

**Nitin**  
**Alloys Global Limited**  
**Notice of Court Convened Meeting**  
**and Postal Ballot & E-Voting**



# NITIN ALLOYS GLOBAL LIMITED

[CIN No. : L65990MH1982PLC028822]

Regd. Office: 231, 2nd Floor, Rahul Mittal Industries Premises- Co-op. Society Limited, Sanjay Building No.3, Sir M.V. Road, Andheri (East), Mumbai-400 059, India

Tel. +91 22 2598 5900 Fax: +91 22 2534 5854 Website: www.nitinalloys.com

## COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF NITIN ALLOYS GLOBAL LIMITED AND POSTAL BALLOT & E-VOTING

### COURT CONVENED MEETING

Day	:	Monday
Date	:	June 20, 2016
Time	:	1.30 P.M.
Venue	:	Hotel Archana Residency, Next to R-Mall/Big Bazar, L.B.S. Marg, Mulund (West), Mumbai - 400 080

Sr. No.	Contents	Page No.
1)	Notice of Court Convened Meeting of the Equity Shareholders of Nitin Alloys Global Limited	02
2)	Notice of Postal Ballot and e-voting to the Equity Shareholders of Nitin Alloys Global Limited	04
3)	Explanatory Statement under Section 393 of the Companies Act, 1956 read with Section 102 and other applicable provisions of the Companies Act, 2013	08
4)	Scheme of Arrangement under sections 391 to 394 of the Companies Act 1956 and other relevant provisions of the Companies Act, 2013	13
5)	Valuation Report dated February 6, 2016 from SSPA & Co.	21
6)	Fairness Opinion obtained from Saffron Capital Advisors Private Limited	29
7)	Complaints Report dated March 4, 2016 filed with BSE Limited	38
8)	Observation Letter dated May 5, 2016 from BSE Limited conveying their No-objection to the Scheme of Arrangement	39
9)	Attendance Slip & Form of Proxy	41-42
10)	Postal Ballot Form with instructions for voting and Business Reply Envelope (in loose leaf form)	

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SUMMONS FOR DIRECTION NO 388 OF 2016

In the matter of the Companies Act, 1956 (1 of 1956) (or any re-enactment thereof upon effectiveness of Companies Act, 2013);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement between Nitin Castings Private Limited ('the Demerged Company')

AND

Nitin Alloys Global Limited ('the Resulting Company')

AND

Their Respective Shareholders

**NITIN ALLOYS GLOBAL LIMITED** )  
[CIN No. L65990MH1982PLC028822], a company )  
incorporated under the Companies Act, 1956 and )  
having its registered address at 231, 2nd Floor, Rahul )  
Mittal Industrial Premises Co-op Society Limited, Sanjay )  
Building No.3, Sir M.V. Road, Andheri (East), Mumbai )  
400 059, Maharashtra, India ).....Applicant Company

**NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF  
NITIN ALLOYS GLOBAL LIMITED**

To,  
The Equity Shareholders of  
**Nitin Alloys Global Limited** ("NAGL" or "the Applicant Company")

**TAKE NOTICE** that by an Order made on May 6, 2016, in the above Company Summons for Direction No. 388 of 2016, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the **Equity Shareholders of Nitin Alloys Global Limited**, the Applicant Company, be convened and held at Hotel Archana Residency, Next to R-Mall/Big Bazar, L.B.S. Marg, Mulund (West), Mumbai - 400 080 on Monday, June 20, 2016 at 1.30 P.M., for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between Nitin Castings Private Limited ('NCPL' or 'the Demerged Company') and Nitin Alloys Global Limited ('NAGL' or 'the Resulting Company') and their respective shareholders ("**Scheme**" or "**the Scheme**").

In the said meeting the following business will be transacted:

To consider and if thought fit, approve with or without modification(s), the Scheme

**"RESOLVED THAT** pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and/or under the corresponding provisions of the Companies Act, 2013, the rules, circulars and notifications there under (including any statutory modification or re-enactment thereof) as may be applicable and enabling provisions in the Company's Memorandum of Association and Articles of Association of Nitin Alloys Global Limited and subject to the sanction of the Hon'ble High Court of Judicature at Bombay (hereinafter referred to as "High Court"), and other regulatory authorities, if any, and all such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Company, the Scheme of Arrangement with Nitin Castings Private Limited and Nitin Alloys Global Limited and their respective shareholders ('Scheme' or 'this Scheme'), placed before this meeting, be and is hereby approved.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee constituted by the Board of Directors of the Company or any person(s) authorized by the Board to exercise the powers conferred on the Board of Directors of the Company by this Resolution), be and are hereby authorized to do all such acts, deeds, matters and things as are considered requisite or necessary to effectively implement the Scheme and to accept such modification and / or conditions, if any, which may be required and / or imposed by the Hon'ble High Court of Judicature at Bombay while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out the Scheme."

**TAKE FURTHER NOTICE** that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of Nitin Alloys Global Limited, the Applicant Company, will be convened and held at Hotel Archana Residency, Next to R-Mall/ Big Bazar, L.B.S. Marg, Mulund (West), Mumbai – 400 080 on Monday, June 20, 2016 at 1.30 P.M. at which place, day, date and time you are requested to attend.

**TAKE FURTHER NOTICE** that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at 231, 2nd Floor, Rahul Mittal Industrial Premises Co-Op Soc. Limited, Sanjay Building No.3, Sir M.V. Road, Andheri (East), Mumbai 400 059 not later than 48 hours before the time of the aforesaid meeting.

The Hon'ble High Court of Judicature at Bombay has appointed Mr. Nirmal B. Kedia, Chairman of the Applicant Company, and failing him, Mr. Nipun N. Kedia, Director of the Applicant Company, and failing him, Mr. Shyamlal K Agarwal, Whole - Time Director of the Applicant Company to be the Chairman of the said meeting.

A copy of the Explanatory Statement under Section 393 of the Companies Act, 1956, the Scheme of Arrangement, Valuation Report, Fairness Opinion, Complaints Report, Observation Letters issued by BSE, Form of Proxy, Attendance Slip, Notice of Postal Ballot & Form are enclosed.

Mumbai, May 11, 2016

**Sd/-**  
**Nirmal B. Kedia**  
**Chairman appointed for the meeting**

**Registered Office:**

231, 2nd Floor,  
Rahul Mittal Industries Premises Co-Op Society Ltd.,  
Sanjay Building No.3,  
Sir M.V. Road, Andheri (East),  
Mumbai 400 059, Maharashtra, India

**Notes:**

1. All alterations made in the form of proxy should be initialed.
2. Only registered equity shareholders of the Applicant Company may attend and vote (either in person or by proxy or by authorised representative under applicable provisions of the Companies Act, 2013) at the Equity Shareholders meeting. The authorised representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders meeting is deposited at the registered office of the Applicant Company not later than 48 hours before the meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE APPLICANT COMPANY. THE FORM OF PROXY DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE APPLICANT COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A person can act as a proxy on behalf of not more than fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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.
4. A registered equity shareholder or his proxy is requested to bring a copy of the notice to the meeting and produce at the entrance of the meeting venue, the attendance slip duly completed and signed.
5. Registered equity shareholders who hold shares in dematerialized form are requested to bring their Client ID and DP ID for easy identification.
6. Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company / list of Beneficial Owners as received from the National Securities Depository Services Limited/ Central Depository Services (India) Limited in respect of such joint holding will be entitled to vote.

**Encl.:** As above





## NITIN ALLOYS GLOBAL LIMITED

[CIN No. : L65990MH1982PLC028822]

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Tel. +91 22 2598 5900 Fax: +91 22 2534 5854 Website: www.nitinalloys.com

### NOTICE OF POSTAL BALLOT AND E-VOTING

**Notice pursuant to Section 110 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the circulars and notifications thereunder (including any statutory modification or re-enactment thereof), and Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including SEBI Circulars CIR/CFD/CMD/16/2015 dated November 30, 2015 ("SEBI Circulars"), and Clause 35B of the Equity Listing Agreements with BSE Limited for the approval of the Public Shareholders of Nitin Alloys Global Limited through postal ballot and e-voting for the resolutions set out hereinafter**

To,  
The Equity Shareholders of  
**Nitin Alloys Global Limited** ("NAGL" or "the Applicant Company")

**NOTICE** is hereby given that pursuant to Section 110 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 made there under and the applicable SEBI Circulars and Regulations, the Company is seeking consent of its Equity Shareholders for the Scheme of Arrangement between Nitin Castings Private Limited ('**NCPL**' or '**the Demerged Company**') and Nitin Alloys Global Limited ('**NAGL**' or '**the Resulting Company**') and their respective shareholders ("**Scheme**" or "**the Scheme**") under Section 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 through postal ballot and e-voting.

The Company seeks the approval of its Equity Shareholders to the Scheme by way of Postal Ballot including e-voting pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the applicable SEBI Circulars, subject to the requirements specified in the Observation Letters dated May 5, 2016 issued by the BSE Limited ("BSE") pursuant to the relevant SEBI Circulars and Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and under relevant provisions of applicable laws.

In terms of the SEBI Circulars, read with the Observation Letters, the Scheme shall be acted upon only if the votes cast by the Public Equity Shareholders in favor of the proposal are more than the number of votes cast by the Public Equity Shareholders against it.

The Company has appointed Mrs. Kala Agarwal, Practicing Company Secretary (CP No. 5356 and membership no 5976), as Scrutinizer for conducting the Postal Ballot process including e-voting in a fair and transparent manner.

Further, the Company has engaged the services of Central Depository Services (India) Limited, Mumbai ("**CDSL**") to provide e-voting facility to the Equity Shareholders of the Company.

In compliance with the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Equity Listing Agreement entered into with BSE, the Equity Shareholders of the Company may cast their votes either through the postal ballot form or electronically i.e. e-voting.

It is clarified that the Equity Shareholders can opt for only one mode of voting i.e., either through postal ballot or e-voting. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Postal Ballot Form shall be treated invalid.

Equity Shareholders desirous of voting electronically are requested to carefully read the instructions for e-voting enumerated in the notes to the Notice. Equity Shareholders who wish to exercise their vote using postal ballot are requested to carefully go through the instructions printed in the enclosed postal ballot form.

Voting including e-voting will commence on Saturday, May 21, 2016, at 9.00 a.m. and will end at 5.00 p.m. on Friday, June 17, 2016. You are requested to carefully read the instructions printed in the postal ballot form and return the form duly completed and signed in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before 12.00 p.m. on Monday, June 20, 2016. Postal ballot forms/ votes received after the said date will be treated as if the reply from such Public Shareholder has not been received.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the Postal Ballots (including e-voting). The results of the postal ballot and e-voting will be announced on June 21, 2016 at 3 p.m. at the Registered Office of the Company at 231, 2nd Floor, Rahul Mittal Industries Premises- Co-op. Society Limited, Sanjay Building No.3, Sir M.V. Road, Andheri (East), Mumbai-400 059, India and will be displayed on the website of the Company at www.nitinalloys.com for information of the Equity Shareholders, besides being communicated to BSE.

Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable provisions of the Companies Act, 2013, SEBI Circulars and other relevant provisions of applicable laws, the following Resolution is proposed for the consideration of the Equity Shareholders of the Company through Postal Ballot and e-voting:

## **PROPOSED RESOLUTION:**

To consider and, if thought fit, to pass the following resolution with requisite majority as per the SEBI Circulars:

**To approve the Scheme of Arrangement between Nitin Castings Private Limited ('NCPL' or 'the Demerged Company') and Nitin Alloys Global Limited ('NAGL' or 'the Company' or 'the Resulting Company') and their respective shareholders ('Scheme' or "the Scheme").**

**"RESOLVED THAT** pursuant to the provisions of Sections 391 to 394 and other applicable provisions of Companies Act, 1956 or any statutory modification or replacement thereof for the time being in force read with other applicable provisions of Companies Act 2013 or any amendment thereof and enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the requisite approval(s) of the shareholders and/or creditors of the Company and further subject to the requisite approvals, consents, sanctions and permissions of BSE Limited, Securities Exchange Board Of India (SEBI), Central Government, other concerned regulatory authorities and the sanction of the Hon'ble High Court of Judicature at Bombay and/or such other appropriate authority, as may be applicable, the approval to a Scheme of Arrangement between Nitin Casting Private Limited ("NCPL" or "the Demerged Company") and Nitin Alloys Global Limited ("NAGL" or "the Resulting Company") and their respective Shareholders ("Scheme" or "the Scheme"), for demerger of Casting Business carried out by NCPL, on a going concern basis and vesting in NAGL be and is hereby approved.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee constituted by the Board of Directors of the Company or any person(s) authorized by the Board to exercise the powers conferred on the Board of Directors of the Company by this Resolution), be and are hereby authorized to do all such acts, deeds, matters and things as are considered requisite or necessary to effectively implement the Scheme and to accept such modification and / or conditions, if any, which may be required and / or imposed by the Hon'ble High Court of Judicature at Bombay while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out the Scheme."

By Order of the Board of Directors  
For **Nitin Alloys Global Limited**

**Date:** May 11, 2016

**Place:** Mumbai

**Sd/-**  
Mr. Murlidhar J. Gupta  
**Compliance Officer**

### **Registered Office:**

231, 2nd Floor,  
Rahul Mittal Industries Premises Co-Op Society Ltd.,  
Sanjay Building No.3,  
Sir M.V. Road, Andheri (East),  
Mumbai 400 059, Maharashtra, India

### **Notes:**

1. Consideration and approval of the Equity Shareholders of the Company by postal ballot and e-voting is sought for the above resolutions.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts is annexed hereto.
3. The Notice, together with the documents accompanying the same, is being sent to all the members by courier whose names appear in the Register of Members/ list of Beneficial Owners as received from the National Securities Depository Services Limited/ Central Depository Services (India) Limited or Registrar and Share Transfer Agent as on May 13, 2016, at their respective registered/last known address. The Notice will be displayed on the website of the Company ([www.nitinalloys.com](http://www.nitinalloys.com)) and of CDSL.
4. The date of dispatch of the Notice and the Explanatory Statement along with the postal ballot papers will be announced through advertisement in the following newspapers: Free Press Journal (Mumbai Edition) and Navshakti (Mumbai Edition), having wide circulation in the district where the registered office of the Company is situated.
5. The Company has appointed Mrs. Kala Agarwal, Practicing Company Secretary (CP Number 5356 and membership no. 5976), as the Scrutinizer to conduct the postal ballot and e-voting process in a fair and transparent manner.
6. Voting rights shall be reckoned on the paid up value of the shares registered in the names of the members as on May 13, 2016. Where the entries in the records are disputed, the Chairman of the meeting shall determine the number as the case may be for the purposes of the meeting and his decision in that behalf would be final. The resolutions shall be considered approved by the Public Shareholders in case the votes in favor of the resolutions are more than the votes cast against the resolution.
7. Equity Shareholders have the option either to vote through the e-voting process or through the postal ballot form.
8. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Equity Shareholders voting

in physical form are requested to carefully read the instructions printed in the attached postal ballot form. Equity Shareholders who have received the postal ballot notice by e-mail and who wish to vote through postal ballot form, can download the postal ballot form from the Company's website ([www.nitinalloys.com](http://www.nitinalloys.com)) or seek duplicate postal ballot form from the Company. Members shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the Scrutinizer so as to reach the Scrutinizer on or before 12.00 p.m. on June 20, 2016. Any postal ballot form received after the said date and time period shall be treated as if the reply from the member has not been received.

9. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected. There will be only 1 (one) postal ballot form for every registered folio /client ID irrespective of the number of joint members.
10. The postal ballot form should be completed and signed by the Public Shareholder (as per specimen signature registered with the Company and/or furnished to National Securities Depository Limited / Central Depository Services (India) Limited). In case, shares are jointly held, this form should be completed and signed by the first named member and, in his/her absence, by the next named member. Holder(s) of Power of Attorney ("PoA") on behalf of a Public Shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorisation giving the requisite authority to the person voting on the postal ballot form.
11. In compliance with provisions of Clause 35B of the equity listing agreement, as stated hereinabove, the Company is pleased to offer e-voting facility to its Equity Shareholders holding equity shares as on May 13, 2016 (being the cutoff date), to exercise their right to vote electronically on the above resolutions. For this purpose, the Company has signed an agreement with CDSL for facilitating e-voting.
12. The instructions for the Public Shareholders for voting electronically are as under:-
  - (i) The voting period begins on Saturday, May 21, 2016 at 9.00 a.m. and ends on Friday, June 17, 2016 at 5.00 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 (record date) of Friday, May 13, 2016, 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.
  - (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>
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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 and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DOB</b>	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.
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</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 "Nitn Alloys Global Limited" 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 and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user 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:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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)

- 13. Equity Shareholders have the option to vote either through e-voting or through physical postal ballot form. If an Equity Shareholder has opted for e-voting, then he/she should not vote by physical postal ballot form also and vice-versa. However, in case Equity Shareholders cast their vote both via physical postal ballot form and e-voting, then voting through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
- 14. The Scrutinizer will submit his report to the Chairman of the Board after completion of the scrutiny of the postal ballots including e-votes submitted. The Scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The results of the postal ballot including e-voting will be announced on Tuesday, June 21, 2016.
- 15. The results, together with the Scrutinizer's report, will be displayed at the registered office of, the corporate office of and on the website of the Company i.e., [www.nitinalloys.com](http://www.nitinalloys.com) and also on the website of CDSL i.e., <https://evotingindia.com>, besides being communicated to BSE Limited on which the shares of the Company is listed.



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**  
**ORDINARY ORIGINAL CIVIL JURISDICTION**  
**COMPANY SUMMONS FOR DIRECTION NO 388 OF 2016**

In the matter of the Companies Act, 1956 (1 of 1956) (or any re-enactment thereof upon effectiveness of Companies Act, 2013);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement between Nitin Castings Private Limited ('the Demerged Company')

AND

Nitin Alloys Global Limited ('the Resulting Company')

AND

Their Respective Shareholders

**NITIN ALLOYS GLOBAL LIMITED** )  
[CIN No. L65990MH1982PLC028822], a company )  
incorporated under the Companies Act, 1956 and )  
having its registered address at 231, 2nd Floor, Rahul )  
Mittal Industrial Premises Co-op Society Limited, Sanjay )  
Building No.3, Sir M.V. Road, Andheri (East), Mumbai )  
400 059, Maharashtra, India ).....Applicant Company

**EXPLANATORY STATEMENT PURSUANT TO SECTION 393 OF THE COMPANIES ACT, 1956 AND SECTION 102 OF THE COMPANIES ACT 2013**

1. Pursuant to an Order dated May 6, 2016 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, a meeting of the Equity Shareholders of Nitin Alloys Global Limited, the Applicant Company, is being convened and held at Hotel Archana Residency, Next to R-Mall/Big Bazar, L.B.S. Marg, Mulund (West), Mumbai – 400 080 on June 20, 2016 at 1.30 P.M. for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between Nitin Castings Private Limited ('NCPL' or "the Demerged Company") and Nitin Alloys Global Limited ('NAGL' or "the Resulting Company") and their respective shareholders ("Scheme" or "the Scheme").
2. In this statement **Nitin Castings Private Limited** is referred to as "NCPL" or "the Demerged Company" and **Nitin Alloys Global Limited** is referred to as "NAGL" or "the Applicant Company" or "the Resulting Company". The other definitions contained in the Scheme of Arrangement between NCPL and NAGL and their respective shareholders (hereinafter referred to as the "Scheme") shall apply to this Explanatory Statement also.
3. In accordance with the provisions of Section 391 of the Companies Act, 1956, the Scheme shall be acted upon only if a majority in number representing three-fourths in value of the equity shareholders of the Company, present and voting at the Court Convened Meeting, in person or by proxy, agrees to the Scheme.
4. A copy of the proposed Scheme of Arrangement between NCPL and NAGL setting out in detail the terms and conditions of the Arrangement is attached to this Explanatory Statement.

**5. BACKGROUND OF COMPANIES**

**A. NITIN CASTINGS PRIVATE LIMITED ("NCPL" or "the Demerged Company")**

- a) Nitin Castings Private Limited was incorporated on August 17, 1962 under the Companies Act, 1956, under the name and style of "Nitin Engineering & Manufacturing Company Private Limited". The name of the company was changed to "Nitin Castings Private Limited" on 30th June, 1970. Further, the name of the company was changed to "Nitin Casting Limited" (converted into private company under section 23 of the companies Act, 1956) with effect from 31st January, 1975. Further, pursuant to Section 18 of the Companies Act, 2013 (conversion into Private limited by shares company) the name changed to "Nitin Castings Private Limited" with effect from 27th November, 2015.
- b) The Registered Office of Nitin Castings Private Limited is situated at 231, 2nd Floor, Rahul Mittal Industrial Premises Co-op Society Limited, Sanjay Building No.3, Sir M.V. Road, Andheri (East), Mumbai – 400 059, Maharashtra.
- c) The Authorised, Issued, Subscribed and Paid-up share capital of NCPL as on March 31, 2015 is as under:

Particulars	Amount Rs.
<b>Authorised Share Capital</b>	
32,50,000 Equity shares of Rs.10 each.	3,25,00,000
<b>Total</b>	<b>3,25,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
31,50,000 Equity shares of Rs.10 each fully paid up	3,15,00,000
<b>Total</b>	<b>3,15,00,000</b>

Subsequent to the above date and till date, there has been no change in the Issued, Subscribed and Paid-up Share capital of the Applicant Company.

d) The main objects of the Applicant company are as under: -

**“III. The Objects for which the Applicant Company is established are:**

**A. MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**

1. *“To Carry on the business of Forge Masters and Drop Stampers and to manufacture every type of Forgings, Drop Stamping, sheet metal deep drawings & heavy structural fabrications for all traders and industry.*
2. *To carry on the business of Tool makers and to establish Tool Room for this purpose.*
3. *To carry on the business of metallurgists, smelters, metal founders, machinists and manufacturers of machinery parts, hardware, tools, implements and metal ware of every description and to carry on any other business manufacturing or otherwise which may seem to the Company capable of being conveniently carried on in connection with the above or otherwise calculated directly or indirectly to enhance the value of the Company’s rights and properties for the time being.*
4. *To carry on the business of making, shaping and treating of metals and alloys and to establish manufacturing, smelting and refining plants for all kinds of metals and alloys.*
5. *To conduct and carry on the business of general metal founders, spinners, rollers and workers and metals and their alloys, electrical, mechanical, mining and civil engineers, metal and minerals merchants, miner, carriers and contractors.*
6. *To purchase on the manufacture end preparation of any other materials which may be useful or conveniently combined with the business of the Company or any contracts undertaken by the Company, and either for the purpose of such contracts or as an independent business to buy, sell, manufacture, import, export, manipulated, prepare for market, and deal in, both wholesale and retail, iron steel and any other metals and all kind of machinery, implements, tools, hardware, utensils, articles and things wholly or partly manufactured therefrom.”*

e) NCPL is engaged in multiple businesses - Real Estate, Windmill power generation and Casting Business.

