JSW Ispat Special Products Limited

(formerly known as Monnet Ispat & Energy Limited)

Registered & Corporate Office: JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai-400051
CIN: L02710MH1990PLC363582 **GST:** 27AAACM0501D2Z9
Phone: +91 22 4286 1000 **E-mail:** isc_jispl@aionjsw.in **Website:** www.aionjsw.in

May 27, 2022

To,

The Listing Department
BSE Limited
Sir Phirozee Jeejeebhoy Towers, Dalai Street, Fort, Mumbai - 400001
BSE Scrip Code: 513446

The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor Plot No., C/1, G Block Bandra-Kurla Complex Sandra (East), Mumbai - 400051
NSE Symbol: JSWISPL

Listing Department
Calcutta Stock Exchange Limited
'7, Lyons Range, Kolkata-700001,

Dear Sir/Madam,

Ref: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") by JSW Ispat Special Products Limited ("Company" or Transferor Company 2")

Sub: Outcome of the meeting of the Board of Directors of the Transferor Company 2 held on May 27, 2022

Pursuant to Regulation 30 read with Schedule III of the Listing Regulations, we wish to inform you that a meeting of the Board of Directors of the Transferor Company 2 ("**Board**") was held on May 27, 2022 commenced at 1.30 pm and concluded at 4.25 pm. The Board, on the recommendations of the audit committee and the Independent Directors of the Transferor Company 2, considered and approved the composite scheme of arrangement amongst the JSW Steel Limited ("**Transferee Company**"), Creixent Special Steels Limited ("**Transferor Company 1**") and the Company/ Transferor Company 2 and their respective shareholders and creditors ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**").

At this meeting, the Board, *inter alia*, considered and approved / took on record, the following:

1. The Scheme which provides, *inter alia,* the following:

   (i) amalgamation of (i) firstly, Transferor Company 1 with and into the Transferee Company, and (ii) thereafter, Transferor Company 2 with and into the Transferee Company, in each case, on their respective effective dates and in accordance with Section 2(1B) of the Income-tax Act, 1961;

   (ii) dissolution without winding up of Transferor Company 1 and Transferor Company 2;

   (iii) issuance and allotment of equity shares of the Transferee Company to the equity shareholders (excluding the Transferee Company) of the Transferor Company 1 based on the share exchange ratio as specified in the Scheme;

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(iv) issuance and allotment of equity shares of the Transferee Company to the equity and compulsorily convertible preference shareholders (excluding the Transferee Company) of the Transferor Company 2 based on the share exchange ratios as specified in the Scheme;

(v) transfer of the authorized share capital from Transferor Company 1 and Transferor Company 2 to the Transferee Company.

2. Report from the Audit Committee of the Transferor Company 2 recommending the Scheme.

3. Report from the committee of Independent Directors of the Transferor Company 2.

4. The valuation report dated May 27, 2022 prepared by independent registered valuer PwC Business Consulting Services LLP.

5. The fairness opinion dated May 27, 2022 prepared by independent merchant banker JM Financial Limited.

6. The draft certificate by Deloitte Haskins & Sells LLP , the statutory auditor of the Transferor Company 2, for certifying that the accounting treatment specified in the Scheme is in compliance with Section 133 of the Act and the applicable accounting standards and other generally accepted accounting principles in India.

The Scheme is subject to the necessary statutory and regulatory approvals of (i) the shareholders / the creditors of the Transferor Company 2 and other parties to the Scheme, as may be directed by the National Company Law Tribunal, Mumbai Bench, (ii) the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as the "**Stock Exchanges**"), (iii) Securities and Exchange Board of India, (iv) Competition Commission of India, and (v) any other regulatory approvals, permissions, consents, sanctions, exemption as may be required under applicable laws, regulations, guidelines in relation to the Scheme.

The details/ disclosures required under Regulation 30 and Schedule III of the Listing Regulations and the Securities and Exchange Board of India Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 ("**SEBI Circular**"), are provided in the enclosed Annexure A.

The proposed Scheme has been reviewed and recommended for approval by the Audit Committee and, reviewed by the Independent Directors at their meetings held on May 27, 2022.

We request you to take the same on record. Further, the same shall be treated as compliance under the applicable provisions of the Listing Regulations and SEBI Circular.

