

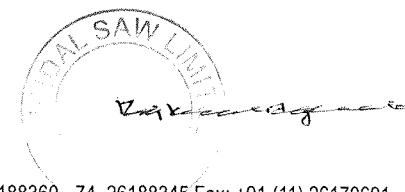
**REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF JINDAL SAW LIMITED ("COMPANY")
RECOMMENDING THE DRAFT COMPOSITE SCHEME OF AMLAGAMATION OF JINDAL QUALITY
TUBULAR LIMITED, JINDAL TUBULAR (INDIA) LIMITED AND JINDAL FITTINGS LIMITED
(COLLECTIVELY REFERRED TO AS "TRANSFEROR COMPANIES") WITH JINDAL SAW LIMITED
("TRANSFEE COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

Members Present:

Dr. Raj Kamal Aggarwal	Independent Director and Chairman of the Meeting
Shri Ravinder Nath Leekha	Independent Director
Shri A. K. Hazarika	Independent Director
Shri Sanjeev Shankar	Independent Director
Shri Girish Sharma	Independent Director
Shri Abhiram Tayal	Independent Director
Dr. Vinita Jha	Independent Director

1. Background

- 1.1 A meeting of the Committee of Independent Directors ("Committee") of Jindal Saw Limited was held on March 16, 2022 to consider and, if thought fit, recommend to the Board of Directors of the Company, the proposed Composite Scheme of Amalgamation ("**Scheme**") of Jindal Quality Tubular Limited ("**Transferor Company 1**" / "**JQTL**"), Jindal Tubular (India) Limited ("**Transferor Company 2**" / "**JTIL**"), and Jindal Fittings Limited ("**Transferor Company 3**" / "**JSYL**") (hereinafter collectively referred to as the "**transferor companies**") with Jindal Saw Limited "**the Transferee Company**" / "**JSAW**") and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013.
- 1.2 The Transferee Company was incorporated under the provisions of the Companies Act, 1956. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.
- 1.3 The Scheme will be filed with the National Company Law Tribunal, Allahabad Bench ("**NCLT**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations issued thereunder and in compliance with provisions of Section 2(1B) of the Income-tax Act, 1961.
- 1.4 The Scheme is subject to receipt of approvals of board of directors, shareholders and creditors of companies involved and approval of other regulatory authorities as may be required, including those of BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India and the NCLT.
- 1.5 This report of the Committee is made in order to comply with the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 including Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by SEBI (as amended from time to time via Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017, circular no. CFD/DIL3/CIR/2017/105 dated September 21, 2017, circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 and circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/215 dated November 3, 2020 and the Master circular being circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("**SEBI Circulars**") and after considering the following documents that were placed before the Committee:

- a) the Composite Scheme of Amalgamation
- b) the certificate dated March 16, 2022 issued under Section 133 of the Act, by M/s Price Waterhouse Chartered Accountants, LLP, Statutory Auditor of the Company confirming the accounting treatment outlined in the draft Scheme was in compliance with the applicable Ind AS notified under the Companies Act, 2013 and other generally accepted accounting principles.
- c) the certificate dated March 16, 2022 issued by M/s Price Waterhouse Chartered Accountants, LLP, the statutory auditors of the Company, confirming non-applicability of the requirements of Paragraph I(A)(10)(b) under Part I of Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 issued by the Securities Exchange Board of India ("SEBI").
- d) Share Exchange Ratio Report dated March 16, 2022, issued by Sundae Capital Advisors Private Limited (IBBI Registration No. IBBI/RV-E/03/2021/136), ("**Registered Valuer**") inter-alia, recommending the fair share exchange ratios (**hereinafter referred to as "Valuation Report"**) on the Scheme;
- e) Fairness opinion dated March 16, 2022 issued by Shreni Shares Private Limited, SEBI Registered Category I Merchant Banker (SEBI Registration No. INM000012759) on their fair share exchange ratios recommended in the Valuation Report for the purpose of the Scheme;