**B. NITIN ALLOYS GLOBAL LIMITED (“NAGL” or “the Applicant Company” or “the Resulting Company”)**

- a) Nitin Alloys Global Limited was incorporated on December 3, 1982 under the Companies Act, 1956, under the name and style of “Aditya Leasing Limited”. The name of the Company was changed to “Nitin Alloys Global Limited” with effect from June 06, 2006.
- b) The Registered Office of Nitin Alloys Global Limited is situated at 231, 2nd Floor, Rahul Mittal Industrial Premises Co-op Society Limited, Sanjay Building No.3, Sir M.V. Road, Andheri (East), Mumbai – 400 059, Maharashtra.
- c) The Authorised, Issued, Subscribed and Paid-up share capital of NAGL as on March 31, 2015 is as under:

Particulars	Amount Rs.
<b>Authorised Share Capital</b>	
50,00,000 Equity shares of Rs. 10 each	5,00,00,000
<b>Total</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
14,04,000 Equity shares of Rs. 10 each, fully paid up	1,40,40,000
<b>Total</b>	<b>1,40,40,000</b>

Subsequent to the above date and till date, there has been no change in the Issued, Subscribed and Paid-up Share capital of the Applicant Company. The Equity Shares of the Applicant Company are listed on BSE Limited.

d) The main objects of the Applicant company are as under: -

**“III. The Objects for which the Applicant Company is established are:**

**A. MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**

*“To carry on the business of manufacturers, dealers in, exporters and importers, wholesalers, stockiest, agents, buying, selling of all varieties of steel, special steel, carbon steel, tool alloy steel, mild steel and any other kind and grades of steel and to carry on and execute the work of steel engineers including manufacturing and dealing in steel, billets, steel rods, steel ingots, steel sheets, steel wires, and in all kinds of steel products whether forged, rolled or drawn and consequently to manufacture, sell and deal in all or any of the by-products which will be obtained in the process of manufacturing these steel products.”*

e) NAGL is engaged in the business of manufacturing of products relating to Alloys Steel Castings.

**6. Rationale of the Scheme:**

Casting Business as carried out by NCPL is a profitable business, has a wider product profile as compared to NAGL casting business and is complimentary to the existing business of NAGL. Benefits inter alia arising to NAGL as a result of the proposed demerger are given as under:

- Access to the technical know-how used by NCPL for manufacture of casting products like Reformer Tubes, Ethylene Crackers coil, Harp Assemblies, Vertical Centrifugal Castings, Radiant Tube coil Assemblies etc which at present is not available with NAGL.
- Currently NCPL has significant amount of export business. As a result of integration, NAGL would be able to expand its reach and be able to market its product portfolio in the overseas market;
- Ready access to the approvals obtained by NCPL from international consultants / local Indian consultants which generally takes significant time and efforts. Also, it would be easier to meet the qualification criteria for various suppliers since NCL has history of supplying products to such companies;
- Diversification of products in the various industry verticals more specifically especially in petro-chemicals / refining. Such diversification would provide NAGL insulation from economic uncertainties and market downturn

Further, the combined Casting Business is expected to cover wider range of industries such as oil & gas, fertilizer, petrochemicals etc. The proposed demerger in overall is contemplated to result in higher profitability, improved performance, growth opportunities, enhanced business value, operational capability and leadership.

**7. The salient features of the Scheme are as follows:**

The proposed Scheme of Arrangement between NCPL and NAGL and their respective shareholders is presented under Sections 391-394 and other applicable provisions of the Companies Act, 1956 with effect from the Appointed Date i.e. April 1, 2015. The salient features of the Scheme are as under:

- a. The whole of undertaking and assets and properties of Castings Business Undertaking, shall, stand transferred to and vested in and/or deemed to be transferred to and vested in NAGL so as to vest in NAGL all the rights, title and interest pertaining to the Casting Business Undertaking;
  - b. Consideration to be discharged by NAGL by way of issue of 10 (Ten) fully paid up New Equity Shares of Rs. 10 (Rupees Ten) each of NAGL shall be issued and allotted for every 27 (Twenty Seven) fully paid up equity shares of Rs. 10 (Rupees Ten) each held in NCPL.;
  - c. Appointed Date for the Scheme of Arrangement is April 1, 2015;
  - d. The Scheme of Arrangement would become effective from the Appointed Date but shall be operative from the Effective Date the Registrar of Companies, Mumbai; and
  - e. Upon the Scheme becoming effective, and subject to necessary compliances with the rules and regulations of the BSE and SEBI, the new equity shares of NAGL issued as consideration of demerger, will be listed on BSE.
8. NAGL has obtained Valuation Report from Independent Chartered Accountant, SSPA & Co, Chartered Accountants and Fairness Opinion of an independent Merchant Banker, Saffron Capital Advisors Private Limited. The Valuation Report and the Fairness Opinion were also placed before the Board of Directors and approved by them in the meeting held on February 06, 2016.
  9. The new equity shares of NAGL to be issued pursuant to this Scheme, shall be listed and/or admitted to trading on the BSE where the equity shares of NAGL are listed and/ or admitted to trading.
  10. The proposed scheme of arrangement would not have any adverse impact on the financial position or the business of NAGL and would not be prejudicial to the interest of its shareholders.

N. B. - The features set out above being only the salient features of the Scheme of Arrangement. The Equity Shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

11. The Board of Directors of NAGL and NCPL have at their respective meeting on February 06, 2016 by resolutions passed, unanimously approved the Scheme.



12. In accordance with Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations, 2015”), the Audit Committee of the NAGL had on February 06, 2016 recommended the proposed Scheme of Arrangement for approval of the Board of Directors of NAGL and the same was approved.
13. The shareholding pattern of NAGL Pre and Post Arrangement is given below:

Sr. No	Description	Pre-Arrangement (on 31st December, 2015)		Post-Arrangement	
		Equity Shares	%	Equity Shares	%
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
	Individuals/Hindu Undivided Family	5,06,700	36.09	16,73,367	65.09
	Bodies Corporate	1,58,350	11.28	1,58,350	6.16
	<b>Sub Total</b>	<b>6,65,050</b>	<b>47.37</b>	<b>18,31,717</b>	<b>71.25</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>47.37</b>	<b>18,31,717</b>	<b>71.25</b>	<b>6,65,050</b>
(B)	Public Shareholding	7,38,950	52.63	7,38,950	28.75
(1)	Institutions	-	-	-	-
(2)	Non-Institutions	-	-	-	-
	Bodies Corporate	-	-	-	-
	Individuals	-	-	-	-
	Individual Shareholders holding nominal share capital upto Rs. 1 lakh	1,62,668	11.59		
	Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	4,01,618	28.61		
	<b>Any Others (Specify)</b>	<b>1,74,664</b>	<b>12.44</b>		
	Non Resident Indians				
	<b>Sub Total</b>	<b>7,38,950</b>	<b>52.63</b>	<b>7,38,950</b>	<b>28.75</b>
	<b>Total Public shareholding (B)</b>	<b>7,38,950</b>	<b>52.63</b>	<b>7,38,950</b>	<b>28.75</b>
	<b>Total (A) + (B)</b>	<b>14,04,000</b>	<b>100</b>	<b>25,70,667</b>	<b>100</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-
(1)	Promoter and Promoter Group	-	-	-	-
(2)	Public	-	-	-	-
	<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (A) + (B) + (C)</b>	<b>14,04,000</b>	<b>100</b>	<b>25,70,667</b>	<b>100</b>

15. In terms of Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations, 2015”), NAGL has received Observation Letter from BSE dated May 5, 2016, conveying their “no objection” for filing the Scheme with the Hon’ble High Court of Judicature at Bombay.
16. The Scheme is subject to the sanction of the Hon’ble High Court of Judicature at Bombay.
17. As far as creditors of NAGL are concerned, their rights will in no way be affected by the proposed Scheme as there is no compromise or arrangement that is envisaged in the proposed Scheme. Further, the assets of NAGL post the Scheme, will be sufficient to discharge the liabilities as they arise in the ordinary course of business.
18. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956 or under the notified Sections of the Companies Act, 2013, against NAGL.
19. No winding up petitions have been pending and/or admitted against NAGL.
20. The Directors of NAGL and NCPL may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies or to the extent the said directors are common directors in the Companies or to the extent the said directors are the partners, directors, members of the Companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies. Further, none of Key Managerial Personnel (KMP) & their relatives and relatives of the Directors of the Applicant Company are concerned or interested, financial or otherwise in the proposed Scheme. Save as aforesaid, none of the Directors of NAGL have any material interest in the proposed Scheme.

21. The extent of the shareholding of the Directors and Key Managerial Personnel of NAGL in NAGL and NCPL is as under:

Sr. No.	Name of the Director / Key Managerial Personnel	Designation	Equity shares held in NAGL	Equity shares held in NCPL
1.	Mr. Nirmal B. Kedia	Non - Executive / Chairman	Nil	626,300
2.	Mr. Nipun N. Kedia	Executive Director	15,000	Nil
3.	Mr. Nitin S. Kedia	Non - Executive	Nil	742,800
4.	Mr. S. L. Agarwal	Whole - Time Director	Nil	Nil
5.	Mr. Deven Doshi	Independent - Non Executive	Nil	Nil
6.	Mr. Arvind Jalan	Independent - Non Executive	Nil	Nil
7.	Ms. Preethi Anand	Independent - Non Executive	Nil	Nil

22. The extent of the shareholding of the Directors and Key Managerial Personnel of NCPL in NCPL and NAGL is as under:

Sr. No.	Name of the Director / Key Managerial Personnel	Designation	Equity shares held in NCPL	Equity shares held in NAGL
1.	Mr. Nirmal B. Kedia	Director	626,300	Nil
2.	Mr. Nitin S. Kedia	Director	742,800	Nil
3.	Mr. Vijay Khowala	Director	Nil	Nil

### 23. INSPECTION

The following documents will be open for inspection at the Registered Office of NAGL on any working day except Saturdays, Sundays and Public holidays (between 11:00 am and 1:00 pm) prior to the date of the meeting:

- Memorandum and Articles of Association of NAGL and NCPL;
- Scheme of Arrangement;
- The Audited Financial Statements of NAGL for last three financial years ended March 31, 2015, March 31, 2014 and March 31, 2013;
- Latest Audited Financial Statements as at November 4, 2015 of NCPL;
- Certified copy of the Order passed by the Hon'ble High Court of Judicature at Bombay in Company Summons for Direction No. 388 of 2016 for NAGL;
- Copies of the resolution passed by the Board of Directors of NAGL and NCPL approving the Scheme;
- Copy of the no objection / observation letters relating to the Scheme issued by BSE respectively to NAGL on May 5, 2016.
- Complaints Report dated March 4, 2016 relating to the Scheme submitted by the Company to BSE;
- Copy of Net Worth Certificate dated February 09, 2016 issued by Sandeep Rathi & Associates, Chartered Accountants certifying the Net Worth of NAGL based on the Audited Accounts of the company for the year ended March 31, 2015, pre and post demerger;
- Copy of the Valuation Report dated February 06, 2016 issued by SSPA & Co., Chartered Accountants recommending share exchange ratio; and
- Copy of the Fairness Opinion dated February 06, 2016 issued by Saffron Capital Advisers Private Limited on share exchange ratio.

