



Regd. Office : JSW Centre,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
CIN. : L74999MH1994PLC077041
Phone : +91 22 4286 1000
Fax : +91 22 4286 3000
Website : www.jsw.in

16 November 2014

The Secretary,
Bombay Stock Exchange Limited,
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400 001
Fax:

The Manager,
Listing Department National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block – G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

Re: Disclosure under Clause 36 of the Listing Agreement

JSW Energy agrees to acquire (i) 300 MW Baspa II hydro electric project located at Himachal Pradesh, and (ii) 1091 MW Karcham Wangtoo hydro electric project located at Himachal Pradesh from the Jaiprakash Power Ventures Limited

Dear Sir/ Madam,

This is to inform you that JSW Energy Limited has agreed to acquire from Jaiprakash Power Ventures Limited and other shareholders, 100% stake in Himachal Baspa Power Company Limited for a base Enterprise Value of approximately Rs. 9,700 crores, subject to mutually agreed adjustments.

The board of directors of Jaiprakash Power Ventures Limited has approved the transfer of, (i) the 300 MW Baspa II hydro electric project located at Himachal Pradesh, and (ii) the 1091 MW Karcham Wangtoo hydro electric project located at Himachal Pradesh into a separate company, i.e. the Himachal Baspa Power Company Limited ("**Target**"), as a going concern through a scheme of arrangement under Sections 391 - 394 of the Companies Act, 1956.

Subsequent to the scheme of arrangement being made effective and subject to other terms and conditions agreed between the Company and JPVL, JSW Energy Limited proposes to acquire 100% (one hundred percent) of the securities of the Target held by JPVL.

The additional information submitted pursuant to guidance note on Clause 36 of the Listing Agreement has been provided under the **Annexure** below.





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A media release giving all the relevant details of the proposed acquisition is enclosed and is also being posted on the website of JSW Energy Limited (www.jsw.in).

Please take this disclosure on record and acknowledge.

Thank you,

Yours faithfully,
for **JSW Energy Limited**

Sampath Madhavan
Company Secretary



Enclo: as above



Annexure

- a) Name of the target entity

Himachal Baspa Power Company Limited

- b) Whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof;

No

- c) Whether the acquisition would fall within related party transactions? If yes, whether the same is done at, arm's length;

Not applicable

- d) Industry to which the entity being acquired belongs

Hydro-electric power generation

- e) Brief details of any governmental or regulatory approvals required for the acquisition;

The material governmental and regulatory approvals required for the proposed transaction include, approval of the Competition Commission of India, the Government of Himachal Pradesh, and the Himachal Pradesh State Electricity Board.

- f) Indicative time period for completion of the acquisition;

The transaction is expected to be completed in the financial year 2015-16.

- g) Estimated cost of acquisition or the price at which the shares are acquired;

The consideration payable by JSW Energy Limited is linked to a base enterprise value of approximately Rs. 9,700 crores for the 300 MW Baspa-II Hydro-Electric Plant and 1091 MW Karcham Wangtoo Hydro-Electric Plant, subject to mutually agreed adjustments.

- h) Nature of consideration - whether cash consideration or share swap and details of the same;

Cash

- i) Percentage of shareholding / control acquired and / or number of shares acquired;

100% of the shareholding of the Target will be acquired

- j) Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)





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The Board of JPVL has approved a scheme of arrangement pursuant to which the 300 MW Baspa-II Hydro-Electric Plant and 1091 MW Karcham Wangtoo Hydro-Electric Plant ("Undertakings"), will be transferred into the Target. Currently, the Target has no operations and was incorporated on March 14, 2014.

For the sake of transparency and clarity, the brief details of the Undertakings are as follows:

Lines of Business: Hydro-electric power generation

Date of Commencement of the project:

Baspa Project: An MOU for the same was signed with Government of Himachal Pradesh in November, 1991 and was fully commissioned on 8th June, 2003 and has since been generating power

Karcham Project: An MOU for the same was signed with Government of Himachal Pradesh in August, 1993 and was commissioned in phases between May to September 2011 has since been generating power

Revenue for the last 3 years (sales and other income):

In INR Crores

Total Revenue	FY 14	FY 13	FY 12
Karcham Project	1241.53	1299.04	885.53

Total Revenue	FY 14	FY 13	FY 12
Baspa Project	319.97	327.47	327.49

Country of presence: India





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Media Release – 16 November, 2014

JSW Energy agrees to acquire the (i) 300 MW Baspa II hydro electric project located at Himachal Pradesh, and (ii) 1091 MW Karcham Wangtoo hydro electric project located at Himachal Pradesh from the Jaiprakash Power Ventures Limited

JSW Energy Limited (BSE Scrip Code: 533148, NSE Scrip Code: JSWENERGY), has executed documents to acquire from Jaiprakash Power Ventures Limited (JPVL) and other shareholders, 100% stake in Himachal Baspa Power Company Limited.

