



JSW Energy Limited

Regd. Office: JSW Centre
Bandra Kurla Complex,
Bandra (East), Mumbai - 400051
CIN:L74999MH1994PLC077041
Phone: 022 - 4286 1000
Fax: 022 - 4286 3000
Website : www.jsw.in

5th February 2015
SEC/ JSWEL

The Secretary, National Stock Exchange of India Limited "Exchange Plaza", Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051	The Secretary, Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
Scrip Code: JSWENERGY- EQ	Scrip Code: 533148
Fax No.: 022 - 2659 8237 / 38	Fax No.: 022 - 2272 2037 / 39

Re: Email dated 3rd February 2015 from National Stock Exchange of India Limited in connection with Scheme of Arrangement between JSW Power Trading Company Limited and JSW Green Energy Limited and JSW Energy Limited

Dear Sirs,

With reference to your email in relation to the captioned matter, we hereby give our reply as under:

The Scheme of Arrangement is between JSW Power Trading Company Limited and JSW Green Energy Limited and JSW Energy Limited. JSW Power Trading Company Limited and JSW Green Energy Limited are unlisted companies and 100% subsidiary companies of JSW Energy Limited. The aforesaid transaction is within the ambit of related party transaction and is done on arm's length basis.

JSW Energy Limited is engaged in the business of generating and selling the power. JSW Power Trading Company Limited is engaged in the activities of trading of power and holds investments in Group Company. JSW Green Energy Limited is also incorporated with the objective of trading in power and generating and selling green energy.

1. The Scheme of Arrangement entails the following:

- a. Demerger of Power Trading Business of JSW Power Trading Company Limited into JSW Green Energy Limited.



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- b. Merger of Remaining JSW Power Trading Company Limited into JSW Energy Limited.

2. Demerger of Power Trading Business:

- a. The demerger of power trading business is taking place between two 100% subsidiaries of JSW Energy Limited and JSW Energy Ltd is neither the Demerged Company nor the Resulting Company for the purposes of demerger.
- b. For the purposes of the power trading business, JSW Power Trading Company Limited owns a Category "I" license which is the highest category power trading license issued by Central Electricity Regulatory Commission (CERC) for power trading in India. JSW Power Trading Company Limited is a member in both the power exchanges namely, India Energy Exchange (IEX) and Power Exchange of India Limited (PXIL). JSW Power Trading Company Limited trades in power procured from the Company and its associates as well as third party suppliers/generators.
- c. Upon demerger, JSW Green Energy Limited will issue 1 (one) Equity share for every equity share held by JSW Energy Limited in JSW Power Trading Company Limited. Similarly it will issue 1 (one) preference share for every 10 Preference shares held by JSW Energy Limited in JSW Power Trading Company Limited. There is no cash consideration payable upon demerger.
- d. Overall, JSW Energy Limited will continue to be 100% equity and preference shareholder in JSW Green Energy Limited which will own the power trading business post demerger.

3. Merger

- a. Post demerger of Power Trading Business, the remaining JSW Power Trading Company Limited will merge into JSW Energy Limited under the same scheme.
- b. Since JSW Energy Limited owns 100% shareholding in JSW Power Trading Company Limited, no shares shall be allotted by JSW Energy Limited upon merger. There is no cash consideration payable upon merger.

4. Rationale for the Scheme of Arrangement:

JSW Power Trading Company Limited being a trading company is presently adequately capitalized through its share capital and reserves. The Regulatory requirements of the Trading business are adequately met based on its current net worth comprising of share



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capital and reserves. Further it holds investments in Group Company. Hence, in order to ensure focus on principal activity of power trading and to ensure that JSW Power Trading Company Limited is relieved of the administrative functions as an Investment holding Company, it is proposed to hive off the Trading business into a separate 100% subsidiary which would focus only on Power trading activities and merge the remaining JSW Power Trading Company Limited along with investments into its parent company for the sake of administrative convenience.

5. Application under clause 24(f)

JSW Energy Limited has obtained approval of its audit committee and Board of Directors for the proposed Scheme of Arrangement and shall be filing an application under clause 24(f) of the listing agreement with BSE and NSE alongwith the fairness opinion obtained from the category I merchant banker.

We hope that the above reply clarifies your queries.

Thanking you,

Yours faithfully,
For JSW Energy Limited

S. Madhavan
Company Secretary & Compliance Officer

