



Ref: JSWSL: SECT: MUM: 2021-22

July 23, 2021

<b>1. National Stock Exchange of India Ltd.</b> Exchange Plaza Plot No. C/1, G Block <b>NSE Symbol: JSWSTEEL</b>  <b>Kind Attn.: Mr. Hari K, President (Listing)</b>	<b>2. BSE Limited</b> Corporate Relationship Dept. Dalal Street, Mumbai – 400 001. <b>Scrp Code No.500228.</b>  <b>Kind Attn: The General Manager (CRD).</b>
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**Subject: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015**

Dear Sir,

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) read with Part A of Schedule III of Listing Regulations, and as informed vide our press release submitted earlier today, the Board of Directors of the Company had approved to make a strategic investment of approximately INR 750,00,00,000 in JSW Paints Private Limited (“**JSW Paints**”) in 3-4 tranches between FY 2021-22 to FY 2024-25 (“**Strategic Investment**”). In the first tranche of the Strategic Investment, the Company shall invest INR 299,99,99,775 and subscribe to equity shares equivalent to approximately 7.5% of the issued and paid-up equity capital of JSW Paints and 6.88% on a fully diluted basis, by end of Q2 of FY 2021-22.

In furtherance of the same, the Company has entered into a Share Subscription Agreement with JSW Paints on 23.07.2021 to record the terms of the Strategic Investment, including the terms on which the Company shall acquire equity shares equivalent to approximately 7.5% of the issued and paid-up equity capital of JSW Paints and 6.88% on a fully diluted basis, in the first tranche of the Strategic Investment, and the rights and obligations of the Company and JSW Paints.

The details required under Regulations 30 of the Listing Regulations read with SEBI circular no CIR/CFD/CMD/4/2015 dated September 09, 2015 are enclosed herewith and marked as **Annexure A**.

Thanking You,

Yours faithfully,  
For **JSW Steel Limited**,

**Lancy Varghese**  
Company Secretary

cc: **Singapore Exchange Securities Trading Limited**  
11 North Buona Vista Drive,  
#06-07, The Metropolis Tower 2,  
Singapore 138589



### Annexure A

Disclosure of acquisition (including agreement to acquire) in terms of Listing Regulations read with Part A Schedule III of the Listing Regulations

Sl. No.	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc	<p>JSW Paints Private Limited is a private limited company incorporated under the provisions of Companies Act, 2013 with its registered office at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai- 400 026.</p> <p>JSW Paints is engaged in the business of manufacturing, distribution, sales and services of industrial and decorative paints.</p> <p>It has an automated coil coatings facility at Vasind, Maharashtra and an automated water based decorative paints facility at Vijayanagar, Karnataka.</p> <p>Turnover of JSW Paints was INR 430.48 crores for the financial year ending March 31, 2021.</p>
2.	<p>Whether the acquisition would fall within related party transaction and whether the promoter/ promoter group have any interest in the entity being acquired?</p> <p>If yes, nature of interest and details thereof and whether the same is done at “arm’s length”</p>	<p>The Company and JSW Paints are related parties. JSW Paints is part of the group of companies owned and controlled by the promoter group of the Company.</p> <p>The investment has been approved by the Audit Committee and the Board of Directors of the Company in terms of the applicable provisions under the Companies Act, 2013 read with the relevant rules thereunder and the Listing Regulations.</p> <p>In the first tranche of the Strategic Investment, the Company is acquiring 1,62,16,215 equity shares of JSW Paints on arm’s length basis for a consideration of INR 299,99,99,775, calculated on the basis of share price of INR 185 per equity share including a share premium of INR 175 per equity share.</p> <p>The Company has obtained a valuation report from one of the big four accounting firms to determine the minimum issue price of the aforesaid equity shares. The Accounting Firm has followed valuation methodology generally adopted in the industry.</p>



		The Company shall acquire shares in the remaining tranches of the Strategic Investment based on a valuation exercise to be undertaken at the relevant time in accordance with the Companies Act, 2013, and by one of the big four accounting firms.
3.	Industry to which entity being acquired belongs	Chemicals
4.	Objects and effect of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if the business is outside the main line of business of the listed entity).	<p>By way of the Strategic Investment, the Company and JSW Paints shall collaborate towards product development, new technologies, and preferred relationship for supplies in the area of coil coatings. JSW Paints would invest to create incremental capacity for industrial paints as required by the Company.</p> <p>The investment is part of the Company's strategy to ensure continuous supply of paints at market driven rates, gain a competitive advantage in the coil coating market. In addition, JSW Paints has been able to make inroads into the fast growing and lucrative decorative paints market, which will be value-accretive. Also, many of the paint retailers can be potential retailers for JSW Steel coated products enhancing the retail foot print for steel products.</p>
5.	Brief details of any government and regulatory approvals required for the acquisition.	None
6.	Indicative time-period for completion of the acquisition	<p>The first tranche of the Strategic Investment shall be completed in phases by end of Q2 FY 2021-22.</p> <p>The Company shall complete the remaining tranches of the Strategic Investment during the period F.Y.2022-23 to F.Y.2024-25.</p>
7.	Nature of consideration-whether cash consideration or share swap and details of the same	Cash
8.	Cost of acquisition or the price at which shares being acquired	<p>INR 299,99,99,775 in respect of the first tranche of the Strategic Investment.</p> <p>Approximately INR 750,00,00,000 in the aggregate, in respect of all the tranches of the Strategic Investment.</p>



Sl. No.	Particulars	Details
9.	Percentage of shareholding/ control acquired and/ or number of shares acquired.	<p>In the first tranche, the Company shall subscribe to equity shares equivalent to 7.5% of the issued and paid-up equity share capital of JSW Paints and 6.88% on a fully diluted basis.</p> <p>The aggregate percentage of shareholding to be acquired by the Company in JSW Paints across all tranches of the Strategic Investment shall be calculated based on the valuation to be undertaken at the relevant time, in accordance with the Companies Act, 2013, and by one of the big four accounting firms.</p>
10.	Brief background about the entity acquired in terms of product/ line of business acquired, date of incorporation, history of last three years turnover, country in which acquired entity has presence and other significant information	<p>JSW Paints is a private limited company fully owned and controlled by Sajjan Jindal family trust. JSW Paints is engaged in the business of manufacturing, distribution, sales and services of industrial and decorative paints.</p> <p>Date of incorporation: February 25, 2016.</p> <p>As JSW Paints started its commercial production in April 2019 only, turnover of the last two years was:</p> <p>Financial year 2020-21: INR 430.48 crores Financial year 2019-20: INR 203.93 crores</p> <p>Presence in countries: India</p>