

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: 27AAACM050ID229

Phone: +91 22 4286 1000 E-mail: isc_jispl@aionjsw.in Website: www.aionjsw.in

E-mail/ Online Upload Copy

16 February, 2022

DGM-Deptt. of Corporate Services

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai-400001

Listing Department

National Stock Exchange of India Limited

'Exchange Plaza', Bandra Kurla Complex,
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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), by JSW Ispat Special Products Limited ("Company").

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI Listing Regulations, this is to inform you that the Board of Directors of the Company has approved the following matters at its meeting held on February 16, 2022:

1. Acquisition of 100% of the equity share capital of Mivaan Steels Limited ("**MSL**") to make it a wholly owned subsidiary of the Company.
2. The draft Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, as amended, for the transfer of a specified undertaking of the Company (*as described in Annexure-1*) to Mivaan Steels Limited, upon it becoming a wholly owned subsidiary of the Company, by way of slump sale ("**Scheme**"), subject to the terms of the Scheme.

The rationale and brief details of the proposed Scheme are stated in **Annexure-1**.

The proposed Scheme is subject to necessary approvals by the Stock Exchanges, Securities and Exchange Board of India, shareholders and creditors of the companies, as applicable, and the Jurisdictional Bench of National Company Law Tribunal ("**NCLT**"), and other approvals and consents as may be required and as set out in the proposed Scheme.

In terms of the SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, we are furnishing herewith the details of the proposed acquisition of 100% of the equity share capital of MSL in **Annexure-2** and the details of the proposed Scheme in **Annexure-3**.

Raigarh Works: Village & P.O.: Noharpali, Tehsil Kharsia, Raigarh-496 661 (Chhattisgarh)
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Raipur Works: Chandkhuri Marg, Village Kurud, Mandir Hasaud Raipur-492101 (Chhattisgarh)
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The proposed Scheme has been reviewed and recommended for approval by the Audit Committee and the Independent Directors at their respective meetings held on February 16, 2022.

The proposed Scheme will be available on the website of the Company at www.aionjsw.in, subsequent to the same being filed with the Stock Exchanges. The application with relevant documents for obtaining the approval required under Regulation 37 of the SEBI Listing Regulations will be separately submitted to the Stock Exchanges.

We request you to take above information on your record.

Thanking you.

For JSW Ispat Special Products Limited
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Ajay Kadhao
Company Secretary & Compliance Officer



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Annexure-1

Rationale and Brief Details of the Proposed Scheme

JSW Ispat Special Products Limited (formerly known as Monnet Ispat and Energy Limited) has manufacturing facilities at Raigarh and Raipur.

The Company ("Transferor") is proposing to transfer the Specified Undertaking (*defined below*), on a going concern basis, by way of a slump sale through a scheme of arrangement under the Companies Act, 2013, to Mivaan Steels Limited ("Transferee"/ "MSL"), upon it becoming a wholly owned subsidiary of the Company, subject to necessary approvals and terms of the Scheme ("**Proposed Transaction**").

The "**Specified Undertaking**" means the business undertaking of the Company pertaining to the manufacturing facilities at Raipur and mining facilities at Kanker and associated coal washery operations at Patherdih and certain other assets and properties.

The manufacturing facilities at Raipur comprises of a sponge iron manufacturing plant with a capacity of 0.3 MTPA, ferro alloy plant and steel manufacturing plant with a capacity of 0.25 MTPA.

The profile of the products produced at the manufacturing facilities at Raipur pertain to the commodity grade market that caters to the structural and construction sectors with comparatively lower volume of production and serving customers predominantly around its operating area whereas, the focus of the other facility of the Company at Raigarh is on special steel products catering to HT grades, IBR grades, RDSO grades, automotive, high manganese grades, cold rolling grades and API grades with comparatively higher volume of production, serving customers in the exports and domestic markets covering Northern, Eastern and parts of Western region of India.

With the transfer of the Specified Undertaking through the Proposed Transaction, the Company will be able to focus on special steel products and explore and develop markets for its special steel products. Accordingly, with a view to *inter-alia* achieve dedicated management focus on their respective grades of products and customer segments, facilitate strategic opportunities (including fund raising prospects), maximize value, increase efficiencies and enhance administrative control, the Company proposes to transfer the Specified Undertaking to the Transferee Company upon it becoming a wholly owned subsidiary of the Company. This is expected to create and enhance stakeholders' value by unlocking the intrinsic value and growth potential for the respective businesses of the Transferor Company and Transferee Company.