This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956 and also under Section 102 of the Companies Act, 2013. A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of NAGL and/or at the office of the Advocates - M/s. Hemant Sethi & Co., 1602 NavParmanu, Behind Amar Cinema, Chembur, Mumbai 400 071

**Sd/-**  
**Nirmal B. Kedia**  
**Chairman appointed for the meeting**

#### Registered Office:

231, 2nd Floor,  
Rahul Mittal Industries Premises Co-Op Society Ltd.,  
Sanjay Building No.3,  
Sir M.V. Road, Andheri (East),  
Mumbai 400 059, Maharashtra, India

**SCHEME OF ARRANGEMENT  
BETWEEN  
NITIN CASTINGS PRIVATE LIMITED (“NCPL” OR “THE DEMERGED COMPANY”)  
AND  
NITIN ALLOYS GLOBAL LIMITED (“NAGL” OR “THE RESULTING COMPANY”)  
AND  
THEIR RESPECTIVE SHAREHOLDERS**

**I. PURPOSE OF THE SCHEME**

The Scheme of Arrangement is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (“the Act”), for demerger of the Casting Business Undertaking carried out by Nitin Castings Private Limited (“NCPL” or “the Demerged Company”), on a going concern basis and vesting in Nitin Alloys Global Limited (“NAGL” or “the Resulting Company”). The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

**II. RATIONALE OF THE SCHEME**

Both the companies under this Scheme of Arrangement are part of Nitin Castings Group (‘the Group’). NCPL is engaged in multiple businesses and NAGL is engaged in the business of manufacturing of products relating to Alloy Steel Castings. The Group believes that the restructuring would benefit the companies and its stake holders on account of following reasons:

- Business wise segregation of companies thereby ensuring focused management;
- Improved Organizational capability and leadership;
- Achieving operational and management efficiency; and
- Ability to leverage financial and operational resources of each company.

**III. PARTS OF THE SCHEME**

The Scheme of Arrangement is divided into the following parts:

**Part A** – Deals with the Definitions, Interpretation and Share Capital;

**Part B** – Deals with the demerger of Casting Business Undertaking into NAGL; and

**Part C** – Deals with the General Terms and Conditions

**PART A**

**DEFINITIONS, INTERPRETATION AND SHARE CAPITAL**

**1. DEFINITIONS**

In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expression shall have the meanings respectively assigned against them:

- 1.1 **“Act” or “the Act”** means the Companies Act, 1956, the rules and regulations made thereunder and will include any statutory modification or re-enactment thereof for the time being in force and also mean and refer to corresponding sections of the Companies Act, 2013 the rules and regulations made thereunder, as and when such corresponding sections are notified by the Central Government;
- 1.2 **“Appointed Date”** means April 1, 2015 or such other date as may be fixed or approved by the High Court of Judicature at Bombay or National Company Law Tribunal (NCLT), if and when made operational or such other competent authority.
- 1.3 **“BSE”** means the Bombay Stock Exchange Limited;
- 1.4 **“Board” or “Board of Directors”** means the Board of Directors or any committee thereof of the NCPL or NAGL or both as the context may require;
- 1.5 **“Book Value(s)”** means the value(s) of the assets and liabilities as appearing in the books of NCPL at the close of business on the day immediately preceding the Appointed Date;
- 1.6 **“Court” or “High Court”** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if and when made operational.
- 1.7 **“Casting Business Undertaking”** means the entire business undertaking of NCPL relating to “Casting Business” along with all related assets, liabilities, employees including specifically the following:
  - i. all properties and assets, whether moveable or immovable (more specifically including property located at Maharashtra and described in detail at Annexure I), including all rights (whether freehold, leasehold or license), title, interest, cash and bank balances, bills of exchange, covenant and undertakings of NCPL pertaining to Casting Business Undertaking;

- ii. all assets (whether moveable or immovable, real or personal, corporeal or incorporeal, in possession, or in reversion, leasehold or otherwise, present, future, contingent, tangible or intangible) including investments of NCPL pertaining to Casting Business Undertaking and not limited to the plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits including deposits or outstanding in litigations or paid under protest, provisions, advances, receivables, funds, leases, licenses, tenancy rights, premises, hire purchase and lease arrangements including benefits of agreements, contracts and arrangements, powers, authorities, industrial and other licenses, registrations, quotas, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested into or granted in favour of or held for the benefit of or enjoyed by NCPL pertaining to the Casting Business Undertaking;
- iii. all debts, borrowings, obligations and liabilities, whether present or future, whether secured or unsecured, of NCPL pertaining to the Casting Business Undertaking comprising of:
  - a) all the debts, duties, obligations and liabilities, including contingent liabilities which arise out of the activities or operations of NCPL pertaining to the Casting Business Undertaking;
  - b) the specific loans or borrowings raised, incurred and utilised solely for the activities and operations of NCPL pertaining to the Casting Business Undertaking; and
  - c) liabilities other than those referred to in Sub-Clauses (a) and (b) above and not directly relatable to the Casting Business Undertaking, being the amounts of any general or multipurpose borrowings of NCPL as stand in the same proportion which the value of assets, transferred under this Clause, of the Casting Business Undertaking bears to the total value of the assets of NCPL immediately before the Appointed Date.
- iv. all intellectual property rights, including patents, trademarks and copyrights of NCPL pertaining to Casting Business Undertaking;
- v. all books, records, files, papers, engineering and process information, computer programmes, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to Casting Business Undertaking;
- vi. all permanent employees employed by NCPL pertaining to the Casting Business Undertaking, as identified by the Board of Directors of NCPL, as on the Effective Date.
- vii. all earnest monies, security deposits, or other entitlements, if any, in connection with or relating to NCPL pertaining to Casting Business Undertaking;

Any question that may arise as to whether a specific asset (tangible or intangible) or any liability pertains or does not pertain to the Casting Business Undertaking or whether it arises out of the activities or operations of the Casting Business Undertaking or not, shall be decided by the Board of Directors of NCPL or any committee thereof.

- 1.8 **“Effective Date”** means the date on which the authenticated copies or certified copies of the Orders of High Court of Judicature at Bombay under Sections 391 to 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai by NCPL and NAGL;
- 1.9 **“NAGL” or “the Resulting Company”** means Nitin Alloys Global Limited (CIN: L65990MH1982PLC028822), a company incorporated under the Companies Act, 1956 and having its registered office at 231, 2nd Floor, Rahul Mittal Industries Premises- Co-op. Society Limited, Sanjay Building No.3, Sir M.V. Road, Andheri (East), Mumbai-400 059;
- 1.10 **“NCPL” or “the Demerged Company”** means Nitin Castings Private Limited (CIN: U28900MH1962PTC012448), a Company incorporated under the Act and having its registered office at 231, 2nd Floor, Rahul Mittal Industrial Premises Co-Op Soc. Limited, Sanjay Building No. 3, Sir M.V. Road, Andheri (East), Mumbai – 400 059, Maharashtra;
- 1.11 **“Record Date”** means the date to be fixed jointly by the Board of Directors of NCPL and NAGL for the purposes of determining the shareholders of NCPL to whom shares would be issued in accordance with Clause 5 of this Scheme (as defined hereinafter);
- 1.12 **“Remaining business of NCPL”** means all the undertakings, businesses, activities, operations and investments of NCPL other than the Casting Business Undertaking;
- 1.13 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form as submitted to the Hon’ble High Court or this Scheme with such modification(s) / amendments, if any made, as per Clause 15 of the Scheme.
- 1.14 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

Reference to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme. The singular shall include the plural and vice versa.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 2.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Judicature at Bombay or made as per Clause 15 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date unless the context requires otherwise.
- 2.2 Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.

## 3. SHARE CAPITAL

- 3.1 The share capital of NCPL as at March 31, 2015 is as under:

Share Capital	Amount (In Rs.)
<b>Authorized Share Capital</b>	
32,50,000 Equity Shares of Rs. 10 each	3,25,00,000
<b>TOTAL</b>	<b>3,25,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
31,50,000 Equity Shares of Rs. 10 each, fully paid up	3,15,00,000
<b>TOTAL</b>	<b>3,15,00,000</b>

Subsequent to the above Balance Sheet date and till the date of the Scheme being approved by the Board of Directors of NCPL, there has been no change in the issued, subscribed and paid up share capital of NCPL.

- 3.2 The share capital of NAGL as at March 31, 2015 is as under:

Share Capital	Amount (In Rs.)
<b>Authorized Share Capital</b>	
50,00,000 Equity shares of Rs. 10 each	5,00,00,000
<b>TOTAL</b>	<b>5,00,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
14,04,000 Equity shares of Rs. 10 each, fully paid up	1,40,40,000
<b>TOTAL</b>	<b>1,40,40,000</b>

Subsequent to the above Balance Sheet date and till the date of the Scheme being approved by the Board of Directors of NAGL, there has been no change in the issued, subscribed and paid up share capital of NAGL.

