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
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E-mail/ Online Upload Copy

27th May, 2022

DGM-Dept. of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Complex, Mumbai-400001

Listing Department
National Stock Exchange of India Limited
'Exchange Plaza', Bandra Kurla
Mumbai-400051

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

BSE Scrip Code: 513446 / NSE Scrip Code: JSWISPL

SUB: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Press Release

Dear Sir,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Press Release on the Composite Scheme of Arrangement amongst 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").

This is for your information and record.

Thanking you.

Yours faithfully.
For **JSW Ispat Special Products Limited**
(Formerly known as Monnet Ispat and Energy Limited)

(Ajay Kadhao)
Company Secretary & Compliance Officer

JSW Ispat Special Products Limited

Encl: As stated above.

JSW Steel

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PRESS RELEASE

AMALGAMATION OF CREIXENT SPECIAL STEELS LIMITED AND JSW ISPAT SPECIAL PRODUCTS LIMITED WITH AND INTO JSW STEEL LIMITED

Mumbai,
Date: 27 May 2022

The Board of Directors of JSW Steel Limited ("**JSW Steel**"), Creixent Special Steels Limited ("**CSSL**") and JSW Ispat Special Products Limited ("**JISPL**") at their respective meetings held today have approved a scheme of arrangement for the amalgamation of JISPL and CSSL with and into JSW Steel ("**Scheme**") under the provisions of Sections 230 to 232 of the Companies Act, 2013 ("**Proposed Amalgamation**").

The Scheme is subject to approval of the respective shareholders and creditors of JSW Steel, JISPL and CSSL, the stock exchanges (namely, BSE Limited and National Stock Exchange of India Limited), Securities and Exchange Board of India, National Company Law Tribunal, Competition Commission of India and other regulatory approvals as may be required.

JSW Steel is India's leading producer of integrated, value added, and high grade steel, with a crude steel manufacturing capacity of ~ 26 MTPA in India. JSW Steel is India's largest steel exporter, shipping to 100+ countries, across 5 continents and has been conferred with the World Steel Association's Steel Sustainability Champion award for four consecutive years from 2019 to 2022.

CSSL is a joint venture between JSW Steel Limited and AION Investments Private II Limited and is in the business of trading in steel and steel products and holding investments.

JISPL (formerly Monnet Ispat & Energy Limited) is a special steel products manufacturer catering to the seamless pipe, automobile and high speed rail industries. It has a crude steel manufacturing capacity of 1.2 MTPA at its integrated steel plant in Raigarh and its plant at Raipur.

The merged entity will realise synergies across the value chain as follows:

(a) *Synergies in business*: The companies are engaged in similar and / or complementary businesses and their proposed amalgamation 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*: JSW Steel has captive iron ore mines and merchant iron ore mines. The manufacturing unit of JISPL situated at Raigarh sources iron ore from the merchant mines of JSW Steel. Pursuant to the proposed amalgamation, JISPL will be able to source iron ore from the captive iron ore mines of JSW Steel which are located closer to JISPL than the merchant iron ore mines of JSW Steel. 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 JISPL can be supplied by JSW Steel, thereby resulting in further reduction of procurement costs.

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(c) *Utilization of surplus rolling capacity:* JISPL commenced its slab manufacturing capacity in FY 2022. With the commissioning of the second electric arc furnace (EAF) by JISPL expected in Q2 FY 2023, its ability to produce crude steel shall increase. The facilities of JSW Steel at Vijayanagar and Anjar have surplus rolling capacity. Thus, the slabs manufactured by JISPL can be rolled in the said facilities of JSW Steel, thereby providing opportunity for transfer of intermediate products within the facilities, thereby increasing the capacity utilization of JSW Steel'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 duplication, consequently reducing the administrative costs of maintaining separate companies while reducing the multiple legal and regulatory compliances.

(e) *Enhancing presence in central India*: JSW Steel does not have manufacturing presence in central India. Pursuant to the proposed amalgamation, the companies shall be better positioned to service customer needs with 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 JISPL by using the information technology applications and systems of JSW Steel.

CSSL holds equity investment in JISPL and is its holding company. Pursuant to the completion of the amalgamation of JISPL with JSW Steel, there would no longer be a requirement for CSSL to exist as a separate legal entity. Hence, CSSL is also proposed to be amalgamated with JSW Steel.

Key terms of the Proposed Amalgamation

The independent valuers appointed by each of JSW Steel, JISPL and CSSL have recommended the share exchange ratio for the Proposed Amalgamation, which has been approved by the Board of Directors of each of the companies.

Accordingly, in connection with the Proposed Amalgamation, upon the Scheme becoming effective:

a) JSW Steel will issue: 3 fully paid up equity share(s) of INR 1 each of JSW Steel to the equity shareholders of CSSL (other than JSW Steel) as on the record date for every 2 fully paid up equity share(s) of INR 10 each held by such equity shareholders of CSSL.

b) JSW Steel will issue: (i) 1 fully paid up equity share(s) of INR **1** each of JSW Steel to the equity shareholders of JISPL (other than JSW Steel) as on the record date for every 21 fully paid up equity share(s) of INR 10 each held by such equity shareholders of JISPL; and (ii) 1 fully paid up equity share(s) of INR 1 each of JSW Steel to the preference shareholders of JISPL 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 JISPL.

Commenting on the announcement, Mr. Seshagiri Rao M.V.S, Jt. Managing Director & Group CFO of JSW Steel said - "*The amalgamation will not only increase efficiencies and enhance administrative control but will also create and enhance stakeholders' value by unlocking the intrinsic value and growth*

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potential for the respective businesses of JISPL, CSSL and JSW Steel. When we acquired Monnet Ispat & Energy as a distressed entity in 2018 with AION as our partner, our aim was to turn the company around and metamorphosize it into a sustainable business on its own before merging it with JSW Steel. Now that the company is profitable and thriving, we believe this is the right time to bring it into the fold of JSW Steel and leverage the synergistic benefits of the combined entity."

Mr. Jyotin Mehta, Chairman of the Board of JISPL said- "*The amalgamation will help JISPL shareholders become a part of world class steel player and participate in its growth story.*"

KPMG Valuation Services LLP, registered valuer, acted as an independent valuer for JSW Steel, while PWC Business Consulting Services LLP, registered valuer, acted as an independent valuer for CSSL and JISPL.

Further, Axis Capital Limited provided a fairness opinion to JSW Steel on the share exchange ratios while JM Financial Limited provided a fairness opinion to JISPL on the share exchange ratios. Dhruva Advisors acted as the tax advisor to the Scheme. Shardul Amarchand Mangaldas & Co. acted as the legal advisor to JSW Steel and Juris Corp acted as the legal advisor to JISPL and CSSL.

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