2. Rationale of the Scheme:

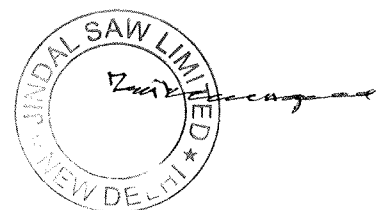
The Transferee Company is engaged in the business of SAW Pipes (Submerged Arc Welded Pipes) and spiral pipes for the energy transportation sector; carbon, alloy and seamless pipes and tubes for industrial applications; and pellets, mining & ductile Iron (DI) pipes & fittings for water and wastewater transportation.

The Transferor Company 1 is engaged in the business of manufacturing and supplier of Stainless-Steel pipes and tubes which have application in oil & gas industry, pharma industry, power and nuclear industry, chemical & fertilizer industry, automobiles and food & beverages industry. The Transferor Company 1 is a subsidiary of the Transferee Company.

The Transferor Company 2 is engaged in operating a pipe manufacturing and coating facility and is a wholly owned subsidiary of the Transferee Company.

The Transferor Company 3 is engaged in the business of manufacturing and supplying of Ductile Iron Fittings and is an associate company of the Transferee Company.

The Transferee Company has also been actively involved in the business and operations of the Transferor Company 1 and 3 by virtue of an Operations, Maintenance and Management Agreement (OMM Agreement) entered with them. Under the OMM Agreement, the manufacturing facilities and the employees of these entities are wholly managed by the Transferee Company.



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As stated above, the Transferee Company and the Transferor Companies are engaged in similar and allied business and there exists business and operational synergies in the amalgamation of the Transferor Companies with the Transferee Company. Thus, the Transferor Companies are desirous of consolidating their business under the Transferee Company which would enable the business to scale up and pursue growth opportunities in a more focused manner under the guidance and beacon of the same management.

The business of the Transferor Companies would also get access to the competitive advantage and the combined entity would be better equipped to realize the benefit of greater synergy between their businesses related aspects like availability of raw material, distribution and marketing network, pooling of financial resources as well as managerial, technical and marketing resources.

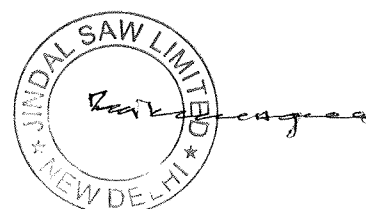
Needless to mention, greater efficiency in cash & debt management and unfettered access to cash flow generation from combined business will maximize value to shareholders and other stakeholders.

The Scheme will also result in:

1. Consolidation of the Transferor Companies with the Transferee Company would result in simplification of the holding structure;
2. Reduction in management overlaps and elimination of legal and regulatory compliances and associated costs due to operation of multiple entities;
3. Optimization of the allocated capital and availability of funds which can be deployed more efficiently to pursue the operational growth opportunities;
4. Consolidation of businesses under the Transferee Company, which would result in synergies, pooling of financial, managerial, technical and human resources, thereby creating stronger base for future growth and value accretion for the stakeholders;
5. Elimination of the need for the inter-company transactions between the Transferor Companies and Transferee Company;
6. Sharing of best practices & cross functional learnings; and
7. Creation of value for the stakeholders including the respective shareholders, customers, lenders and employees.