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Annexure-2

Acquisition of Mivaan Steels Limited

Details of events that needs to be provided	Information of such event(s)
a) name of the target entity, details in brief such as size, turnover etc.;	Name: Mivaan Steels Limited Size: Issued and paid-up equity share capital of Rs. 80,000 (Rs. Eighty Thousand only). Turnover: Nil
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";	No, the proposed acquisition is not a related party transaction. No promoter/ promoter group/ group companies have any interest in the entity being acquired.
c) industry to which the entity being acquired belongs;	The entity is incorporated with the object to manufacture, mine, produce, process, trade or otherwise deal in steel, iron, metal, alloy, and such products.
d) 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);	The objective of the acquisition of the entity is to enable/ implement the transfer of the Specified Undertaking of the Company by way of the proposed Scheme.
e) brief details of any governmental or regulatory approvals required for the acquisition;	No governmental or regulatory approvals are required for the proposed acquisition.
f) indicative time period for completion of the acquisition;	Within 30 days hereof
g) nature of consideration - whether cash consideration or share swap and details of the same;	Cash consideration
h) cost of acquisition or the price at which the shares are acquired;	The share will be acquired at their par value of Rs. 10 per share, aggregating to Rs. 80,000 (Rupees Eighty Thousand only).



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i) percentage of shareholding / control acquired and / or number of shares acquired;	100% of the issued and paid up equity share capital consisting of 8,000 equity shares of Rs. 10 each.
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);	MSL was incorporated on November 12, 2021 and is yet to commence operations.



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Annexure -3

Sale/ Disposal of the Specified Undertaking

Details of events that needs to be provided	Information of such event(s)
a) the amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year;	<p>For FY 2020-21, the turnover of the Specified Undertaking was Rs. 905.95 crore (viz. 21.63% of the total turnover of the Company).</p> <p>For FY 2020-21 the net worth of the Specified Undertaking was Rs. 417.43 crore.</p>
b) date on which the agreement for sale has been entered into;	<p>The slump sale of the Specified Undertaking will be undertaken by way of and subject to terms of proposed Scheme (under Sections 230-232 of the Companies Act, 2013), requisite approval of the Stock Exchanges/ SEBI / shareholders and creditors of the companies, National Company Law Tribunal and other approvals and consents as may be required and as set out in the proposed Scheme.</p> <p>The proposed Scheme was approved by the Board of Directors of the Company on February 16, 2022.</p>
c) the expected date of completion of sale/disposal;	<p>The date of completion of the transaction is subject to requisite approval of the Stock Exchanges/ SEBI / shareholders and creditors of the companies, National Company Law Tribunal, and other approvals and consents as may be required and as set out in the proposed Scheme.</p>
d) consideration received from such sale/disposal;	<p>Rs. 443.11 crore to be paid by MSL in cash, debt (including its debt securities), its preference shares and/or a combination of the foregoing and on terms and conditions as mutually agreed between the Company and MSL.</p>
e) brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof;	<p>MSL will be a wholly owned subsidiary of the Company and does not belong to the promoter/promoter group/group companies.</p>
f) whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";	<p>Since, the transaction will be with a wholly owned subsidiary of the Company, the transaction will be a related party transaction. The consideration for sale of Specified Undertaking by the Company to the wholly owned subsidiary is determined as per an</p>

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	independent valuation report from PWC Business Consulting Services LLP, which is based on the book value of the Specified Undertaking. The transaction is being undertaken on an arm's length basis.
g) additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale:	
i. name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc	<p>The Company is engaged in the business of manufacturing and dealing in steel and allied products. The Company along with all its subsidiaries had a consolidated turnover of Rs. 4,187.74 crore in FY 2020-21.</p> <p>MSL has been recently incorporated and the entire equity share capital thereof shall be acquired by the Company for the purpose of effecting the proposed Scheme.</p> <p>MSL is yet to commence operations. Its main objects are to <i>inter-alia</i> manufacture, mine, produce, process, trade or otherwise deal in steel, iron, metal, alloy, and such products.</p>
ii. whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	<p>Since, the transaction will be with a wholly owned subsidiary of the Company, the transaction will be a related party transaction. The consideration for sale of Specified Undertaking by the Company to the wholly owned subsidiary is determined on the basis of an independent valuation report. The transaction is being undertaken on an arm's length basis.</p>
iii. area of business of the entity(ies);	<p>The Company is engaged in the business of manufacturing and dealing in steel and allied products.</p> <p>MSL is yet to commence operations. Its main objects are to <i>inter-alia</i> manufacture, mine, produce, process, trade or otherwise deal in steel, iron, metal, alloy and such products.</p>
iv. rationale for amalgamation/merger/ arrangement	Please refer to Annexure-1 above



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v. in case of cash consideration – amount or otherwise share exchange ratio	Rs. 443.11 crore to be paid by MSL in cash, debt (including its debt securities), its preference shares and/or a combination of the foregoing on terms and conditions as mutually agreed between the Company and MSL.
vi. brief details of change in shareholding pattern (if any) of listed entity	Not applicable.

