



JSW Energy Limited

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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF JSW ENERGY LIMITED AT ITS MEETING HELD ON THURSDAY, 18TH SEPTEMBER, 2025 AT 7:30 P.M. AT THE BOARD ROOM, 9TH FLOOR, JSW CENTRE, BANDRA KURLA COMPLEX, BANDRA (EAST), MUMBAI – 400 051 EXPLAINING THE EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO, SPECIFYING SPECIAL VALUATION DIFFICULTIES, IF ANY

1. Background:

1.1. Based on the recommendations of the Audit Committee and the Committee of Independent Directors of JSW Energy Limited (“**Company**”), and subject to *inter alia* (i) receipt of no objection letter on the Scheme from BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”) (BSE and NSE collectively referred to as “**Stock Exchanges**”); (ii) approvals of the requisite majority of shareholders and/or creditors (where applicable) of the Company, as may be directed by the Mumbai bench of the Hon’ble National Company Law Tribunal (“**NCLT**”); (iii) order of the NCLT approving the Scheme; and (iv) approval from Asansol Durgapur Development Authority for transfer of the land situated in Durgapur taken on lease in favour of the Company, and subject to all such conditions and modifications as may be prescribed or imposed by any of the aforesaid authorities while granting such approvals, observations, no-objections, permissions and sanctions, which may be agreed to by the Company and GE Power India Limited (“**Demerged Company**”), the board of directors of the Company (“**the Board**”), at its meeting held on 18th September 2025, has approved the draft Scheme of Arrangement between the Demerged Company and JSW Energy Limited (“**the Resulting Company**”) and their respective shareholders, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification or re-enactments thereof for the time being in force) (“**the Act**”) and other applicable laws including the circulars issued by the Securities and Exchange Board of India (“**SEBI**”) *inter alia* including (a) the Master Circular bearing No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 ‘*Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957*’ dated June 20, 2023, as amended from time to time (“**SEBI Master Circular**”), and (b) Chapter XII (Scheme(s) of Arrangement by entities who have listed their NCDs/ NCRPS) of the Master Circular bearing No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 ‘*Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitised Debt Instruments and/ or Commercial Paper*’ dated May 21, 2024, as amended from time to time (“**SEBI Master Circular–Debt**”), or any other circulars issued by SEBI in this regard, each as amended from time to time (collectively, “**SEBI Master Circulars**”), applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactments thereof for the time being in force) (“**SEBI LODR Regulations**”), Section 2(19AA), Section 47 and other



Part of O. P. Jindal Group

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relevant provisions of Income-tax Act, 1961 ("IT Act"), and on the terms and conditions as stated therein ("**Scheme**").

- 1.2. The equity shares of the Company are listed on BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (collectively, the "**Stock Exchanges**"). The Non-Convertible Debentures ("**NCDs**") of the Company are listed on BSE. The shares of the Demerged Company are also listed on the Stock Exchanges.
- 1.3. The Company will be filing the Scheme along with necessary information/ documents with the Stock Exchanges pursuant to Regulation 37 and 59A of the SEBI LODR Regulations read with the SEBI Master Circulars for obtaining a no-objection letter from the Stock Exchanges.
- 1.4. Post receipt of the no-objection letter from the Stock Exchanges, the Scheme will be presented before the NCLT under Sections 230 to 232 and other applicable provisions of the Act, the SEBI Master Circulars and will be in compliance with Section 2(19AA), Section 47 and other applicable provisions of IT Act.
- 1.5. The draft Scheme was recommended for final consideration and approval of the Board, by the Audit Committee at its meeting held on 18th September 2025, and the Committee of the Independent Directors at its meeting held on 18th September 2025.
- 1.6. Pursuant to Section 232(2)(c) of the Act, a report is required to be adopted by the Board explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company, laying out in particular, the share entitlement ratio, specifying special valuation difficulties, if any. Further, pursuant to paragraph (A)(2)(d) of Part I of Chapter XII of the SEBI Master Circular–Debt, the Board is required to adopt a report recommending the draft Scheme, taking into consideration, *inter alia*, the Share Entitlement Report and ensuring that the Scheme is not detrimental to the holders of the NCDs of the Company, and also comment on the impact of the Scheme on the holders of NCDs, safeguards for the protection of the holders of NCDs and exit offer to the dissenting holders of NCDs, if any. This report is also required to be circulated along with the notices for convening the shareholders'/ creditors' meetings as may be ordered by the NCLT ("**Report**").
- 1.7. Accordingly, this Report of the Board is prepared to comply with the aforesaid requirements of the Act, read with the SEBI Master Circulars and pursuant to the SEBI LODR Regulations, for adoption by the Board.

