

Price Waterhouse Chartered Accountants LLP

Board of Directors
Jindal Saw Limited
A-1, UPSIDC, Indl. Area, Nandgaon Road,
Kosi Kalan, Distt. Mathura (U.P.) - 281403

Auditors' Certificate on non-applicability of Paragraph I(A)(10)(b) under Part I of Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 dated November 23, 2021 issued by the Securities Exchange Board of India in connection with Draft Composite Scheme of Amalgamation between Jindal Quality Tubular Limited ('JQTL'), Jindal Tubular (India) Limited ('JTIL') and Jindal Fittings Limited ('JFL') with Jindal Saw Limited and their respective Shareholders and Creditors

- 1) This certificate is issued in accordance with the terms of our agreement dated March 16, 2022.
- 2) The accompanying undertaking approved by the Board in its meeting held on March 16, 2021 (the "Undertaking"), stating the reasons for non-applicability of Paragraph I(A)(10)(b) under Part I of Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 dated November 23, 2021 issued by the Securities Exchange Board of India ("SEBI") (hereinafter referred to as the "Master Circular"), has been prepared by the Management of Jindal Saw Limited (the 'Company') pursuant to the requirements of paragraph I(A)(10)(b) of the Master Circular in connection with its proposed scheme of arrangement between the Company and Jindal Quality Tubular Limited, Jindal Tubular (India) Limited, Jindal Fittings Limited and their respective shareholders and creditors (hereinafter referred to as the "Proposed Scheme"). We have initialled the Undertaking for identification purpose only.

Management's Responsibility for the Undertaking

- 3) The preparation of the Undertaking is the responsibility of the Management of the Company including the creation and maintenance of all accounting and other records supporting the contents of the Scheme. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Undertaking.
- 4) The Management is also responsible for ensuring that the Company complies with the requirements of the Circular and the Companies Act, 2013 in relation to the Proposed Scheme and for providing all the information to the Bombay Stock Exchange and National Stock Exchanges (together referred to as "Stock Exchanges.").

Auditors' Responsibility

- 5) Pursuant to the Circular, it is our responsibility to examine the Proposed Scheme and the Undertaking, and certify whether the requirements of Paragraph I(A)(10)(b) under Part I of the Master Circular as set out in the Undertaking are applicable to the Proposed Scheme.
- 6) We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- 7) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

- 8) Based on our examination as above, and the information and explanations furnished to us, we certify that, to the best of our knowledge, the requirements of Paragraph I(A)(10)(b) under Part I of the Master Circular as set out in the Undertaking are not applicable to the Proposed Scheme.

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Emphasis of Matter

- 9) We draw your attention to the disclosures made under serial no. 2 in the Undertaking regarding transfer of certain shares of Jindal Fittings Limited and Jindal Quality Tubular Limited, held by a promoter group entity, during the period between the appointed date specified under the Proposed Scheme and the date of approval of the Proposed Scheme by Board of Directors of the Company. Based on a legal opinion obtained by the Company as referred under paragraph 3 of the Undertaking, such transfer of shares in the Transferor Companies are not considered to be covered under the cases specified in paragraph 10(b) of the Circular. Our conclusion is not modified in respect of this matter.

Restriction on Use

- 10) Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Circular. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.
- 11) This certificate has been issued for the sole use of the Board of Directors of the Company, to whom it is addressed, to enable the Company to make its application to the Stock Exchanges and should not be used by any other person or for any other purpose. Price Waterhouse Chartered Accountants LLP neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Songata Mukherjee
Partner

Membership Number: 057084
UDIN: 22057084AFBKMV6707

Place: Gurugram
Date: March 16, 2022

Undertaking in relation to non-applicability of requirements prescribed in Paragraph I(A)(10)(b) of Part I of the Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 ("SCR Rules") issued by the Securities and Exchange Board of India as amended from time to time ("**SEBI Scheme Circular**")

This is in connection with the proposed scheme of amalgamation and arrangement between Jindal Saw Limited ("**Jindal Saw**"), Jindal Quality Tubular Limited ("**JQTL**"), Jindal Tubular (India) Limited ("**JTIL**"), Jindal Fittings Limited ("**JFL**") and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013 ("**the Act**") and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, arrangements and amalgamations) rules 2016 (the "**Scheme**").

Paragraph I(A)(10)(b) of the SEBI Scheme Circular (applicable with respect to the schemes submitted by listed entities to the National Company Law Tribunal for approval) provide for voting by public shareholders through e-voting under certain circumstances.

Jindal Saw hereby confirms that the aforementioned requirements of Paragraph I(A)(10)(b) are not applicable to the Scheme. The Company has also taken a legal opinion from a law firm on the non-applicability of Paragraph I(A)(10)(b) of Part I of the SEBI Scheme Circular on the Scheme in this regard. The reasons for their inapplicability to the Scheme are provided below:

1. Paragraph I(A)(10)(b)(i)

Where additional shares have been allotted to Promoter/ Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter/ Promoter Group of the listed entity.

Pursuant to the draft scheme of amalgamation, no new shares will be allotted to Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the Jindal Saw Limited as the consideration.

2. Paragraph I(A)(10)(b)(ii)

Where the scheme of arrangement involves the listed entity and any other entity involving Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group.

As on the appointed date, Siddeshwari Tradex Private Limited (STPL), a Promoter Group entity was holding 100% preference shares of Jindal Quality Tubular Limited and Jindal Fittings Limited (JFL). However, the entire preference share holding in both the above-mentioned companies were acquired by the Company prior to approving the draft scheme of amalgamation.



As on the appointed date, STPL also held 15% equity shares in Jindal Fittings Limited, out of which 9.95% were subsequently acquired by Jindal Saw Limited, making JFL a 45.95% associate of the Company and the remaining 5.05% were acquired by an individual who is not related to Jindal Saw Limited.

Mr. Kuldeep Bhargava, who had served as an Independent Director on the Board of Jindal Saw Limited during the period 2007-2015 and was holding 17.82% equity shares in Jindal Quality Tubular Limited, as on appointed date, had transferred his entire shareholding to his sons prior to approving the draft scheme of amalgamation.

Currently, the draft scheme of amalgamation does not involve issuance of shares to any entity or any entity which is Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of Jindal Saw Limited.

3. Paragraph I(A)(10)(b)(iii)

Where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme.

Pursuant to draft scheme of amalgamation, Jindal Saw Limited will not directly or indirectly acquire the equity shares of Jindal Quality Tubular Limited and Jindal Tubular (India) Limited from any shareholder, who may be a Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of Jindal Saw Limited.

4. Paragraph I(A)(10)(b)(iv)

Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity.

The draft scheme of amalgamation does not result in reduction in voting shares of Jindal Saw Limited.

5. Paragraph I(A)(10)(b)(v)

Where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares.



Given that the draft scheme is for merger of Jindal Quality Tubular Limited and Jindal Tubular (India) Limited, subsidiaries and Jindal Fittings Limited, an associate of Jindal Saw Limited, it does not involve transfer of any undertaking of Jindal Saw Limited.

For and on behalf of Board of Directors



Neeraj Kumar
Group CEO and Whole-time Director
DIN: 01776688