Thanking you,
Yours faithfully,
For and on behalf of JSW Ispat Special Products Limited

Ajay Kadhao
Company Secretary

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Annexure A

1.	Name of the entities forming part of the Scheme, details in brief such as, size, turnover etc.	1. JSW Steel Limited ("**Transferee Company**" or "**Company**"), is a listed public company incorporated under the Companies Act, 1956 with corporate identification number L27102MH1994PLC152925 and having its registered office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai - 400051. The equity shares of the Transferee Company are listed on the Stock Exchanges. The Transferee Company is engaged in the business of manufacturing steel and offers a wide gamut of steel products. 2. Creixent Special Steels Limited ("**Transferor Company 1**"), is a public limited company incorporated under the Companies Act, 2013 with corporate identification number U27209MH2018PLC375319 and having its registered office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. The Transferor Company 1 has issued certain non-convertible debentures, which are listed on the wholesale debt market segment of BSE Limited. The Transferor Company 1 is *inter-alia* engaged in the business of trading in steel and steel products and holding investments. 3. JSW Ispat Special Products Limited ("**Transferor Company 2**"), is a listed public company incorporated under the Companies Act, 1956 with corporate identification number L02710MH1990PLC363582 and having its registered office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai - 400051. The equity shares of the Transferor Company 2 are listed on the Stock Exchanges. The Transferor Company 2 is *inter-alia* engaged in the business of manufacturing and marketing of sponge iron, pellets, steel and ferro alloys. 4. The paid-up share capital, net worth, and turnover of the companies involved in the Scheme are as follows:

Company	Paid-up equity share capital	Turnover (FY 21-22) (Consolidated)	Net-worth (as on March 31, 2022) (Consolidated)
Transferee Company	INR 2,41,72,20,440	INR 1,46,371 Crore	INR 68,535 Crore
Transferor Company 1	INR 10,00,00,000	NR 6,061 Crore	INR 664 Crore

		<table><tr><td>Transferor Company 2</td><td>INR 4,69,54,75,340</td><td>INR 6061 crore</td><td>INR 1,393 crore</td></tr></table> The paid-up preference share capital (compulsorily convertible preference shares) of the Transferor Company 2 is INR 5,25,98,00,000 and paid-up preference share capital (redeemable preference shares) of the Transferor Company 1 is INR 3,70,26,96,100.
2.	Whether the transaction would fall within related party transaction(s)? and if yes, whether the same is done at "arms' length"?	The proposed amalgamation will not attract the requirements of Section 188 of the Companies Act, 2013 (related party transactions) pursuant to the clarifications provided in the General Circular No. 30/2014 dated July 17, 2014. However, the proposed amalgamation may be considered a 'related party transaction' under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"). The consideration for the Scheme will be discharged on an "arm's length" basis. Please see paragraph 5 for further details.
3.	Area of business of the entities	Please refer to paragraph 1.
4.	Rationale for amalgamation/ merger	The proposed amalgamation would be in the best interest of the parties and their respective shareholders, employees, creditors and other stakeholders as the proposed amalgamation will yield advantages as set out, *inter alia* below: (a) *Synergies in business*: The parties are engaged in similar and / or complementary businesses and their proposed amalgamation pursuant to this Scheme will create synergies between their businesses, including by pooling of their financial, managerial, technical, distribution, marketing and other resources. The proposed amalgamation is expected to, *inter-alia*, result in reduction of costs, better alignment, coordination and streamlining of day-to-day operations of the units. (b) *Optimization of raw material procurement*: The Transferee Company has captive iron ore mines and merchant iron ore mines. The manufacturing unit of the Transferor Company 2 situated at Raigarh sources iron ore from the merchant mines of the Transferee Company and pursuant to the proposed amalgamation, the Transferor Company 2 will also source iron ore from the captive iron ore mines of the Transferee Company, which