## PART B

### TRANSFER AND VESTING OF CASTING BUSINESS UNDERTAKING OF NCPL INTO NAGL

#### 4. TRANSFER AND VESTING OF CASTING BUSINESS UNDERTAKING

- 4.1 Upon the scheme becoming effective and with effect from the Appointed Date, the whole of the undertaking and assets and properties of the Casting Business Undertaking, shall, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, stand transferred to and vested in and/or deemed to be transferred to and vested in NAGL, so as to vest in NAGL all the rights, title and interest pertaining to the Casting Business Undertaking.
- 4.2 In so far as the immovable properties of the Casting Business Undertaking are concerned, NAGL shall register the true copy of the Order of the High Court approving the Scheme with the offices of the relevant sub-registrar of assurance or similar registering authority in Maharashtra. All the rights of NCPL in the immovable properties pertaining to the Casting Business Undertaking shall stand transferred to NAGL automatically without requirement of execution of any further documents for registering the name of NAGL as owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar etc. may rely on the Scheme along with the copy of the Order passed by the High Court, to make necessary mutation entries and changes in the land or revenue records to reflect the name of NAGL as owner of the immovable properties. The Casting Business Undertaking of NCPL, as defined in clause 1.4, shall stand transferred to and vested in or deemed to be transferred to and vested in NAGL, as a going concern, in compliance with Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. The transfer of Casting Business Undertaking of NCPL shall happen in the following manner:



- 4.2.1. Any and all assets relating to the Casting Business Undertaking, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by vesting and recorded pursuant to this Scheme shall stand transferred and vested by NCPL to NAGL and shall become the property and an integral part of NAGL. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties upon its transfer and vesting into NAGL. Goodwill, if any on demerger of Casting Business Undertaking shall be eligible for depreciation under Income Tax, 1961 and based on the ruling in CIT vs. Smifs Securities Limited.
- 4.2.2. Any and all movable properties of NCPL relating to the Casting Business Undertaking, other than those specified in sub-clause 4.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, be transferred and vested as the property of the NAGL. The investments held in dematerialized form will be transferred to NAGL by issuing appropriate delivery instructions to the depository participant with whom NCPL have an account. No stamp duty shall be payable on the transfer of such movable properties upon its transfer and vesting into NAGL.
- 4.2.3. With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of NCPL relating to the Casting Business Undertaking shall, without any further act or deed be and stand transferred to NAGL so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of NAGL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause. After the Effective Date, NAGL undertakes to meet, discharge and satisfy the said liabilities to the exclusion of NCPL and to keep NCPL indemnified at all times from and against all such liabilities and from and against all actions, demands and proceedings in respect thereto.
- 4.2.4. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by NCPL required to carry on operations in the Casting Business Undertaking shall stand vested in or transferred to NAGL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of NAGL. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to NAGL pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by NCPL relating to the Casting Business Undertaking, are concerned, the same shall vest with and be available to NAGL on the same terms and conditions.
- 4.3 The transfer and vesting of Casting Business Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to Casting Business Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Casting Business Undertaking.
- 4.4 All taxes, duties, cess payable by NCPL relating to the Casting Business Undertaking including all or any refunds / credit / claims relating thereto shall be treated as the liability or refunds / credit / claims, as the case may be, of NAGL, provided however that any direct and indirect taxes that cannot specifically be earmarked as the liability or refunds / credit / claims relating to the Casting Business Undertaking shall continue to be borne by NCPL. It is specifically provided that if NCPL or their successor(s) receives any refunds / credit / claims or incurs any liability in respect of the Casting Business Undertaking the same shall be on behalf of and as a trustee of NAGL and the same shall be refunded to / paid by NAGL.
- 4.5 Upon the coming into effect of this Scheme, NCPL shall permit NAGL, use of its land for the purpose of carrying out the Casting Business at a consideration mutually agreed between NCPL and NAGL. All the outgo in relation to the land including taxes, water charges, electricity charges, etc. shall be borne by NAGL.
- 4.6 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Casting Business Undertaking of NCPL or whether it arises out of the activities or operations of Casting Business Undertaking of NCPL shall be decided by mutual agreement between the Board of Directors of NCPL and NAGL.

## **5. ISSUE OF SHARES**

- 5.1 Upon this Scheme becoming effective and upon vesting of the Casting Business Undertaking of NCPL in NAGL in terms of this Scheme, NAGL shall, without any further application or deed, issue and allot equity shares at fair value ("New Equity Shares"), credited as fully paid-up, to the extent indicated below, to the members of NCPL, holding fully paid up equity shares in NCPL and whose names appear in the Register of Members of NCPL on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of NAGL in the following manner:

*Consideration payable to Equity Shareholders:*

*"10 (Ten) fully paid up New Equity Share of Rs. 10 (Rupees Ten) each of NAGL shall be issued and allotted for every 27 (Twenty Seven) fully paid up equity shares of Rs. 10 (Rupees Ten) each held in NCPL"*

- 5.2 No New Equity Shares shall be allotted in respect of fractional entitlements, by NAGL to which the members of NCPL may be entitled on allotment of shares as per Clause 5.1.
- 5.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of NCPL, the Board of Directors of NCPL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in NCPL, after the effectiveness of this Scheme.
- 5.4 The New Equity Shares shall be issued in dematerialized form to those shareholders who hold shares of NCPL in dematerialized form, in to the account in which NCPL shares are held or such other account as is intimated by the shareholders to NCPL and / or its Registrar before the Record Date. All those shareholders who hold shares of NCPL in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to NCPL and / or its Registrar before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form.
- 5.5 The New Equity Shares to be issued and allotted by NAGL to the equity shareholders of NCPL shall be allotted and recorded at fair value i.e. face value and premium and shall be subject to the Scheme and the Memorandum and Articles of Association of NAGL.
- 5.6 The New Equity Shares to be issued by NAGL to the members of NCPL pursuant to clause 5.1 of this Scheme will be listed and/or admitted to trading in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 on all the Stock Exchanges on which shares of NAGL are listed on the Effective Date. NAGL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for NAGL with the formalities of the said Stock Exchanges. The New Equity Shares of NAGL allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange(s). There shall be no change in the shareholding pattern or control in NAGL between the Record Date and the listing which may affect the status of approvals received from the Stock Exchange(s). The shares so allotted shall be freely tradable and shall not have any lock in period unless contrary contained in any regulation.
- 5.7 NAGL shall and to the extent if required, increase its Authorized Share Capital to facilitate issue of equity shares under this Scheme.
- 5.8 Approval of this Scheme by the shareholders of NAGL shall be deemed to be the due compliance of the provisions of Section 42 read with 62 of the Companies Act, 2013, and the other relevant and applicable provisions of the Act for the issue and allotment of New Equity Shares by NAGL to the shareholders of NCPL, as provided in this Scheme
- 5.9 The approval of this Scheme by the shareholders of NCPL and NAGL under Sections 391 and 394 of the Act shall be deemed to have the approval under Sections 13, 14 and 186 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

## **6. ACCOUNTING TREATMENT**

### **In the books of NAGL**

- 6.1 NAGL shall, upon the Scheme becoming effective, record the assets, liabilities, reserves of the Casting Business Undertaking of NCPL vested in it pursuant to this Scheme, at respective book values, as appearing in the books of NCPL, at the close of business on the day immediately preceding the Appointed Date.
- 6.2 The inter-company balances, if any, appearing in the books of accounts of NAGL and the Casting Business Undertaking being transferred, will stand cancelled;
- 6.3 The difference being the excess of the net assets value (after giving adjustment to clause 6.2 above) of Casting Business Undertaking transferred to NAGL determined as per clause 6.1 above, as reduced by the value of New Equity Shares issued and allotted as per clauses 5.1 by NAGL would be recorded as Capital Reserve. Shortfall, if any, shall be recorded as Goodwill and shall be amortized equally over a period of 5 years.
- 6.4 In case of any differences in accounting policy between NCPL and NAGL, the accounting policies followed by NAGL will prevail and the difference till the Appointed Date will be quantified and adjusted in the Capital Reserve / Goodwill Account to ensure that the financial statements of NAGL reflect the financial position on the basis of consistent accounting policy. The Treatment in this clause shall be applicable irrespective of any change in the accounting method.

### **In the books of NCPL**

- 6.5 Upon the Scheme becoming effective, NCPL shall reduce the book value of assets and liabilities pertaining to the Casting Business Undertaking transferred to NAGL.



6.6 The excess of the book value of assets transferred over the book value of liabilities transferred shall be first adjusted against the General Reserve and balance against Profit and Loss account of NCPL and the balance, if any, shall be recorded as Profit & Loss Debit Balance.

## **7. PROFITS, DIVIDEND, BONUS/RIGHT SHARES**

7.1 NCPL shall not utilize profits or income, if any, pertaining to the Casting Business Undertaking for any purpose including declaring or paying any dividend in respect of the period falling on and after the Appointed Date without the mutual consent / approval of Board of Directors of NCPL and NAGL. NCPL shall also not utilize profits, adjust or claim adjustment of the profits/loss as the case may be earned/incurred or suffered in respect of the Casting Business Undertaking after the Appointed Date.

7.2 Until the Effective Date, NCPL shall not issue or allot any further equity shares either rights or bonus or otherwise.

## **8. CONDUCT OF CASTING BUSINESS UNDERTAKING OF NCPL TILL THE EFFECTIVE DATE**

With effect from the date of filling of this Scheme with High Court and upon the Effective Date:

8.1 NCPL shall be deemed to have been carrying on and shall carry on its business and activities relating to the Casting Business Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the Casting Business Undertaking for and on account of and in trust for NAGL. NCPL hereby undertakes to hold its said assets with utmost prudence until the Effective Date.

8.2 NCPL shall carry on and be deemed to have carried on its business and activities relating to the Casting Business Undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of NAGL, alienate charge, mortgage, encumber or otherwise deal with or dispose of the Casting Business Undertaking or part thereof.

8.3 All the profits or income accruing or arising to NCPL or expenditure or losses arising or incurred or suffered by NCPL pertaining to the Casting Business Undertaking shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of NAGL.

8.4 NCPL shall not vary the terms and conditions of employment of any of the employees of NCPL pertaining to the Casting Business Undertaking except in the ordinary course of business or without the prior consent of NAGL or pursuant to any pre-existing obligation undertaken by NCPL, as the case may be, prior to the Appointed Date.

8.5 NCPL shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which NAGL may require to carry on the Casting Business Undertaking of NCPL.

## **9. EMPLOYEES**

9.1 On the Scheme becoming operative, all staff and employees of NCPL pertaining to Casting Business Undertaking in service on the Effective Date shall be deemed to have become staff and employees of NAGL without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with NAGL shall not be less favorable than those applicable to them with reference to their employment in NCPL.

9.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of NCPL pertaining to Casting Business Undertaking or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of NCPL in relation to Casting Business Undertaking in relation to such Fund or Funds shall become those of NAGL. It is clarified that the services of the staff and employees of NCPL pertaining to Casting Business Undertaking will be treated as having been continuous for the purpose of the said Fund or Funds.

## **10. LEGAL PROCEEDINGS**

10.1 If any suit, appeal or other proceeding of whatever nature by or against NCPL in relation to Casting Business Undertaking is pending except the proceedings of MSEDCL, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against NAGL, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against NCPL in relation to Casting Business Undertaking as if this Scheme had not been made.

10.2 After the Appointed Date, if any proceedings are taken against NCPL in respect of the matters referred to in the Clause 10.1 above, NCPL shall defend the same at the cost of NAGL and NAGL shall reimburse and indemnify NCPL against all liabilities and obligations incurred by it in respect thereof and further reimburse all amounts including interest, penalties, damages, costs etc. which NCPL may be called upon to pay or secure in respect of any liability or obligation relating to Casting Business Undertaking.

10.3 NAGL undertakes to have all legal or other proceedings initiated by or against NCPL referred to in Clause 10.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against NAGL to the exclusion

of NCPL to the extent legally permissible after the Scheme being effective. To the extent such proceedings cannot be taken over by NAGL, the proceedings shall be pursued by NCPL for and on behalf of NAGL as per the instructions of and entirely at the cost and expenses of NAGL.