The board of directors of Jaiprakash Power Ventures Limited has already approved the transfer of, (i) the 300 MW Baspa II hydro electric project located at Himachal Pradesh, and (ii) the 1091 MW Karcham Wangtoo hydro electric project located at Himachal Pradesh into a separate company, i.e. the Himachal Baspa Power Company Limited, as a going concern through a scheme of arrangement under Sections 391 - 394 of the Companies Act, 1956.

Subsequent to the scheme of arrangement being made effective and subject to other terms and conditions agreed between JSW Energy Limited and JPVL, JSW Energy Limited proposes to acquire 100% (one hundred percent) of the securities of the Target held by JPVL and other shareholders.

The consideration payable by JSW Energy Limited is linked to a base enterprise value of approximately Rs. 9,700 crores for the 300 MW Baspa-II Hydro-Electric Plant and 1091 MW Karcham Wangtoo Hydro-Electric Plant, subject to mutually agreed adjustments, and the closing is subject fulfilment of conditions precedent by the parties.

By agreeing to acquire 100% of Share Capital of HBPCL, JSW Energy is writing a new chapter in the books of Indian corporate history. The operating hydropower capacity of 1300 MW, will make JSW Energy the largest private sector hydro power generator in the country. Post acquisition aggregate installed and operational power generation capacity of JSW Energy will enhance to 4,531 MW. Considering the operational track record of the projects with fairly stable hydrology, the acquisition will yield immediate cashflow and is expected to enhance JSW Energy's consolidated profitability and returns and create significant synergies.

ROBUST FUTURE FOR ENERGY:

With, Indian economic recovery seems to be gathering pace and new government's efforts to revive investment cycle, faster implementation of reforms, addressing of supply side bottlenecks coupled with global demand recovery should result in an improvement in manufacturing activities. We believe





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power demand will remain good in the near future. JSW Energy is therefore continuously on the lookout for both organic and inorganic growth opportunities. The acquisition of HBPL fits in very well with JSW Energy's bullish outlook on the Energy Business in India.

HBPL's UNIQUE FEATURES and STRATEGIC PLAN FOR PERFORMANCE ENHANCEMENT:

The proposed acquisition in the State of Himachal Pradesh is a strategic fit to the Company and will enable the Company to establish its presence in the State where it is also setting up 240MW Hydro Electric Project at Kutehr. The Baspa Project and Karcham Project have an estimated life of over 29 years and 37 years respectively & which are extendable for a further period of 20 years. Upon completion of the proposed acquisition, the Company will be able to diversify its largely coal / lignite based portfolio and achieve significant synergies.

The efficiencies arising out of this proposed acquisition include:

- Enhanced Scale of operation - Capacity increase from 3140 MW to 4531 MW
- Portfolio diversification with operational hydro assets - Thermal – 3140 MW & Hydro – 1391 MW
- Increase the proportion of long term regulated PPAs
- Entire capacity is fully operational providing immediate cash flow visibility

This acquisition takes JSW Energy one step closer in achieving its aim of having 12,000 MWs of power generation capacity by 2025.

Commenting on the acquisition, Mr. Sajjan Jindal, Chairman & Managing Director of JSW Energy, said: "This is an attractive deal for our shareholders, as it is expected to be earnings accretive on closure. Our strategy is to increase capacity manifold and create synergies through a mix of organic and inorganic opportunities, supported by excellence in operations to accelerate the growth in shareholder value."

Axis Capital Limited & SBI Capital Markets Ltd. were the financial advisors to the Company for the transaction. Amarchand & Mangaldas & Suresh A. Shroff & Co. were the legal advisors to the Company, Pricewaterhouse Coopers carried out financial & tax due diligence and Lahmeyer International Private Limited carried out technical due diligence."

About JSW Energy Limited

JSW Energy Limited, part of the JSW Group, is a growing energy company. The Group has diversified interests in carbon steel, power, mining, industrial gases, port facilities, aluminium, cement





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and information technology. JSW Energy is working on power solutions in the states of Karnataka, Maharashtra, Rajasthan, Himachal Pradesh and Chhattisgarh. The Company has an operational capacity of 3,140 MW. The Company is an early entrant in the Power Trading and Power Transmission business and plans to enter into power distribution business generation through non-conventional energy sources and tie-ups with well-known equipment manufacturers and suppliers. It is working towards building a full service integrated energy business.

About JSW Group

A US \$11 billion conglomerate, the JSW Group is a part of the O.P. Jindal Group. JSW Group has set up business facilities in various core sectors of India. With verticals that are exploring innovative and sustainable avenues in steel, energy, infrastructure and cement, the Group is paving the way for India's development as a global superpower.

