



**JSW Energy Limited**

Regd. Office : JSW Centre  
Bandra Kurla Complex  
Bandra (East), Mumbai - 400 051

CIN: L74999MH1994PLC077041  
Phone: 022 – 4286 1000  
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SEC / JSWEL  
17<sup>th</sup> February, 2020

The Secretary <b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001 <b>Scrip Code: 533148</b>	The Secretary <b>National Stock Exchange of India Limited</b> “Exchange Plaza” Bandra - Kurla Complex, Bandra (E) Mumbai - 400 051 <b>Scrip Code: JSWENERGY- EQ</b>
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**Subject: JSW Energy Limited signs Share Purchase Agreement with GMR Energy Limited for acquiring 100% shares in its subsidiary GMR Kamalanga Energy Limited**

**Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sirs,

Vide our communication dated 7<sup>th</sup> October, 2019, we had informed you that the Company had entered into exclusive discussions with GMR Energy Limited ("GEL") for potential acquisition of its subsidiary, GMR Kamalanga Energy Limited ("GKEL"), which owns and operates a 1,050 MW (3x350 MW) thermal power plant in Odisha. We now wish to inform you that the Company has signed Share Purchase Agreement with GEL, pursuant to which the Company shall acquire 100% stake in GKEL for a total consideration of an amount up to Rs.5,321 crore (subject to working capital and other adjustments).

Post-acquisition, the total installed power generation capacity of the Company will increase to 5,609 MW. This will expand the Company's presence in the Eastern Region of the country and further diversify its fuel mix and offtake arrangements.

The details, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015, are given in Annexure - A to this letter.

The transaction shall be subject to customary regulatory and other approvals for its completion.

A short presentation outlining the transaction details is attached.

**Yours faithfully,  
For JSW Energy Limited**



**Monica Chopra**  
**Company Secretary and Compliance Officer**  
Encl: A/a



Part of O. P. Jindal Group



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**Annexure A**

**Disclosure under Schedule III pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Acquisition (including agreement to acquire):**

a	<b>Name of the target entity, details in brief such as size, turnover etc.</b>	<b>Name:</b> GMR Kamalanga Energy Limited ('GKEL')  <b>Brief details:</b> GKEL presently owns and operates a 1050 MW (3 x 350 MW) coal based thermal power plant located at Dhenkanal, District Kamalanga, Odisha  <b>Revenue from Operations as on 31<sup>st</sup> March, 2019 -</b> Rs.2,195 crore
b	<b>whether the acquisition would fall within related party transaction(s) and whether the promoter / promoter group / group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length"</b>	No
c	<b>industry to which the entity being acquired belongs</b>	GKEL is engaged in the business of Power Generation.





<b>d</b>	<b>objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)</b>	JSWEL, as part of its strategy for expansion and consolidation in the power sector, is actively evaluating various strategic assets for acquisition. Accordingly, it has decided to acquire GMR Kamalanga Energy Limited (GKEL) which owns and operates a 1050 MW coal based power plant.  Consequent to the acquisition, GKEL will be a 100% subsidiary of the Company
<b>e</b>	<b>brief details of any governmental or regulatory approvals required for the acquisition</b>	Following are the major approvals required: <ul style="list-style-type: none"><li>• Approval from Competition Commission of India (CCI) for acquisition of the Shares.</li><li>• Approvals from GKEL Lenders</li><li>• Approval from Power Purchase Agreement Beneficiary State of Haryana i.e. Uttar Haryana Bijli Vitran Nigam Limited and Dakshin Haryana Bijli Vitran Nigam Limited and PTC India Limited</li><li>• Approval from Industrial Development Corporation of Odisha (IDCO)</li></ul>
<b>f</b>	<b>indicative time period for completion of the acquisition</b>	90 days from the Execution date of Share Purchase Agreement (SPA) subject to fulfillment of Conditions Precedent set out in SPA.
<b>g</b>	<b>nature of consideration - whether cash consideration or share swap and details of the same</b>	Cash consideration