3. Salient features of the Scheme

- 3.1 This Composite Scheme of Amalgamation (hereinafter referred to as "Scheme") is presented under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("the Act") and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 including any statutory modification(s), amendment(s), or re-enactment(s) thereof for the time being in force and in compliance with the provisions of the Section 2(1B) of the Income-Tax Act, 1961, for



amalgamation of Jindal Quality Tubular Limited ("JQTL" or "Transferor Company 1") with Jindal SAW Limited; amalgamation of Jindal Tubular (INDIA) Limited ("JTIL" or "Transferor Company 2") with Jindal SAW Limited; amalgamation of Jindal Fittings Limited ("JFL" or "Transferor Company 3") with Jindal SAW Limited; and the consequent issuance of 8% Redeemable Preference shares by Jindal SAW Limited ("JSAW" or "Transferee Company") to the shareholders of Transferor Company 1 & Transferor Company 3 (collectively referred to as "Transferor Companies") in the manner set out in this Scheme. This Scheme will result in consolidation of business of the Restructured Companies in one entity and would strengthen the position of Transferee Company, by enabling it to harness and optimize the synergies of the Transferor Companies. Accordingly, it would be in the best interests of the Restructured Companies and their respective shareholders. The Scheme will result in operational efficiencies due to optimal utilization of resources of the companies and reduction in administrative cost.

3.1.1 The Appointed Date for the purpose of the scheme means the opening of business hours as on 1st April, 2021 or any other date as may be decided by the respective boards of directors of Transferee Company and Transferor Companies.

3.1.2 Upon this Scheme becoming effective, and in consideration for the transfer of and vesting of all the properties, assets and liabilities of the Transferor Companies into the Transferee Company, Transferee Company shall without any further application, act, instrument or deed, issue and allot to the shareholders of the Transferor Companies (except where Transferee Company itself is the shareholder of Transferor Companies) whose name appear in the Register of Members on the Record Date or their respective heirs, executors, administrators or legal representatives or the successors in title as may be recognised by Board of Directors of the 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' respectively, shares in the share capital of the Transferee Company, on a proportionate basis, which shall be Redeemable Preference shares of Rs. 100/- each, credited as fully paid-up in lieu of shares held by them in the share capital of the Transferor Companies up to the extent indicated below, in the following ratio:

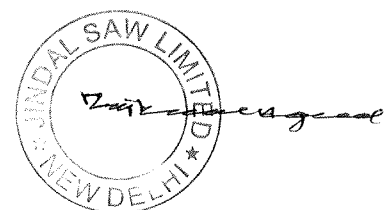
1. For every 10,000 (Ten Thousand) equity shares of face value of Rs. 10/- (Rupees Ten only) each held in the 'Transferor Company 1' shall be issued 4,055 (Four Thousand Fifty Five) 8% non-cumulative redeemable preference shares of face value of Rs. 100/- (Rupees One Hundred only) each as fully paid-up in the Transferee Company;
2. For every 10,000 (Ten Thousand) equity shares of face value of Rs. 10/- (Rupees Ten only) each held in the 'Transferor Company 3' shall be issued 1,018 (One Thousand Eighteen) 8% non-cumulative redeemable preference shares of face value Rs. 100/- (Rupees One Hundred) each as fully paid-up in the Transferee Company;
3. No fractional shares or certificates shall be issued or given by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the 'Transferor Company 1' and 'Transferor Company 3' are entitled on the issue and allotment of redeemable preference shares by the Transferee Company in accordance with this Scheme. Fractional entitlements, if any arising shall be rounded up to the nearest integer.

Zohra Khatun

4. The share swap ratio as stated in Clause 3.1 has been determined by the respective Board of Directors of the 'Transferor Company 1', 'Transferor Company 3' and the Transferee Company based on the swap exchange ratio report provided by Sundae Capital Advisor Private Limited as on March 16, 2022.
 5. The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from or notify to the relevant authorities for the issue and allotment by the Transferee Company of preference shares to the members of the 'Transferor Company 1', 'Transferor Company 3' respectively pursuant to the Scheme.
 6. Upon this Scheme becoming effective and upon amalgamation of 'Transferor Companies with the Transferee Company in terms of this Scheme, the equity shares and preference shares of Transferor Companies held by the Transferee Company (either held in its own name or through its nominees) shall stand cancelled in their entirety.
- 3.1.4 The effectiveness of the Scheme is conditional and is subject to the following conditions being met:
1. the Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Companies and the Transferee Company as may be directed by the Competent Authority on receipt of no-objection letters by the Transferee Company from the Stock Exchanges in accordance with the LODR Regulations and the SEBI Circulars in respect of the Scheme (prior to filing the Scheme with the Competent Authority), which shall be in form and substance acceptable to the Transferor Companies, each acting reasonably and in good faith; and
 2. the sanction of the National Company Law Tribunal, Allahabad Bench under the applicable provisions of the Act in favour of the Transferor Companies and the Transferee Company by passing the necessary order;
 3. certified or authenticated scanned copy of the order of the Competent Authority sanctioning the Scheme being filed with the Registrar of Companies, by the Transferor Companies and the Transferee Company, as may be applicable.

