

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF HIRA STEELS LIMITED
(‘COMPANY’) IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES
ACT, 2013 AT ITS MEETING HELD ON 15th SEPTEMBER, 2022.**

(1) Background

- 1.1 The Board of Directors (‘Board’) of the Company at their meeting held on 15th September, 2022 had approved a draft of the proposed Scheme of Amalgamation of Jagdamba Power and Alloys Limited (‘Transferor Company’) into and with Hira Steels Limited (‘Transferee Company’).

The Scheme was approved by the Audit Committee also at its meeting held on 15th September, 2022.

- 1.2. As per Section 232(2) (c) of the Companies Act, 2013 a report is required to be adopted by the Directors explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters, non-promoter shareholders of the Company laying out in particular the Share exchange ratio, specifying any special valuation difficulties (‘Report’).
- 1.3 Having regard to the applicability of the aforesaid provisions, the scheme and the following documents were placed before the Board;
- a. Draft Scheme duly initialed by the Director for the purpose of identification.
 - b. Valuation Report (‘Valuation Report’) dated 15th September, 2022 issued by Mr. Harminder Singh Dutta, Registered Valuer, Raipur (‘the Valuer’).
 - c. Certificate dated 15th September, 2022, issued by JDS & Co, Chartered Accountants, the Statutory Auditors of the Company as required under section 232(3) of the Companies Act, 2013 certifying that the accounting treatment in the draft scheme is in accordance with the accounting standards and applicable law.

Amit Agrawal



Hira Steels Limited

CIN : U27104CT1994PLC008555

Registered Office & Works: 720/1, Rawabhata Industrial Area, Raipur - 493221, Chhattisgarh, India

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Corporate Office: G-16, Hira Arcade, Near Bus Stand, Pandri, Raipur - 492004, Chhattisgarh, India

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4. **Rationale of the Scheme**

The amalgamation of the Transferor Company into and with the Transferee Company would *inter alia* have the following benefits:

- a. With the complete integration of the Transferor Company into and with the Transferee Company, the Transferee Company will take over the entire business of the Transferor Company, ensuring a streamlined group structure by reducing the number of legal entities in the group
- b. The consolidation of operations of the Transferor Company into and with the Transferee Company by way of amalgamation will lead to a more efficient utilization of capital, administrative and operational rationalization and promote organizational efficiencies.
- c. The amalgamation will result in the formation of a stronger company with a larger capital and asset base and enable the combined business to be pursued more conveniently and advantageously. The amalgamation will have beneficial results for the amalgamating companies, their stakeholders and all concerned.
- d. Greater integration and greater financial strength and flexibility for the Transferee Company, which would result in maximising overall shareholder value, and will improve the competitive position of the Transferee Company.
- e. Improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- f. Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.

5. **Effect of the Scheme on Stakeholders**

Sr. No.	Category of Stakeholder	Effect of the Scheme
(i)	Shareholders	<ul style="list-style-type: none">The Transferee Company has two classes of shareholders namely Equity Shareholders and preference shareholders.

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		<ul style="list-style-type: none"> Upon the Scheme coming into effect the Transferee Company shall, in consideration of the amalgamation of the Transferor Company into and with the Transferee Company, the Transferee Company will issue and allot, to every equity shareholder of the Transferor Company, holding fully paid-up equity shares in the Transferor Company and whose names appear in the register of members of the Transferor Company on the Record Date to be announced by the Board of the Transferor Company, 2 (Two) Equity Shares of the Transferee Company, credited as fully paid-up with rights attached thereto as hereinafter mentioned (hereinafter referred to as the "New Equity Shares") for every 1 (One) Equity Shares of Rs.10 each fully paid-up, held by such shareholder in the capital of the Transferor Company ("Share Exchange Ratio").
(ii)	Promoters	<ul style="list-style-type: none"> New shares will be issued as per the Share Exchange Ratio to the promoters of the Transferee Company who are holding shares in the Transferor Company. Further, 19,50,000 Non-Cumulative Non-Participating Optionally Convertible & Redeemable Preference Shares held by the Transferor Company in Transferee Company pre-amalgamation shall stand cancelled without any further act or deed.
(iii)	Non-Promoter Shareholders	Please refer to point (i) above the details regarding effect on shareholder.
(iv)	Key Managerial Personnel	<ul style="list-style-type: none"> The Key managerial Personnel of the Transferor Company (i.e. Company Secretary and Chief Financial Officer) (KMP's) shall continue as Key Managerial Personnel of the Transferee Company and the Board of Directors of the Transferor Company shall dissolve after effectiveness

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		<p>of the Scheme.</p> <ul style="list-style-type: none"> New shares will be issued as per the Share Exchange Ratio to the KMP of the Transferee Company who are holding shares in the Transferor Company.
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6) **Valuation**

- I. Valuation Report ("Valuation Report") dated 15th September, 2022 issued by Mr. Harminder Singh Dutta, Registered Valuer, Raipur ("the Valuer").
- II. Valuer have derived the fair value of the Transferee Company by applying equal weight to Income approach, Market approach, EV/EBIDTA approach, Cost Approach, Discounted Cash flow method, NAV Approach.
- III. Based on the above the fair ratio of exchange is derived on the basis of NAV Approach which is as under;
For every 1 (one) Equity Shares of face value of Rs. 10/- (Ten) held in the Transferor Company, 2 (Two) Equity Shares of Face Value of Rs. 10/- (Ten) in the Transferee Company to be issued to the shareholders of the Transferor Company.

