment.        |     |         |
| 4 (I)   | To appoint M/s Lodha & Co., Chartered Accountants and M/s. S.S. Kothari Mehta & Co., Chartered Accountants as Joint Statutory Auditors.        |     |         |
| 4 (II)  | To appoint M/s. N.C. Aggarwal & Co., Chartered Accountants as Branch Auditors of Visakhapatnam division of the Company.                        |     |         |
| 5.      | To consider appointment of Mr. Rajinder Parkash Jindal as Director.                                                                            |     |         |
| 6.      | To consider appointment of Mr. Rajinder Parkash Jindal as Executive Director for a period of three years w.e.f. 6 <sup>th</sup> January, 2014. |     |         |
| 7.      | To consider appointment of Mr. Girish Sharma as an Independent Director.                                                                       |     |         |
| 8.      | To consider appointment of Mr. Suman Jyoti Khaitan as an Independent Director.                                                                 |     |         |
| 9.      | To consider appointment of Mr. T.S. Bhattacharya as an Independent Director.                                                                   |     |         |
| 10.     | To ratify the payment of remuneration to M/s Ramanath Iyer & Co., Cost Accountants, as Cost Auditors of the Company.                           |     |         |
| 11.     | To consider adoption of new set of Articles of Association of the Company.                                                                     |     |         |
| 12.     | To consider and approve material related party transactions of the Company.                                                                    |     |         |
| 13.     | To consider and approve the report of erosion of Peak Net Worth of the Company.                                                                |     |         |

Signed this ..... day of ....., 2014

.....  
Signature of shareholder

.....  
Signature of Proxy holder(s)

Affix Revenue  
Stamp

#### Notes

1. This form should be signed across the stamp as per specimen signature registered with the Company.
2. This form of Proxy, to be effective should be duly completed deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
3. A proxy need not be a member of the Company.
4. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Please put a (✓) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate. This is only optional.

\*Applicable for Investors holding shares in demat form.