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h	<b>cost of acquisition or the price at which the shares are acquired</b>	An amount up to Rs.5,321 crore (subject to working capital and other adjustments)
i	<b>percentage of shareholding / control acquired and / or number of shares acquired</b>	<b>Percentage of shareholding acquired: 100%</b> <b>Number of shares acquired – 214,87,34,052</b>
j	<b>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)</b>	<b>Name of entity:</b> GMR Kamalanga Energy Limited ('GKEL') <b>Line of Business:</b> The Company is engaged in the business of Power Generation <b>Date of Incorporation –</b> 28 <sup>th</sup> December 2007 <b>Revenue from Operations of last 3 years-</b> FY 2019: Rs.2,195 crore FY 2018: Rs.1,990 crore FY 2017: Rs.1,916 crore <b>Country in which the acquired entity has presence –</b> India <b>Any other significant information (in brief) –</b>





## Acquisition Update – GMR Kamalanga Energy Limited

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February 17, 2020

# Asset Overview



GMR Kamalanga Energy Limited (GKEL)																					
Location	Dhenkanal, Odisha																				
Capacity	1050 MW (3X350 MW)																				
COD	Unit 1–Apr’2013, Unit 2–Nov’2013, Unit 3–Mar’2014																				
Equipment	BTG: SEPCO - China, Boiler: Harbin, Turbine: Dongfang																				
Land	1,100 acres under possession - on lease from Odisha Govt. for 90 years																				
Water	30 cusec sourced from Brahmini river (3 km)																				
Coal Transportation	Dedicated railway line from nearest railway station (Bhudapanak, 5 km)																				
Transmission	Connected to both CTU and STU																				
Power Off-take	<ul style="list-style-type: none"> <li>880 MW (~84%) under long-term PPA for 25 years (Balance term: ~19 years)</li> </ul>																				
	<table border="1"> <thead> <tr> <th>FY20 Tariff (₹/kWh)</th> <th>Gross Capacity (MW)</th> <th>Fixed Charge</th> <th>Variable Charge</th> <th>Total #</th> </tr> </thead> <tbody> <tr> <td>Odisha</td> <td>263</td> <td>1.65</td> <td>1.46</td> <td>3.11</td> </tr> <tr> <td>Haryana (PTC)</td> <td>334</td> <td>1.42</td> <td>1.47</td> <td>2.89*</td> </tr> <tr> <td>Bihar</td> <td>283</td> <td>1.87</td> <td>1.52</td> <td>3.39</td> </tr> </tbody> </table>	FY20 Tariff (₹/kWh)	Gross Capacity (MW)	Fixed Charge	Variable Charge	Total #	Odisha	263	1.65	1.46	3.11	Haryana (PTC)	334	1.42	1.47	2.89*	Bihar	283	1.87	1.52	3.39
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	Odisha	263	1.65	1.46	3.11																
	Haryana (PTC)	334	1.42	1.47	2.89*																
Bihar	283	1.87	1.52	3.39																	
<ul style="list-style-type: none"> <li>Balance capacity (170 MW) – available for merchant sale/new PPAs</li> </ul>																					
FSA	3.64 MTPA (Normal coal linkage (MCL) - 2.14 MTPA & SHAKTI linkage - 1.5 MTPA)																				
Main Lenders	IDFC (Lead), SBI, IDBI, Canara Bank, UCO Bank																				

- Optimal fit with the Company's strategic framework of acquiring assets with low power generation cost thus minimizing receivable risk
- Helps the Company to expand its portfolio and diversify its fuel mix, geographical spread and off-take arrangements
- Operating power plant with 5 years of satisfactory operational history
- Substantial offtake security with ~84% capacity tied-up under long-term PPA with 3 State DISCOMs
- Adequate fuel security for entire PPA capacity under 3.64 MTPA FSA with MCL
- Strategic location in coal rich belt of Talcher (MCL) ensuring low variable cost thereby placing the plant favorably in Merit Order Dispatch and ensuring healthy dark spread for balance open capacity