10.4 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against NCPL in relation to Casting Business Undertaking including litigations, suits, recovery proceedings relating to excise duty and labour issues, NAGL shall be made party thereto and any payment and expenses made thereto shall be the liability of NAGL. Any other litigation, suit, recovery proceedings of excise duty or labour matters pertaining to Casting Business Undertaking that may, arise after the Appointed Date, shall also stand transferred to NAGL and no liability shall ever be vested in NCPL.

## **11. CONTRACTS, DEEDS, ETC.**

11.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to Casting Business Undertaking to which NCPL is a party and which is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of NAGL and may be enforced by or against NAGL as fully and effectually as if, instead of NCPL, NAGL had been a party thereto.

11.2 NAGL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which NCPL will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. NAGL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of NCPL for the Casting Business Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

## **12. REMAINING BUSINESS**

12.1 It is clarified that the Remaining Business of NCPL shall continue with NCPL as follows:

- (a) The Remaining Business of NCPL and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by NCPL.
- (b) All legal and other proceedings by or against NCPL under any statute, whether pending and / or arising on or before the Appointed Date and relating to the Remaining Business of NCPL (including those relating to any property, right, power, liability, obligation or duty, of NCPL in respect of the Remaining Business) shall be continued and enforced by or against NCPL.
- (c) With effect from the date of filing of this Scheme with the High Court and up to and including the Effective Date –
  - i. NCPL shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business for and on its own behalf;
  - ii. all income or profit accruing to NCPL or expenditure or losses arising or incurred by it relating to the Remaining Business are and shall for all purposes, be treated as the income or profit or expenditure or losses, as the case may be, of NCPL.

## **13. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of the Casting Business Undertaking of NCPL to NAGL under Clause 4 above and the continuance of proceedings by or against NAGL under Clause 10 above shall not affect any transaction or proceedings already concluded by NCPL or after the Appointed Date till the Effective Date, to the end and intent that NAGL accept and adopts all acts, deeds and things done and executed by NCPL for the Casting Business Undertaking in respect thereto as done and executed on behalf of itself.

## **14. CHANGE OF NAME OF NCPL AND NAGL**

14.1 Upon sanction of this Scheme, the name of NCPL shall automatically stand changed without any further act, instrument or deed on the part of NCPL to “Nitin Realty Private Limited” or such other name as may be decided by the Board of Directors or a committee thereof and approved by the concerned jurisdictional Registrar of Companies and the Memorandum of Association and Articles of Association of NCPL shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13 and Section 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

14.2 Upon sanction of this Scheme, the name of NAGL shall automatically stand changed without any further act, instrument or deed on the part of NAGL to “Nitin Castings Limited” or such other name as may be decided by the Board of Directors or a committee thereof and approved by the concerned jurisdictional Registrar of Companies and the Memorandum of Association and Articles of Association of NAGL shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13 and Section 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

## PART C

### GENERAL TERMS AND CONDITIONS

#### 15. APPLICATION TO HIGH COURT OF JUDICATURE AT BOMBAY

NCPL and NAGL shall with all reasonable dispatch make all necessary applications under Sections 391 to 394 of the Act and other applicable provisions of the Act to the High Court for seeking approval of the Scheme.

#### 16. MODIFICATION OR AMENDMENTS TO THE SCHEME

Subject to approval of High Court, NCPL and NAGL by their respective Boards of Directors ('the Board', which term shall include Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board of Directors). NCPL and NAGL by their respective Board are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

#### 17. CONDITIONALITY OF THE SCHEME

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

- 17.1 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 NCPL and NAGL as may be directed by the High Court.
- 17.2 The Scheme being approved by a shareholders' resolution of NAGL passed by way of postal ballot/e-voting in terms of para 5.16 of Circular Number CIR/CFD/DIL/5/2013 dated February 4th, 2013 read with para 7 of Circular Number CIR/CFD/DIL/8/2013 dated May 21st, 2013 and in terms of para 9 of Circular Number CIR/CFD/CMD/16/2015 dated November 30th, 2015 issued by Securities and Exchange Board of India ("SEBI") read with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015; provided that the same shall be acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it.
- 17.3 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 17.4 The sanction of the High Court under Sections 391 to 394 of the said Act in favour of NCPL and NAGL under the said provisions and to the necessary Order under Section 394 of the said Act being obtained;
- 17.5 Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by NCPL and NAGL.

#### 18. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/or the Scheme not being sanctioned by the High Court or such other competent authority and / or the Order not being passed as aforesaid before March 31, 2017 or within such further period or periods as may be agreed upon between NCPL and NAGL by their Board of Directors (and which the Board of Directors of NCPL and NAGL are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

#### 19. REPEALS AND SAVINGS

Any matter filed with Registrar of Companies, Regional Director or the Central Government under the Companies Act, 1956, before the notification of the corresponding provisions under The Companies Act, 2013 and not fully addressed at that time shall be concluded by the Registrar of Companies, Regional Director or the Central Government, as the case may be, in terms of the Companies Act, 1956. Any direction or order given by the Hon'ble High Court under the provisions of the Companies Act, 1956 and any act done by the Company based on such directions or order shall be deemed to be in accordance with and consistent with the provisions of The Companies Act, 2013. Accordingly, the provisions of The Companies Act, 2013, shall not apply to acts done by the Company as per direction or order of the Hon'ble High Court sanctioning the Scheme.

#### 20. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of NCPL and NAGL shall be borne by NAGL. It shall also include all expenses incurred in connection with and implementing this Scheme and matters incidental thereto. If any stamp duty is levied pursuant to the transfer of the Casting Business Undertaking to NAGL pursuant to this Scheme and other consequential matters shall only be borne by NAGL.

**SSPA & CO.**

*Chartered Accountants*

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**STRICTLY PRIVATE & CONFIDENTIAL**

February 06, 2016

**The Board of Directors,  
Nitin Alloys Global Limited**

231, 2<sup>nd</sup> Floor,

Rahul Mittal Industrial Premises Co-op Soc. Ltd.,

Sanjay Building No.3, Sir M.V.Road,

Andheri (East), Mumbai – 400 059

**The Board of Directors,**

**Nitin Castings Private Limited**

231, 2<sup>nd</sup> Floor,

Rahul Mittal Industrial Premises Co-op Soc. Ltd.,

Sanjay Building No.3, Sir M.V.Road,

Andheri (East), Mumbai – 400 059

**Re: Recommendation of fair equity share entitlement ratio for the purpose of proposed demerger of 'Casting Business' of Nitin Castings Private Limited into Nitin Alloys Global Limited.**

Dear Sirs,

As requested by the management of Nitin Alloys Global Limited (hereinafter referred to as "NAGL") and Nitin Castings Private Limited (hereinafter referred to as "NCPL") (hereinafter collectively referred to as "Companies"), we have undertaken the valuation exercise of equity shares of NAGL and of 'Casting Business' of NCPL for recommending the fair equity share entitlement ratio for the purpose of proposed demerger of 'Casting Business' of NCPL into NAGL.

**1. PURPOSE OF VALUATION**

1.1 We have been informed that the Board of Directors of the Companies are considering a proposal for the demerger of 'Casting Business' of NCPL into NAGL in accordance with Section 2(19AA) of the Income Tax Act, 1961 and pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956. Subject to necessary approvals, 'Casting Business' of NCPL, (hereinafter referred to as the "Demerged Undertaking") would be demerged into NAGL with effect from the Appointed Date of April 1, 2015. In consideration of demerger of the Demerged Undertaking into NAGL, equity shares of NAGL would be issued to the equity shareholders of NCPL.





- 1.2 For this purpose, we have carried out valuation of the Demerged Undertaking and the equity shares of NAGL with a view to recommend fair equity share entitlement ratio of equity shares of NAGL to be issued to the equity shareholders of NCPL for consideration of the Board of Directors of the Companies.

**2. BRIEF BACKGROUND**

**2.1. NITIN ALLOYS GLOBAL LIMITED**

NAGL, incorporated on December 03, 1982, is a part of Kedia Group. It is engaged in the business of manufacturing products relating to alloy steel castings. It manufactures all grades of Heat, Wear & Corrosion Resistant Steels by Centrifugal, Sand Casting, Shell Moulding & Investment Casting methods. The equity shares of the company are listed on BSE Limited.

**2.2. NITIN CASTINGS PRIVATE LIMITED**

NCPL, incorporated on August 17, 1962, is also part of Kedia Group. NCPL was earlier known as Nitin Castings Limited and has been recently converted into a private limited company. It is engaged in real estate business, castings business and wind power generation.

The Casting Business of NCPL comprises of manufacturing of centrifugally cast alloy steel castings, sand alloy steel castings, etc. Main application of these products are for high temperature and high pressure applications.

**3. SOURCES OF INFORMATION**

For the purposes of our valuation exercise, we have relied upon the following sources of information as provided to us by the management of the Companies:

- (a) Audited Financial Statements of NAGL and NCPL for the year ended March 31, 2015.
- (b) Management certified position of assets and liabilities of the Demerged Undertaking (in accordance with Section 2(19AA) of the Income tax Act, 1961) proposed to be demerged into NAGL as at March 31, 2015.
- (c) Estimated Income Statement for NAGL and Demerged Undertaking for FY 2015-16.
- (d) Draft Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956.



- (e) Other relevant details regarding the Companies such as their history, past and present activities, existing shareholding pattern and other relevant information and data, including information in the public domain.
- (f) Discussions with the Management on various issues relevant for the valuation including the prospects and outlook for the industry, expected growth rate and other relevant information relating to future expected profitability of the business, etc.
- (g) Such other information and explanations as we have required and which have been provided by the Management.

**4. EXCLUSIONS AND LIMITATIONS**

- 4.1. Our report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 4.2. Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While SSPA & Co. has provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.
- 4.3. No investigation of the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 4.4. Our work does not constitute an audit or certification of the historical financial statements / prospective results including the working results of the Companies / Demerged Undertaking referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of our engagement.



It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

- 4.5. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies / Demerged Undertaking and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Companies / Demerged Undertaking including any significant changes that have taken place or are likely to take place in the financial position of the Companies / Demerged Undertaking , subsequent to the Appointed Date for the proposed demerger. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 4.6. In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Public information, estimates, industry and statistical information relied in this report have been obtained from the sources considered to be reliable. However, we have not independently verified such information and make no representation as to the accuracy or completeness of such information from or provided by such sources. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.
- 4.7. Our recommendation is based on the estimates of future financial performance as projected by the management of the Companies, which represents their view of reasonable expectation at the point of time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have





considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.

- 4.8. Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed demerger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed demerger.
- 4.9. This Report is prepared only in connection with the proposed demerger exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law.
- 4.10. Any person/ party intending to provide finance / invest in the shares / business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 4.11. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed demerger as aforesaid, can be done only with our prior permission in writing.
- 4.12. SSPA & Co., nor its partners, managers, employees makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

## **5. VALUATION APPROACH**

- 5.1. For the purpose of valuation for demerger, generally the following approaches are adopted:
  - (a) the "Underlying Asset" approach
  - (b) the "Income" approach; and
  - (c) the "Market" approach

The shares of NCPL as well as the Casting Business of NCPL is not listed on any stock exchange. Further the equity shares of NAGL are thinly traded. Hence, market approach has not been adopted.