4. Valuation Methods evaluated for the Fair Share Exchange Ratios

The Fair exchange ratio has been arrived by the valuer on the basis of a relative equity valuation Transferor Company 1, Transferor Company 3 and Transferee Company. Further, the Transferor Company 2 is a wholly owned subsidiary of the Transferee Company and consequently no shares, preference or equity, will be issued by the Transferee Company upon its amalgamation.



Brief of valuation methodologies used by the Valuer are as follows:

Name	Jindal Quality Tubular Limited ("Transferor Company 1")			Jindal Fittings Limited ("Transferor Company 3")			Jindal SAW Limited ("Transferee Company")		
Methods	Value per share in INR	Weightage (Wgt)	Value x Wgt	Value per share in INR	Weightage (Wgt)	Value x Wgt	Value per share in INR	Weightage (Wgt)	Value x Wgt
Market Approach	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Income Approach	40.55	100%	40.55	10.18	100%	10.18	N.A.	N.A.	N.A.
Asset Approach	0	0%	0	0	0%	0	100.00	100%	100.00
Weighted Average Value in INR	40.55			10.18			100.00		

The **Transferor Company 2** is a wholly owned subsidiary of the Transferee Company and consequently no shares, preference or equity, will be issued by the Transferee Company upon its amalgamation.

5. Scheme not detrimental to the shareholders of the Company

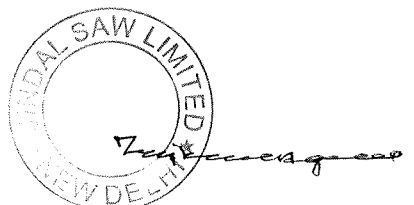
The Scheme will result in consolidation of businesses of the Transferor Companies and get housed in the Transferee Company. Consolidation will be in the interest of stakeholders of Transferee Company and Transferor Companies to have an increased capability for running these businesses and pursue growth opportunities.

The Scheme will result in consolidation of financial resources and optimization of working capital utilization thereby resulting in stronger financial leverage required not only to sustain such businesses in long run but also to facilitate organic and inorganic growth.

The Scheme would also result in simplified group structure by amalgamation of multiple entities. This in turn is expected to result in achieving synergies benefits under a single listed entity in the following manner:

- Pooling of resources in terms of manpower, administration and other common resources, thereby resulting in savings in operational and administrative costs
- Achievement of operational synergies due to consolidation of complementary resources and strengths
- An optimum and efficient utilization of available capital and other resources

Except the cost of implementation of the Scheme, there are no additional costs involved for the proposed scheme. The Audit Committee is of the opinion that the expected synergies and benefits in pursuance of the proposed scheme would result in savings in operational costs and would offset the impact of costs of implementation of the Scheme.

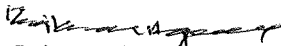


6. Recommendation of the Committee of Independent Directors

In view of the above, the Committee of Independent Directors recommend the draft Scheme to the Board of Directors of the Company for their approval.

By Order of the Committee of Independent Directors

For Jindal Saw Limited


Dr Raj Kamal Aggarwal

DIN: 0005349

Independent Director and Chairman of the Meeting



Date: March 16, 2022

Place: New Delhi