2. Overview of the Scheme:

- 2.1. The Scheme is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, and provides for, *inter alia*, the following:
 - a) demerger by way of transfer as a going concern on an as is where is basis and vesting of the Demerged Undertaking (*as defined in the Scheme*) from the Demerged Company to the Resulting Company in accordance with Section 2(19AA), Section 47 and other relevant



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provisions of IT Act, Sections 230 to 232 and other relevant provisions of the Act and rules made thereunder, and the relevant provisions of the SEBI Master Circulars and the SEBI LODR Regulations, and the consequent issuance of Resulting Company New Shares (*as defined in the Scheme*) by the Resulting Company to the Eligible Shareholders (*as defined in the Scheme*) of the Demerged Company in accordance with the Share Entitlement Ratio (*as defined in the Scheme*) in the manner set forth in the Scheme ("**Demerger**");

- b) various other matters consequential or otherwise integrally connected therewith in the manner set out in the Scheme.
- 2.2. The "**Appointed Date**" means the opening business hours of July 1, 2025, or such other date as may be mutually agreed by the Boards of the Demerged Company and the Resulting Company or such other date as the NCLT may direct or allow.
- 2.3. The "**Effective Date**" means the last of the dates on which all the conditions precedent and matters referred to in Clause 13 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with the Scheme.
- 2.4. The Scheme will become operative on and from the Effective Date, and the Demerged Undertaking shall stand transferred to and be vested in the Resulting Company on and with effect from the Appointed Date.
- 2.5. The Scheme would be subject to the requisite approvals, consents, sanctions and permissions of the Central/State Government, the NCLT, Stock Exchanges, SEBI, Asansol Durgapur Development Authority and/or such other statutory/regulatory authorities, as may be applicable.
- 2.6. The Scheme complies with the definition of "demerger" as per Section 2(19AA), Section 47 and other provisions of IT Act. If any terms are found to be or interpreted to be inconsistent with the said provisions of IT Act, the Scheme shall stand modified/ amended to the extent determined necessary to comply and come within the definition and conditions relating to "demerger" as defined in IT Act. In such an event the clauses which are inconsistent shall be modified or if the need arises be deemed to be deleted and such modification/deemed deletion shall however not affect the other parts of the Scheme.

Words and expressions, used in capitalized form but not defined in this Report, shall have the meaning ascribed to them in the Scheme.

3. Documents placed before the Board:

- 3.1. Having regard to the applicability of the aforesaid provisions, the following documents were placed before the Board:
- a) The draft Scheme;