		are located closer to the Transferor Company 2, than the merchant iron ore mines of the Transferee Company. Such combined sourcing of raw materials will result in reduction in overall cost of procurement. Further, the requirement of coke for the manufacturing activities of the Transferor Company 2 can also be supplied by the Transferee Company, thereby resulting in further reduction of procurement costs. (c) *Utilization of surplus rolling capacity*: The Transferor Company 2 commenced its slab manufacturing capacity in FY 2022. With the commissioning of a second electric arc furnace (EAF) by Transferor Company 2 expected in Q2 FY 2023, its ability to produce crude steel will increase. The facilities of the Transferee Company at Vijayanagar and Anjar have surplus rolling capacity. Thus, the slabs manufactured by the Transferor Company 2 can be rolled in the said facilities of the Transferee Company, thereby providing opportunity for transfer of intermediate products within the facilities, and thereby increasing the capacity utilization of the Transferee Company's rolling mills. (d) *Simplified structure and management efficiency*: The proposed amalgamation will result in a simplification of the existing corporate structure and eliminate administrative duplications, consequently reducing the administrative costs of maintaining separate companies, while reducing the multiple legal and regulatory compliances. (e) *Enhancing presence in central India*: The Transferee Company does not have manufacturing presence in central India. Pursuant to the proposed amalgamation, the parties shall be better positioned to service customer needs basis their combined portfolio of products and marketing capabilities in central India. The proposed amalgamation will provide opportunities to access new markets, segments, product offerings and customers in central India. Further, with a common credit management system, the customers are expected to benefit from an improved channel financing facility from the combined company. (f) *Improved automation*: The proposed amalgamation will result in increased level of automation across all plants of the Transferor Company 2 by using the information technology application and systems of the Transferee Company. The Transferor Company 1 holds equity investment in Transferor Company 2 and is its holding company. Pursuant to the completion of the amalgamation of the Transferor Company 2 with the Transferee Company, there would no longer be a requirement for the Transferor

		Company 1 to exist as a separate legal entity. Hence, the Transferor Company 1 is also proposed to be amalgamated with the Transferee Company.
5.	In case of cash consideration - amount or otherwise share exchange ratio	(a) Upon the Scheme becoming effective, the Transferee Company will issue: 3 fully paid up equity share(s) of INR 1/- each of the Transferee Company to the equity shareholders of the Transferor Company 1 (other than the Transferee Company) as on the record date for every 2 fully paid up equity share(s) of INR 10/- each held by such equity shareholders of the Transferor Company 1. (b) Upon the Scheme becoming effective, the Transferee Company will issue: (i) 1 fully paid up equity share(s) of INR 1/- each of the Transferee Company to the equity shareholders of the Transferor Company 2 (other than the Transferee Company) as on the record date for every 21 fully paid up equity share(s) of INR 10/- each held by such equity shareholders of the Transferor Company 2; and (ii) 1 fully paid up equity share(s) of INR 1/- each of the Transferee Company to the preference shareholders of the Transferor Company 2 (other than the Transferee Company) as on the record date for every 21 fully paid up compulsorily convertible preference share(s) of INR 10/- each held by such preference shareholders of the Transferor Company 2. The valuation report dated May 27, 2022 has been issued by PwC Business Consulting Services LLP, registered valuer. The fairness opinion dated May 27, 2022 has been issued by JM Financial Limited, SEBI registered merchant banker.
6.	Brief details of change in shareholding pattern (if any) of the listed entity	The brief details of the shareholding of the companies pre and post Scheme are as follows as of May 27, 2022: Transferee Company:

Category	Before Scheme (As on May 27, 2022)		Post Scheme	
	No. of equity shares	% of equity shares	No. of equity shares	% of equity shares
Promoters	108,80,57,750	45.01%	108,80,67,550	44.49%
Public	132,16,58,384	54.68%	134,98,82,109	55.20%
Non-Promoter and Non-Public	75,04,306	0.31%	75,04,306	0.31%

		Total	2,41,72,20,440	100.00%	244,54,53,965	100.00%

Transferor Company 1*:

Category	**Before Scheme (As on** May 27, 2022)	
	No. of equity shares	**% of equity shares**
Promoters	1,00,00,000	100%
Public	-	-
Total	1,00,00,000	100%

**The Transferor Company 1 shall cease to exist upon the effectiveness of the Scheme.*

Transferor Company 2*:

Category	**Before Scheme (As on** May 27, 2022)	
	No. of equity shares	**% of Total**
Promoters	24,96,49,241	53.17
Public	21,98,98,293	46.83
Total	46,95,47,534	100

**The Transferor Company 2 shall cease to exist upon the effectiveness of the Scheme.*