Given the nature of the business in which the Companies and Demerged Undertaking are



engaged, we have thought fit to consider the 'Underlying Asset' approach and the 'Income' approach for the present valuation exercise.

**5.2. UNDERLYING ASSET APPROACH**

5.2.1. In case of the "Underlying Asset" approach, the value is determined by dividing the net assets of a company/undertaking by the number of shares. Since the business is valued on a "going concern" basis and an actual realization of the operating assets is not contemplated, we have considered it appropriate not to determine the realizable or replacement value of the assets. The operating assets have therefore been considered at their book values.

5.2.2. In arriving at the Net Assets Value, we have made appropriate adjustments for appreciation/diminution in the value of investments and contingent liabilities adjusted for probability of devolvement, after considering tax impact wherever applicable.

5.2.3. The underlying net assets value as arrived above is divided by the outstanding number of equity shares to arrive at the value per share.

**5.3. INCOME APPROACH**

Under the "Income" approach, shares of NAGL and 'Casting Business' of NCPL have been valued using Comparable Companies Multiple (CCM) method.

5.3.1. Under CCM Method, value of the shares of the company is determined by using multiples derived from valuations of comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. The Enterprise Value (EV) to Earnings before Interest Tax Depreciation and Amortization (EBITDA) multiples of comparable listed companies are used.

5.3.2. Under this method, EBITDA is capitalized using the EV/EBIDTA multiple of comparable listed companies. To the value so arrived, adjustments have been made for contingent liabilities adjusted for probability of devolvement, outstanding loans, value of investments and cash and cash equivalents, after considering the tax impact wherever applicable.

5.3.3. The equity value so arrived at is divided by the outstanding number of equity shares to arrive at the value per share.



6. RECOMMENDATION OF FAIR EQUITY SHARE ENTITLEMENT RATIO

6.1. The fair basis of demerger of the 'Casting Business' of NCPL into NAGL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above approaches, for the purposes of recommending a fair equity share entitlement ratio, it is necessary to arrive at a single value for the shares. It is however important to note that in doing so, we are not attempting to arrive at the absolute value per share of 'Casting Business' of NCPL and NAGL.

6.2. Our exercise is to work out relative value of shares to facilitate the determination of a fair equity share entitlement ratio. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.

Considering the fact that after the demerger, the business of NAGL and the 'Casting Business' of NCPL are intended to be continued on a "going concern" basis and that there is no intention to dispose off the assets, we have considered it appropriate, to give weightage of '4' to the value determined under the "Income" approach and weightage of '1' to the value determined under the "Underlying Asset" approach.

6.3. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

*'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must*





*be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'*

- 6.4. In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, a fair equity share entitlement ratio in the event of demerger of the 'Casting Business' of NCPL into NAGL would be:

**10 (Ten) equity shares of NAGL of INR 10 each fully paid for every 27 (Twenty Seven) equity shares of NCPL of INR 10 each fully paid.**

Thank you,  
Yours faithfully,

SSPA & CO.



**SSPA & CO.**  
**Chartered Accountants**  
Firm registration number: 128851W

Place: Mumbai

**Fairness Opinion Report on 'Valuation Report' issued for Proposed Scheme of Arrangement between Nitin Castings Private Limited and Nitin Alloys Global Limited**

**Prepared by**



**Saffron Capital Advisors Private Limited**

605, Sixth Floor, Centre Point,  
Andheri-Kurla Road, J. B. Nagar,  
Andheri East, Mumbai – 400059.  
Ph: +91-22-4082 0906 Fax: +91-22-4082 0999

**February 6<sup>th</sup>, 2016**

SEBI Registered Category I Merchant Banker

SEBI Registration No: INM000011211



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**Notice to Reader**

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This report is prepared by Saffron Capital Advisors Private Limited ("Saffron") solely for the purpose of giving a fairness opinion on "Valuation Report" issued for the proposed "Scheme of Arrangement" between Nitin Castings Private Limited ("NCPL" or "The Demerged Company") and Nitin Alloys Global Limited ("NAGL" or "The Resulting Company") pursuant to clause 24(f) and 24(h) of the Listing Agreement and the Securities Exchange Board of India ("SEBI") Circular No CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February 2013 and CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May 2013. This report is not to be used, circulated, and quoted otherwise than for the purpose stated herein. This report is subject to the scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Saffron's written consent.

For the purpose of this assignment, Saffron has relied on the Valuation Report dated February 06, 2016 prepared by SSPA & Co, Chartered Accountants [represented by CA Bhakti Shah (Firm Registration No. 128851W) having their head office situated at 1<sup>st</sup> Floor, "Arjun" Plot No. 6A, V.P. Road, Andheri (W), Mumbai – 400 058] for the proposed "Scheme of Arrangement" between Nitin Castings Private Limited & Nitin Alloys Global Limited and information and explanation provided to it, the accuracy where of has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of the past working results and Saffron has relied upon the information provided to it as set out in audited and working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of Nitin Alloys Global Limited pursuant to Clause 24 of the Listing Agreement, to the Stock Exchanges and to the Registrar of Companies.

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Private and Confidential



Page 2 of 9



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Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this Report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Valuation Report issued for the proposed Scheme of Arrangement between Nitin Castings Private Limited and Nitin Alloys Global Limited and may not be applicable or referred to or quoted in any other context.

For **Saffron Capital Advisors Private Limited**


**Authorised Signatory**



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**Introduction and Scope of Assignment**


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**1. The Resulting Company – Nitin Alloys Global Limited or “NAGL”:**

Nitin Alloys Global Limited is a company incorporated under the Companies Act, 1956 as in force from time to time and has its registered office at 231, 2nd Floor, Rahul Mittal Industries Premises- Co-op. Society Limited, Sanjay Building No.3, Sir M.V. Road, Andheri (East), Mumbai-400 059.

Principal business activities of NAGL include:

- Alloy Steel Castings - Static
- Alloy Steel Castings – Centrifugal Pipe

The Shares of NAGL are listed on BSE Limited.

**2. The Demerged Company – Nitin Castings Private Limited or “NCPL”:**

NCPL is a company incorporated under the Act and has its registered office at 231, 2nd Floor, Rahul Mittal Industrial Premises Co-Op Soc. Limited, Sanjay Building No. 3, Sir M.V. Road, Andheri (East), Mumbai – 400 059, Maharashtra. NCPL was earlier known as Nitin Castings Limited and has been recently converted into a private limited company. It is engaged in real estate business, castings business and wind power generation. The Casting business comprises of manufacturing of pipes, castings of Alloys Steel.

**3. Capital Structure**

- 3.1 The authorized, issued, subscribed and paid-up share capital of NAGL as on March 30, 2015 is as under:

Share Capital	Amount in Rs. Crores
<b>Authorized Share Capital</b>	
50,00,000 Equity Shares of Rs. 10 each	5.00
<b>Total</b>	<b>5.00</b>





Share Capital	Amount in Rs. Crores
<b>Issued, Subscribed and Fully Paid up Share Capital</b>	
14,04,000 Equity Shares of Rs. 2 each, fully paid up	1.40
<b>Total</b>	<b>1.40</b>

Subsequent to the above Balance Sheet date and till the date of the Scheme being approved by the Board of Directors of NAGL, there has been no change in the issued, subscribed and paid up share capital of NAGL.

- 3.2 The authorized, issued, subscribed and paid-up share capital of NCPL as on March 31, 2015 is as under:

Share Capital	Amount in Rs. Crores
<b>Authorized Share Capital</b>	
32,50,000 Equity Shares of Rs.10/- each	3.25
<b>Total</b>	<b>3.25</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
31,50,000 Equity Shares of Rs.10/- each, fully paid-up	3.15
<b>Total</b>	<b>3.15</b>

Subsequent to the above Balance Sheet date and till the date of the Scheme being approved by the Board of Directors of NCPL, there has been no change in the issued, subscribed and paid up share capital of NCPL.

4. The Scheme of Arrangement is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ("the Act"), for demerger of the Casting Business Undertaking carried out by Nitin Castings Private Limited ("NCPL" or "the Demerged Company"), on a going concern basis and vesting in Nitin Alloys Global Limited ("NAGL" or "the Resulting Company"). The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.



5. The Group believes that the restructuring would benefit the companies and its stake holders on account of following reasons:
  - Businesswise segregation of companies thereby ensuring focused management;
  - Improved Organizational capability and leadership;
  - Achieving operational and management efficiency; and
  - Ability to leverage financial and operational resources of each company.
  
6. Valuation has been decided based on the Valuation Report prepared by SSPA & Co, Chartered Accountants [represented by CA Parag Ved] (Firm Registration No. 128851W) having their head office situated at 1<sup>st</sup> Floor, "Arjun" Plot No. 6A, V.P. Road, Andheri (W), Mumbai – 400 058].
  
7. We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged to give a fairness opinion on Valuation Report issued for the proposed Scheme of Arrangement between NAGL and NCPL. The valuation mentioned herein reflects our independent opinion which is arrived at based on the information provided to us.





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## Exclusions and Limitations

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- In this connection, Saffron has been requested by NAGL to submit a report by giving a fairness opinion on Valuation Report issued for the proposed Scheme of Arrangement of between NAGL and NCPL.
  
- We have prepared the Fairness Opinion on the basis of the following information provided to us / collated by us from publicly available sources, like website of BSE/NSE:
  - a) Audited Financial Statements of NAGL and NCPL for the year ended March 31, 2015
  - b) Draft Scheme of Arrangement provided by NAGL
  - c) Valuation Report issued by SSPA & Co, Chartered Accountants and
  - d) Such other information and explanations as we require and which have been provided by the management of the company
  
- Our valuation exercise and conclusions reached by us are dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our report.
  
- Our report will not be offered to any section of the public to subscribe for or purchase any securities in or assets or liabilities of any company or business valued by us. This report is prepared with a limited purpose/ scope as identified/ stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or





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circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.

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**Key Extracts of Valuation Report of SSPA & Co, Chartered Accountants**

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As requested by the management of Nitin Alloys Global Limited (hereinafter referred to as "NAGL") and Nitin Castings Private Limited (hereinafter referred to as "NCPL") (hereinafter collectively referred to as "Companies"), we have undertaken the valuation exercise of equity shares of NAGL and of 'Casting Business' of NCPL for recommending the fair equity share entitlement ratio for the purpose of proposed demerger of 'Casting Business' of NCPL into NAGL.

We have been informed that the Board of Directors of the Companies are considering a proposal for the demerger of 'Casting Business' of NCPL into NAGL in accordance with Section 2(19AA) of the Income Tax Act, 1961 and pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956. Subject to necessary approvals, 'Casting Business' of NCPL, (hereinafter referred to as the "Demerged Undertaking") would be demerged into NAGL with effect from the Appointed Date of April 1, 2015. In consideration of demerger of the Demerged Undertaking into NAGL, equity shares of NAGL would be issued to the equity shareholders of NCPL.

For this purpose, we have carried out valuation of the Demerged Undertaking and the equity shares of NAGL with a view to recommend fair equity share entitlement ratio of equity shares of NAGL to be issued to the equity shareholders of NCPL for consideration of the Board of Directors of the Companies.

