

May 3, 2016

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**Security Code No. : JINDALSTEL**

**Sub.: Outcome of Board Meeting dated May 3, 2016 : Jindal Steel & Power Limited (JSPL) agrees to divest the 1000 MW 4(250x MW) unit of Jindal Power Limited, located in Chhattisgarh in favour of JSW Energy Limited.**

**Re : Regulation 30 of Securities Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).**

Dear Sir/Madam,

We hereby intimate you that at the meeting of the Board of Directors of the Company (“Board”) held on May 3, 2016, the directors deliberated on and approved the following:

**1. Divestment of 1000 MW Power Unit**

As part of monetization plans already advised, JSPL has been looking to generate cash flows from select divestments to be in much stronger position to meet all its liabilities and emerge as financially strong and sustainable company in 2016-2017.

Subject to customary regulatory approvals and other condition precedent(s), the Board has approved the divestment of 1000 MW Power unit of Jindal Power

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Limited, located in Chhattisgarh, into a special purpose vehicle (SPV), for the purposes of transferring the same to JSW Energy Limited through sale of the entire share capital and other securities of the aforesaid entity in terms of the share purchase agreement for an enterprise value of Rs 6,500 Crore plus the value of Net Current Assets as on the Closing Date. The valuation may vary based upon the achievement of PPAs as prescribed in the Agreement subject to minimum of Rs.4000 Crore plus the value of Net Current Assets as on the Closing Date.

## **2. Constitution of Restructuring Committee**

In order to streamline cash flows of the group and create SPV amenable for monetization by way of divestments, the board of the Company and Jindal Power Limited (JPL) (a subsidiary of the Company) have in principle approved the restructuring involving Jindal Steel & power Limited (JSPL) and JPL and formed a committee of directors ("Restructuring Committee"), to explore and evaluate various restructuring options available including a scheme of arrangement. The restructuring will entail that 1000 MW Power Plant owned by JPL is hived off into an separate purpose vehicle (SPV), being subsidiary of JSPL and creation of other SPVs amenable for monetization by way of divestments as well as achieve better synergy across the group. This would further ensure that the businesses of these entities are operated in the most efficient and cost effective manner, including by pooling of technical, distribution and marketing skills, creating optimal utilisation of resources, better administration and cost reduction.

Upon completion of evaluation of the possible arrangement options, the Restructuring Committee is to submit its recommendations to the Board and to such other committee(s) of the Board, including the Audit Committees, shareholders of companies and to such other authorities as required by applicable laws.

The annexure containing the additional information required in terms of Listing Regulations is attached herewith.

We request you to kindly take note of the aforesaid and acknowledge receipt.

Yours faithfully,

**For Jindal Steel & Power Limited.**



Jagdish Patra  
**Vice President &  
Group Company Secretary**

**Details which a listed entity needs to disclose for the events that are deemed to be material as specified in Para A of Part A of Schedule III of Listing Regulations**

The additional information submitted pursuant to SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 issued by the Securities and Exchange Board of India, in relation to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been provided under the Annexure is disclosed below:-

**a) The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year;**

Everbest Steel and Mining Holdings Limited (ESMHL) is a subsidiary of Jindal Steel & Power Ltd. Total income for FY2014-15 was Rs NIL. Pursuant to a proposed Scheme of Arrangement (subject to all the necessary approvals), business undertaking of 1,000 MW power plant (presently forming part of Jindal Power Ltd. (JPL)) will be transferred to ESMHL.

**b) Date on which the agreement for sale has been entered into:**

**May 03, 2016**

**c) The expected date of completion of sale/disposal : June 30, 2018**

**d) Consideration received from such sale/disposal :**

Subject to customary regulatory approvals, the Board has approved the divestment of 1000 MW Power unit of Jindal Power Limited, located in Chhattisgarh into a special purpose vehicle (SPV), for the purposes of transferring the same to JSW Energy Limited through sale of the entire share capital and other securities of the aforesaid entity in terms of the share purchase agreement for an enterprise value of Rs 6,500 Crore plus the value of Net Current Assets as on the Closing Date. The valuation may vary based upon the achievement of PPAs as prescribed in the Agreement subject to minimum of Rs.4000 Crore plus the value of Net Current Assets as on the Closing Date.



**e) Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof;**

JSW Energy Limited, a listed Company engaged in power business. Mr. Naveen Jindal, Promoter and Chairman of JSPL and Mr. Sajjan Jindal, Promoter & Chairman and Managing Director of JSW Energy Ltd. being relatives, the respective promoters of JSW Energy Limited and JSPL have an interest in the entity.

**f) Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";**

The acquisition would fall within the provisions of related party transaction. Jindal Power Limited (JPL), Jindal Steel & Power Ltd. (JSPL) and JSW Energy Limited are related parties, under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Naveen Jindal, Promoter and Chairman of JSPL and Mr. Sajjan Jindal, Promoter & Chairman and Managing Director of JSW Energy Ltd. being relatives, the respective promoters of JSW Energy Limited and JSPL have an interest in the entity being disposed off. The consideration price is supported by an Independent Valuation and hence, is at arms-length.

**g) Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale. - Not Applicable-**

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