- b) The joint share entitlement ratio report dated 18th September 2025, prepared by GT Valuation Advisors Private Limited, Registered Valuers (Registration No.: IBBI/RV-E/05/2020/134) appointed by the Company, and RBSA Valuation Advisors LLP, Registered Valuers (Registration No.: IBBI/RV-E/05/2019/110) appointed by the Demerged Company, recommending the share entitlement ratio in relation to the Scheme ("**Share Entitlement Report**");
- c) The fairness opinion dated 18th September 2025 issued by 3Dimension Capital Services Limited, an independent SEBI-registered Category-I Merchant Banker (Registration No.: INM000012528), opining on the fairness of the share entitlement ratio determined by the Share Entitlement Report ("**Fairness Opinion**");
- d) The certificate dated 18th September 2025 from Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number 117366W/W-100018), statutory auditor of the Company, certifying *inter-alia* that (a) the accounting treatment stated in the draft Scheme is in compliance with all the applicable Indian Accounting Standards as notified under Section 133 of the Act and other generally accepted accounting principles, and (b) the Company is capable of payment of interest/ repayment of principal on its listed NCDs as per the requirements of the SEBI Master Circular–Debt;
- e) The undertaking 18th September 2025 by the Company confirming non-applicability of the conditions specified in paragraph (A)(10)(a) read with (A)(10)(b) of Part I of the SEBI Master Circular, along with the certificate dated 18th September 2025 from Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number 117366W/W-100018), statutory auditor of the Company, certifying the said undertaking under paragraph (A)(10)(c) of Part I of the SEBI Master Circular;
- f) The report of the Audit Committee of the Company dated 18th September 2025 recommending the draft Scheme for the favorable consideration and approval of the Board;
- g) The report of the Committee of Independent Directors of the Company dated 18th September 2025 recommending the draft Scheme for the consideration and approval of the Board; and
- h) Other presentations, reports, documents and information made to/furnished before the Board pertaining to the draft Scheme.

4. Rationale of the Scheme:

4.1. The transfer and vesting of the Demerged Undertaking from the Demerged Company to the Resulting Company pursuant to the Scheme will, *inter alia*, result in the following benefits for the Resulting Company and its shareholders, employees and other stakeholders:

- a) the Demerger provides an opportunity for the Resulting Company to enter into boiler pressure parts manufacturing business in alignment with the long-term vision of expanding



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into energy portfolio and extending footprint in a highly competitive and fast growing business;

- b) the Demerger will create value for shareholders by acquiring ready to use assets which shall create operational efficiencies;
- c) the Demerger will also result in vertical integration by securing a dedicated manufacturing facility for boiler pressure parts and reducing dependency on third-party suppliers;
- d) the Demerger will create significant operational synergies within existing business verticals and across ongoing and upcoming thermal power projects, leading to economies of scale, enhancing cost efficiencies, and improving control over critical component requirements of thermal power assets; and
- e) the Demerger will enable increased production capacity to support future thermal projects.

5. Effect of the Scheme on equity shareholders (promoters and non-promoter shareholders) of the Company:

- 5.1. The Company has no other class of shareholders, apart from equity shareholders.
- 5.2. Upon the coming into effect of the Scheme and in consideration of the transfer and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company in terms of the Scheme, the Resulting Company shall, without any further application, act or deed, issue and allot equity shares, credited as fully paid-up ("**Resulting Company New Shares**"), to the Eligible Shareholders of the Demerged Company, or to their respective heirs, executors, administrators, other legal representative or other successors in title in the following manner:

"10 fully paid up equity share(s) of INR 10/- (Indian Rupees Ten) each of the Resulting Company shall be issued and allotted for every 139 fully paid-up equity share(s) of INR 10/- (Indian Rupees Ten) each held in the Demerged Company which shall be adjusted, without any further approval from the Government Authority, for any restructuring of share capital of the Demerged Company and/or the Resulting Company by way of share split/consolidation/issue of bonus shares, buyback/ capital reduction/ preferential issue/ issue of shares on conversion of loans, debentures, preference shares, except issuance of shares on account of employee stock options during the pendency of the Scheme."

- 5.3. The Resulting Company New Shares shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company, as the case may be, and shall rank pari passu in all respects with the then existing equity shares of the Resulting Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Resulting Company.





