

August 7, 2021

BSE Limited Corporate Relationship Department, 1 st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai – 400 001 corp.relations@bseindia.com <u>Scrip Code : 532286</u>	The National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai-400051 cmlist@nse.co.in <u>Symbol : JINDALSTEL</u>
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Dear Sir/ Madam,

Subject: Intimation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is in continuation to the intimations under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to the meeting of Board of Directors of the Company (“**Board**”) held on April 26, 2021 and July 23, 2021.

The Board, in its meeting held on April 26, 2021 had (i) approved the divestment of Company’s entire equity interest (representing 96.42% of the issued and paid up capital) in Jindal Power Limited (“**Target Company**”), a material subsidiary of the Company, by way of sale of shares, to Worldone Private Limited (“**Worldone**”), JSPL’s Promoter Group Company and a related party to the Company, (ii) approved the execution of Share Purchase Agreement for the aforesaid sale with Worldone and Loan Agreement with the Target Company, and (iii) approved issuance of notice for convening the Extraordinary General Meeting (“**EGM**”) of the shareholders of the Company, for approving the aforesaid sale and the Loan Agreement.

Subsequently, the Company decided to defer the EGM based on constructive feedback received from its stakeholders to simplify certain deal terms. Pursuant to that the Company entered into further negotiations with Worldone, and basis these negotiations, the Company received a revised binding offer dated July 23, 2021 (“**Revised Offer**”) which provided for purchase of all the equity shares (“**Equity Shares**”) and the redeemable preference shares (“**RPS**”) of the Target Company held by the Company for an aggregate consideration of INR 7401,28,55,824 (Indian Rupees Seven Thousand Four Hundred and One Crore Twenty Eight Lakh Fifty Five Thousand Eight Hundred and Twenty Four) payable partly by way of cash consideration of INR 3015,00,00,000 (Indian Rupees Three Thousand and Fifteen Crores) and partly by way of Worldone taking over and assuming all the liabilities and obligations in relation to the inter-corporate deposits and capital advances paid by the Target Company to the Company, aggregating to INR 4386,28,55,824 (Indian Rupees Four Thousand Three Hundred and Eighty Six Crores Twenty Eight Lakhs Fifty Five Thousand Eight Hundred and Twenty Four).

The Board, in its meeting dated July 23, 2021, took on record the Revised Offer submitted by Worldone. However, in the spirit of complete transparency and fairness, and in order to secure the highest possible value for the Equity Shares and the RPS, the Board approved a competitive bid process to be undertaken by the Company through Grant Thornton Advisory Pvt. Ltd., the process advisor for the bid process (“**Process Advisor**”), for the proposed sale of Equity Shares and the RPS (“**Bid Process**”). As a part of the Bid Process, the Company sought bids/ offers higher than the Revised Offer from eligible bidders having adequate financial capability as acceptable to the

Jindal Steel & Power Limited

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Company, for sale of its entire stake (i.e. Equity Shares and RPS) in the Target Company, using the Revised Offer as the anchor bid or the base offer by publication of advertisement dated July 26, 2021 published in Economic Times, Business Standard, Financial Express and Navbharat Times.

Post the publication of the aforesaid advertisement, neither the Company nor the Process Advisors received any expression of interest from any person for the proposed sale of Target Company. By virtue of the period of submission of Expression of Interest having expired on 2nd August 2021 and as advised by the independent transaction advisor, the Bid Process stood completed as on August 6, 2021, and the Revised Offer received from Worldone is ipso facto the winning bid.

In light of the aforesaid, we hereby inform you that the Board of Directors of the Company, at its meeting held on August 6, 2021, has taken the following decisions:

- (1) The Board approved the divestment of its entire stake, both Equity Shares and Preference Shares, in the Target Company, a material subsidiary of the Company, by way of sale of Equity Shares and Preference Shares, to Worldone, a Promoter Group Company and a related party to the Company, for an aggregate consideration of INR 7401,28,55,824 (Indian Rupees Seven Thousand Four Hundred and One Crore Twenty Eight Lakh Fifty Five Thousand Eight Hundred and Twenty Four) payable partly by way of cash consideration of INR 3015,00,00,000 (Indian Rupees Three Thousand and Fifteen Crores) and partly by way of Worldone taking over and assuming all the liabilities and obligations in relation to the inter-corporate deposits and capital advances paid by the Target Company to the Company, aggregating to INR 4386,28,55,824 (Indian Rupees Four Thousand Three Hundred and Eighty Six Crores Twenty Eight Lakhs Fifty Five Thousand Eight Hundred and Twenty Four) (the “**Proposed Sale**”). The Proposed Sale is subject to necessary approvals of shareholders of the Company, regulatory approvals, approvals from lenders of the Company and Target Company, contractual approvals and such other approvals, consents, permissions and sanctions as may be necessary in line with extant relevant guidelines. The long stop date for completion of the Proposed Sale is 12 (twelve) months which may be mutually extended by the parties thereto, failing which the Proposed Sale shall terminate.
- (2) The Board approved the execution of the amended and restated share purchase agreement (in supersession of the share purchase agreement dated April 26, 2021), the novation agreement, the termination agreement, the termination letter and other ancillary agreements, in relation to the Proposed Sale and accordingly, the Company has executed (i) the amended and restated share purchase agreement dated August 7, 2021 (“**SPA**”) with Worldone and Target Company to capture the entire understanding between the parties in relation to the sale of Equity Shares and RPS held by the Company in Target Company; (ii) the novation agreement dated August 7, 2021 (“**Novation Agreement**”) with the Target Company and Worldone, for the assumption and taking over of all the liabilities and obligations of the Company by Worldone in relation to the inter-corporate deposits and capital advances paid by the Target Company to the Company, aggregating to INR 4386,28,55,824 (Indian Rupees Four Thousand Three Hundred and Eighty Six Crores Twenty Eight Lakhs Fifty Five Thousand Eight Hundred and Twenty Four); and (iii) the execution of the termination agreement (effective immediately prior to the closing of the Proposed Sale) for terminating the letter agreements executed between the Company and the

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Target Company for the purchase of (a) 6*135 MW captive power plant of the Company situated at Angul, Odisha, and (b) 2*55 MW captive power plant of the Seller situated at Raigarh, Chhattisgarh, by the Company. As mentioned above, the Proposed Sale is subject to necessary approvals of shareholders of the Company, regulatory approvals, approvals of lenders of the Company as well as the Target Company, contractual approvals and such other approvals, consents, permissions and sanctions as may be necessary in line with extant relevant guidelines, and the long stop date for completion of the Proposed Sale is 12 months which may be mutually extended by the parties thereto, failing which the Proposed Sale shall terminate. The Company has also issued a termination letter dated August 7, 2021 to the Target Company to terminate the Loan Agreement dated April 26, 2021 executed between the Company and the Target Company, and accordingly the Loan Agreement is terminated effective immediately.

- (3) The Board approved the convening of an Extraordinary General Meeting of the shareholders of the Company for seeking their approval for the Proposed Sale.

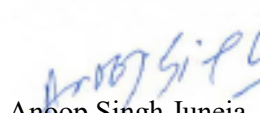
The required details in relation to the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 are given in **Annexure A**.

We request you to take the aforesaid on your record.

Thanking you,

Yours faithfully,

For **Jindal Steel & Power Limited**


Anoop Singh Juneja
Company Secretary & Compliance Officer



Encl: Annexure A as below

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Annexure A

Items to be disclosed	Details
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;	The turnover of the Target Company for the year ended March 31, 2021 is INR 5344.88 Crore constituting 13.52% of the consolidated turnover of the Company for the Year ending March 31, 2021. The net worth of the Target Company included in the consolidated net worth of the Company as on 31 st March 2021 is INR 5842.68 Crore.
Date on which the agreement for sale has been entered into;	The amended and restated share purchase agreement and the novation agreement have been executed between the Company, Worldone and the Target Company on August 7, 2021.
The expected date of completion of sale/disposal;	The long stop date for completion of the Proposed Sale is 12 (twelve) months which may be mutually extended by the parties thereto, failing which the Proposed Sale shall terminate.
Consideration received from such sale/disposal;	Aggregate consideration of INR 7401,28,55,824 (Indian Rupees Seven Thousand Four Hundred and One Crore Twenty Eight Lakh Fifty Five Thousand Eight Hundred and Twenty Four) payable partly by way of cash consideration of INR 3015,00,00,000 (Indian Rupees Three Thousand and Fifteen Crores) and partly by way of Worldone taking over and assuming all the liabilities and obligations in relation to the inter- corporate deposits and capital advances paid by the Target Company to the Company, aggregating to INR 4386,28,55,824 (Indian Rupees Four Thousand Three Hundred and Eighty Six Crores Twenty Eight Lakhs Fifty Five Thousand Eight Hundred and Twenty Four) for Equity Shares and RPS (representing 96.42% stake in the Target Company).
Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof;	Worldone Private Limited, the acquirer, is a private company limited by shares, incorporated in India in 1999, engaged presently in the business of investment holding. Worldone is a part of the promoter group of the Company. Mr. Naveen Jindal (a Promoter of the Company), holds, along with his relatives, the equity share capital of Worldone.

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Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;	The proposed divestment including the SPA and other ancillary agreements such as the Novation Agreement are Related Party Transactions. Yes, the transaction is done on an arm’s length basis.
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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