# Transaction Details

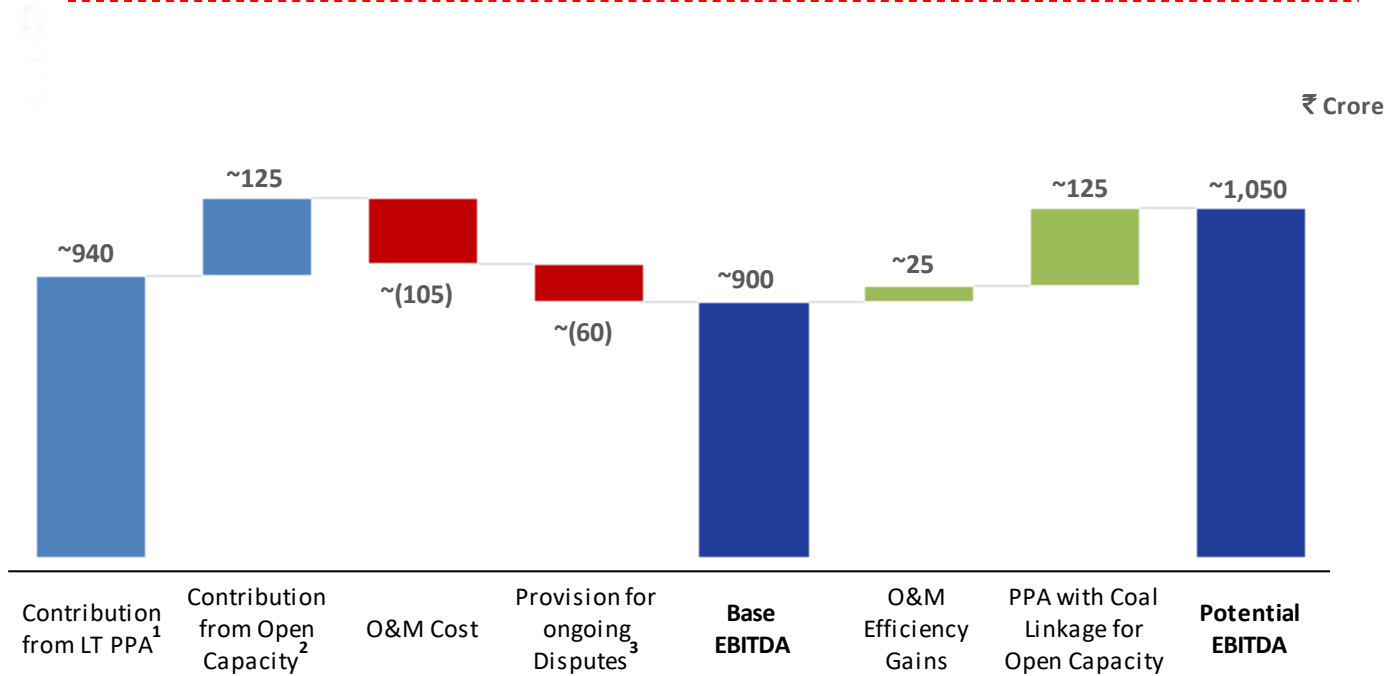
Particulars	Amount in ₹ Crore
Takeover of existing Debt of target asset	~3,951
<b>Balance Consideration</b>	<b>~1,370</b>
To be paid upfront <sup>#</sup>	~755
Contingent consideration payable at different milestones <sup>##</sup>	~615
<b>Enterprise Value*</b>	<b>~5,321</b>
<b>EBITDA (FY21e)</b>	<b>~900-1,050</b>
<b>EV/EBITDA</b>	<b>~5.1-5.9x</b>
<sup>#</sup> To be funded through debt and internal accruals <sup>##</sup> To be funded through debt and internal accruals as and when necessary	

## Key Potential Upsides:

- ✓ Potential to increase EBITDA through:
  - Tie-up of open capacity under PPA
    - In L1 basket for 150 MW PPA for 3 years under Pilot Scheme - II
  - Securing fuel linkage for balance capacity
    - Secured 0.4 MTPA under recent SHAKTI coal auction
  - Efficiency improvements such as reduction in O&M cost in-line with JSW benchmark
  - Possible recovery of past disputed receivables net of contingent liabilities
    - All major tariff related disputes with DISCOMs settled by various APTEL orders in favor of GKEL
- ✓ Option of expansion by another 350 MW unit at low incremental project cost



# Estimated FY21 EBITDA Bridge



(1) Calculated as Wt. Avg Fixed Cost x Normative units under PPA  
 (2) Calculated as dark spread of ₹ 1 per unit x units sold in open market  
 (3) Pertaining to Environment Management Fund and Electricity Duty

# Forward Looking and Cautionary Statement



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**Thank you**