- 5.4. Upon effectiveness of the Scheme, the Resulting Company New Shares will be listed and admitted to trading on the Stock Exchanges.
- 5.5. The Scheme is expected to have several benefits for the Company, as indicated in the rationale of the Scheme in paragraph 4 above, and is expected to be in the best interests of the shareholders of the Company. Upon issuance of the Resulting Company New Shares, there will only be a nominal dilution in the existing shareholding of the shareholders in the Resulting Company. Thus, there is no adverse effect of the Scheme on the equity shareholders (promoters and non-promoter shareholders) of the Company. The impact of the Scheme on the shareholders, including the public shareholders, would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner.

6. Effect of the Scheme on Key Managerial Personnel (“KMPs”) of the Company:

- 6.1. The KMPs of the Company shall continue as key managerial personnel of the Company after effectiveness of the Scheme. Hence, there will be no impact on the KMPs of the Company, except to the extent of shares held by them in the Company, if any, in which case, the effect will be as stated in paragraph 5 above.

7. Impact of the Scheme on the holders of NCDs; safeguards for the protection of the holders of NCDs; and exit offer to the dissenting holders of NCDs, if any:

- 7.1. Impact: The holders of the NCDs in the Company shall continue to hold the NCDs in the Company even post the Scheme becoming effective on the same terms and conditions at which they were issued. The liability of the Company towards the NCD holders of the Company is neither being reduced nor being extinguished under the Scheme. Thus, the rights of the holders of the NCDs are in no manner affected by the Scheme.
- 7.2. Safeguards for the protection of the holders of NCDs: Pursuant to the Scheme, the holders of NCDs of the Company as on the Effective Date shall continue to hold the same NCDs, without any interruption, on the same terms, including the coupon rate, tenure, redemption price, quantum, and nature of security, ISIN, etc.
- 7.3. Exit offer to the dissenting holders of NCDs, if any: As the Scheme does not in any manner affect the interest of the holders of NCD, nor does it impact the ability of the Company to discharge its obligations towards the NCDs, no safeguards are being proposed under the Scheme, nor is any exit offer being offered to the dissenting holders of NCDs. However, the NCDs of the Company, as on the Effective Date, will continue to be freely tradable and listed on BSE, thereby providing exit option and liquidity to the holders of such NCDs.
- 7.4. In view of the above, the Scheme will not have any adverse impact on the holders of NCDs of the Company.



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8. Effect of the Scheme on creditors and/or other lenders of the Company:

8.1. Under the Scheme, there is no arrangement with the creditors and/or other lenders of the Company. The liability of the Company towards such creditors and/or other lenders is neither being reduced nor being extinguished under the Scheme and shall be paid off in the ordinary course of business.

9. Consideration:

9.1. The Share Entitlement Report was obtained by the Company in terms of the SEBI Master Circulars to arrive at the share entitlement ratio in connection with the Scheme.

9.2. No special valuation difficulties were reported by the registered valuers in the said Share Entitlement Report in connection with the determination of the share entitlement ratio.

9.3. The Fairness Opinion also does not indicate any such difficulties.

9.4. The recommendation of the share entitlement ratio in connection with the draft Scheme based on the Share Entitlement Report has been accepted as being fair and reasonable by the Board, the Audit Committee of the Company and the Committee of Independent Directors of the Company.

10. Adoption of the Report by the Board of Directors:

10.1. In the opinion of the Board of Directors of the Company, the Scheme will be advantageous and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable. The Board has adopted this Report after due deliberations and due consideration of all the terms of the draft Scheme, the information set forth in this Report and the papers tabled before it, including the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders and NCD holders of the Company, as well as the proposed share entitlement ratio. The Board, or any fully authorized committee of the Board, is entitled to make any relevant modifications to this Report. if required, and such modifications or amendments shall be deemed to form a part of this Report.

**Certified True Copy
For JSW Energy Limited**

**Sunil Goyal
Chairman for the Meeting
DIN: 00503570**



**Place: Mumbai
Date: 18th September, 2025**