7) **Adoption of Report by the Directors**

The Directors of the Company have adopted this report after noting and considering information set forth in this report. The Board or any duly authorised committee by the Board is entitled to make relevant modification to this report, if required, and such modifications or amendments shall be deemed to form part of this report.

Date: September 15, 2022

Place: Raipur



Amit Agrawal
CHAIRMAN

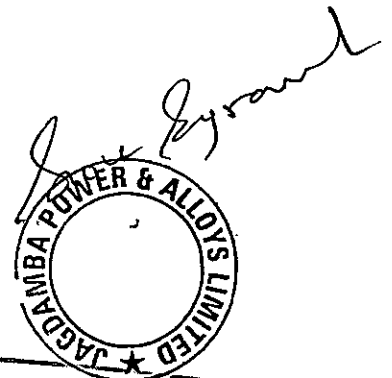


JAGDAMBA POWER & ALLOYS

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF JAGDAMBA POWER & ALLOYS ('COMPANY') IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON 15th SEPTEMBER, 2022.

(1) Background

- 1.1 The Board of Directors ('Board') of the Company at their meeting held on 15th September, 2022 had approved a draft of the proposed Scheme of Amalgamation of Jagdamba Power and Alloys Limited ('Transferor Company') into and with Hira Steels Limited ('Transferee Company').
- 1.2 As per Section 232(2) (c) of the Companies Act, 2013 a report is required to be adopted by the Directors explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters, non-promoter shareholders of the Company laying out in particular the Share exchange ratio, specifying any special valuation difficulties ('Report').
- 1.3 Having regard to the applicability of the aforesaid provisions, the scheme and the following documents are placed before the Board;
- a. Draft Scheme duly initialed by the Director for the purpose of identification.
 - b. Valuation Report ("Valuation Report") dated 15th September, 2022 issued by Mr. Harminder Singh Dutta, Registered Valuer, Raipur ("the Valuer").
 - c. Certificate dated 15th September, 2022, issued by JDS & Co, Chartered Accountants, the Statutory Auditors of the Company as required under section 232(3) of the Companies Act, 2013 certifying that the accounting treatment in the draft scheme is in accordance with the accounting standards and applicable law.



Jagdamba Power & Alloys Limited

An ISO 9001: 2008 certified company

CIN : U27104CT 1999 PLC013744

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2. Effect of the Scheme of Amalgamation on Equity Shareholders (including promoter shareholder and non-promoter shareholder), employees and KMPs of JPAL.

2.1 Upon the Scheme coming into effect the Transferee Company shall, in consideration of the Scheme of Amalgamation of Jagdamba Power and Alloys Limited into and with Hira Steels Limited, the Transferee Company will issue and allot, to every equity shareholder of the Transferor Company, holding fully paid-up equity shares in the Transferor Company and whose names appear in the register of members of the Transferor Company on the Record Date to be announced by the Board of the Transferor Company, 2 (Two) Equity Shares of the Transferee Company, credited as fully paid-up with rights attached thereto as hereinafter mentioned (hereinafter referred to as the "New Equity Shares") for every 1 (One) Equity Shares of Rs.10 each fully paid-up, held by such shareholder in the capital of the Transferor Company ("Share Exchange Ratio").

2.2 Further, no new shares will be issued to the Transferee Company pursuant to the effect of this Scheme.

2.3 All the permanent employees of the Transferor Company who are in its employment as on the Effective Date shall become the permanent employees of the Transferee Company

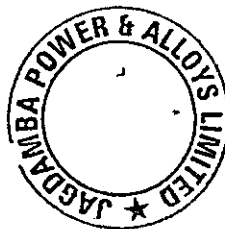
2.4 The Board of Directors except Company Secretary and Chief Financial Officer of the Transferor Company shall without any further act, instrument or deed be and stand dissolved after the effectiveness of the Scheme of Amalgamation.

3. Adoption of Report by the Directors

The Directors of the Company have adopted this report after noting and considering information set forth in this report. The Board is entitled to make relevant modification to this report, if required, and such modifications or amendments shall be deemed to form part of this report.

Date: September 15, 2022

Place: Raipur



[Signature]
CHAIRMAN