For the purpose of valuation for demerger, generally the following approaches are adopted:

- (a) the "Underlying Asset" approach
- (b) the "Income" approach; and
- (c) the "Market" approach





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The shares of NCPL as well as the Casting Business of NCPL is not listed on any stock exchange. Further the equity shares of NAGL are thinly traded. Hence, market approach has not been adopted.

Given the nature of the business in which the Companies and Demerged Undertaking are engaged, we have thought fit to consider the 'Underlying Asset' approach and the 'Income' approach for the present valuation exercise.

In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, a fair equity share entitlement ratio in the event of demerger of the 'Casting Business' of NCPL into NAGL would be:

**10 (Ten) equity shares of NAGL of INR 10 each fully paid for every 27 (Twenty Seven) equity shares of NCPL of INR 10 each fully paid.**

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#### **Conclusion and Opinion on Valuation Report**

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##### **Conclusion:**

We have reviewed the valuation report and based on the information, material data made available to us, to best of our knowledge and belief, the valuation suggested by the Valuer (SSPA & Co, Chartered Accountants) for the proposed Scheme of Arrangement is **Fair and Reasonable.**





# NITIN ALLOYS GLOBAL LTD.



CIN No. : L65990MH1982PLC028822

Regd. Office : 231, 2nd Floor, Rahul Mittal Industrial Premises Co-op. Soc. Ltd., Sanjay Building No. 3,  
Sir M. V. Road, Andheri (E), Mumbai - 400 059.

Corporate Office : Prestige Precinct, 3rd Floor, Almeida Road, Thane (West) - 400 601, INDIA.  
Tel.: 2598 5900 / 2534 2566 / 67 / 69 • Fax : 00-91-22-25345854  
Email: financenagl@nitincastings.com • Website : www.nitinalloys.com

## Complaints Report

Details of complaints, if any received from 11<sup>th</sup> February, 2016 to 2<sup>nd</sup> March, 2016 for the proposed scheme of Arrangement between Nitin Castings Private Limited and Nitin Alloys Global Limited and their respective Shareholders:


### PART A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

### PART B

Sr. No.	Name of Complainant	Date of complaint	Status (Resolved/Pending)
1.	Nil	Nil	Nil

For Nitin Alloys Global Limited

  
**Mr. Nirmal B. Kedia**  
**Director**



**Din No. 00050769**

Email: nagimumbai@gmail.com

Tel No: +91 22 25985900

Works : Plot No. 183/1, Surangi Road, Silvassa, Dadra & Nagar Haveli - 396 230.



DCS/AMAL/MN/378/2016-17  
May 4, 2016

The Company Secretary  
**NITIN ALLOYS GLOBAL LTD.**  
231, Rahul Mittal Industrial Premises Co,  
op. Soc Ltd, Sanjay Building No. 3,  
2nd Floor, Sir M. V. Road,  
Andheri East ,Mumbai ,Maharashtra ,400059.



**Sub: Observation letter regarding the Draft Scheme of Arrangement between Nitin Alloys Global Ltd and Nitin Castings Private Limited.**

We are in receipt of Draft Scheme of Arrangement between Nitin Alloys Global Ltd and Nitin Castings Private Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated May 02, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- *“Company is advised to ensure voting through postal ballot and e-voting by public shareholders as there is an increase in promotor shareholding in NAGL from 47.37% pre scheme to 71.25% post scheme. There is a substantial increase in promotor shareholding and change in control may attract open offer obligations under SEBI(SAST) Regulations,2011, if not done through scheme of arrangement”*
- *“Company shall submit the fresh shareholding pattern of both NAGL and NCPL(pre and post) as there was discrepancy in the names of promotor entities of NAGL”*
- *““Company shall duly comply with various provisions of the Circulars.”*

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

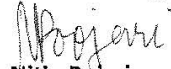
- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.



The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,



**Nitin Pujari**  
**Manager**



## NITIN ALLOYS GLOBAL LIMITED

[CIN No. : L65990MH1982PLC028822]

Regd. Office: 231, 2nd Floor, Rahul Mittal Industries Premises- Co-op. Society Limited, Sanjay Building No.3, Sir M.V. Road, Andheri (East), Mumbai-400 059, India

Tel. +91 22 2598 5900 Fax: +91 22 2534 5854 Website: www.nitalloys.com

### ATTENDANCE SLIP

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF THE COMPANY HELD ON MONDAY, JUNE 20, 2016 AT 1.30 P.M. AT HOTEL ARCHANA RESIDENCY, NEXT TO R-MALL/ BIG BAZAR, L.B.S. MARG, MULUND (WEST), MUMBAI – 400 080

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID – Client ID / : Folio No.	
Name & Address: of Sole Member	
Name of Joint Holder (S)	
No. of Shares Held :	

I/We hereby record my/our presence at the Court Convened Meeting of the Equity Shareholders of the Applicant Company held on Monday, June 20, 2016 at 1.30 P.M. at Hotel Archana Residency, Next to R-Mall/ Big Bazar, L.B.S. Marg, Mulund (West), Mumbai – 400 080 pursuant to the Order dated May 06, 2016, of the Hon'ble High Court of Judicature at Bombay

\_\_\_\_\_  
Member's/Proxy's Signature

------(Cut Here)-----

### Electronic-Voting Particulars

EVSN (Electronic Voting Sequence Number)	User ID	(PAN / Seq. No.)

**NOTE:** Please read the complete instructions annexed to the Notice (SHAREHOLDER INSTRUCTIONS FOR E-VOTING). The voting time starts from May 21, 2016 from 9.00 a.m. and ends on June17, 2016 at 5.00 p.m. The voting module shall be disabled by CDSL for voting thereafter.



# NITIN ALLOYS GLOBAL LIMITED

[CIN No. : L65990MH1982PLC028822]

Regd. Office: 231, 2nd Floor, Rahul Mittal Industries Premises- Co-op. Society Limited, Sanjay Building No.3, Sir M.V. Road, Andheri (East), Mumbai-400 059, India

Tel. +91 22 2598 5900 Fax: +91 22 2534 5854 Website: www.nitalloys.com

## FORM OF PROXY

I/We \_\_\_\_\_  
of \_\_\_\_\_  
\_\_\_\_\_ being a Member/Members  
of Nitin Alloys Global Ltd, hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ or failing him/her \_\_\_\_\_  
of \_\_\_\_\_ or failing him/her \_\_\_\_\_  
of \_\_\_\_\_ as my/our Proxy to attend and vote for me/us and on my/our behalf at the Court  
Convened Meeting of the Equity Shareholders of the Company, to be held on Monday, June 20, 2016 at 1.30 pm and at any  
adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016

For Office Use only	
Proxy No.:	No. of Shares:
Folio/DP & Client ID No.:	

Affix Re. 1.00 Revenue Stamp
---------------------------------------

### Notes:

1. The Proxy Form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company.
2. The Proxy Form must be deposited at the Registered/Corporate Office of the Company not less than 48 hours before the time fixed for holding the Meeting.
3. A Proxy need not be a Member.

# Map of the Venue





**NITIN ALLOYS GLOBAL LIMITED**

[CIN No. : L65990MH1982PLC028822]

Regd. Office: 231, 2nd Floor, Rahul Mittal Industries Premises- Co-op. Society Limited, Sanjay Building No.3, Sir M.V. Road, Andheri (East), Mumbai-400 059, India  
Tel. +91 22 2598 5900 Fax: +91 22 2534 5854 Website: www.nitinalloys.com

**POSTAL BALLOT FORM**

1. Name & Registered Address of the sole :  
/ first named Shareholder
  
2. Name(s) of Joint-Holder(s), if any :
  
3. Folio No. / DP ID No. \* / Client ID No. :  
(\* Applicable to Shareholders holding  
shares in dematerialized form)
  
4. Number of equity shares held :

I / We hereby exercise my / our vote in respect of the resolution to be passed through Postal Ballot for the business stated in the Notice of the Company by conveying my /our assent or dissent to the said Resolution by placing the tick (√)mark at the appropriate box below.

Item No.	Description	No. of Shares	I/We assent to the resolution (For)	I/ We dissent to the resolution (Against)
1.	Consent pursuant to the provisions of Section 391 to 394 of the Companies Act, 1956 or the applicable provisions of the Companies Act, 2013 to the Scheme of Arrangement between Nitin Castings Private Limited ('the Demerged Company') and Nitin Alloys Global Limited ('the Resulting Company') and their respective shareholders ("Scheme" or "the Scheme")			

Place: \_\_\_\_\_

( Signature of the Member )

Date: \_\_\_\_\_

**ELECTRONIC VOTING PARTICULARS**

EVSN (E- Votng Sequence Number)	User ID	PAN / Sequence Number

**NOTE:PLEASE SEND YOUR POSTAL BALLOT FORM IN THE ENVELOPE ENCLOSED HERewith. LAST DATE OF RECEIPT OF POSTAL BALLOT FORM BY THE SCRUTINIZER IS 12 P.M. ON MONDAY, JUNE 20, 2016. PLEASE READ THE INSTRUCTIONS PRINTED BELOW BEFORE EXERCISING THE VOTE**

## INSTRUCTIONS FOR VOTING

### Voting through Physical Postal Ballot Form

1. A member desiring to exercise vote by Postal ballot shall complete the enclosed Postal ballot Form with assent (for) or dissent (against) and send it to the Scrutinizer in the enclosed self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by courier or by Registered Post at the expense of the Registered Member wioweve be accepted. The envelopes may also be deposited personally at the address given thereon. The Postal Ballot Form, duly completed a ac signed should be returned in the enclosed self-addressed postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer on or before 12.00 P.M. on Monday, the 20th June, 2016. Any Postal Ballot Form received thereafter shall be treated as if the reply from the shareholders has not been received.
2. The members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy m the form is permitted

### E-Voting Facility

3. The Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. Members have an option to vote either through e-voting or through Ballot Form. If a member has opted for e-voting, then he/she should not vote by Postal Ballot also and vice-a-versa. However, in case members cast their vote both via physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-voting shall be treated as invalid. The instructions for members for e-voting are as under:-

- (i) The voting period begins on Saturday, May 21, 2016 at 9.00 a.m. and ends on Friday, June 17, 2016 at 5.00 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 (record date) of Friday, 13 May, 2016, 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.
- (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) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant "Nitin Alloys Global Limited" on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.

#### **Note for Non - Individual Shareholders and Custodians**

- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- iii. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user 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:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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)

4. Equity Shareholders have the option to vote either through e-voting or through physical postal ballot form. If an Equity Shareholder has opted for e-voting, then he/she should not vote by physical postal ballot form also and vice-versa. However, in case Equity Shareholders cast their vote both via physical postal ballot form and e-voting, then voting through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
5. The Scrutinizer will submit his report to the Chairman of the Board after completion of the scrutiny of the postal ballots including ~~Scrutinizer's~~ votes submitted. The Scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The results of the postal ballot including e-voting will be announced on Tuesday, June 21, 2016.
6. The results, together with the Scrutinizer's report, will be displayed at the registered office of, the corporate office of and on results, togeth the Company i.e., [www.nitalloys.com](http://www.nitalloys.com) and also on the website of CDSL i.e., <https://evotingindia.com>, besides being communicated to BSE Limited on which the shares of the Company is listed.