



# **JSW Energy Limited**

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## **Acquisition of 1,000 MW Tamnar Power Plant**

May 04, 2016

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# Agenda

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Acquisition Rationale

Target Overview

Acquisition Overview

## Acquisition Rationale for JSWEL

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- ✓ **Enhances Operational Capacity to 5,531 MW**
  - No project execution risk; 1,000MW of quality assets
- ✓ **Diversified Geographical Footprint**
  - Expands footprint into the Eastern region
- ✓ **Diversified Fuel Source**
  - Marks entry into domestic coal based generation
- ✓ **Attractive Valuation**
  - Good asset with proven track record at fair value
- ✓ **No significant liquidity or gearing impact**
  - Sufficient lead time for transaction closure

**Value accretive transaction for the shareholders**

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# Agenda

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Acquisition Rationale

Target Overview

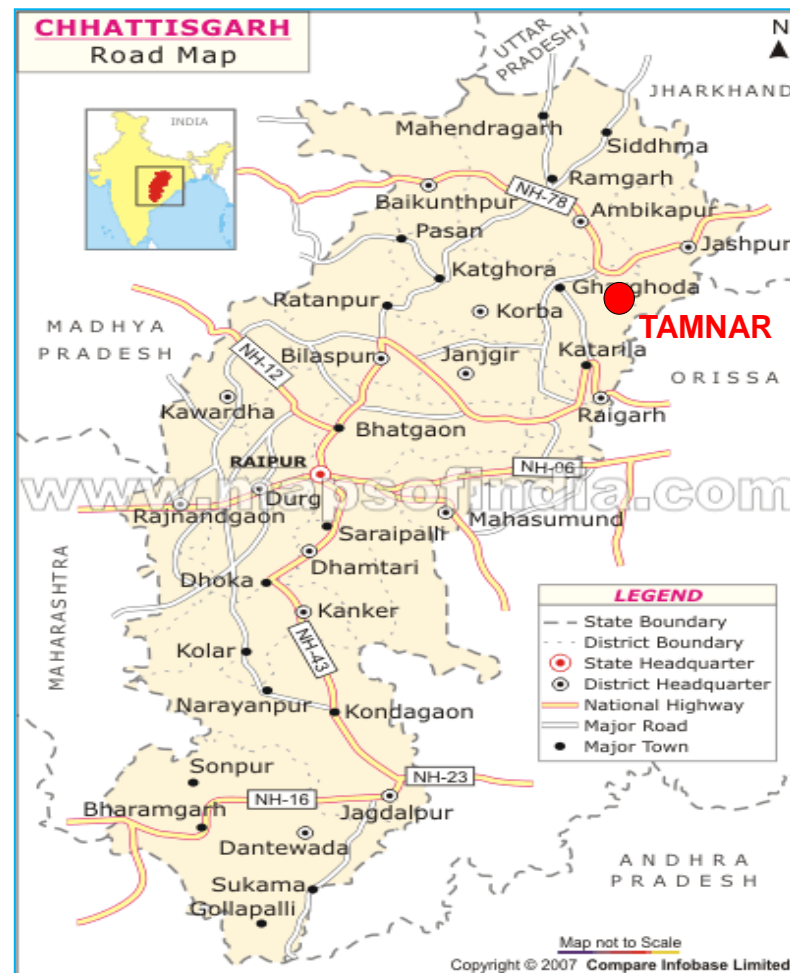
Acquisition Overview

## Aerial view of Tamnar SPV's plant



## Jindal Power Limited (JPL) - Plant Location

- ✓ **Location:** Tamnar, Dist. Raigarh, Chhattisgarh
- ✓ **Road:** 11 km from the State Highway between Raigarh & Ambikapur
- ✓ **Nearest Railway Station:** Raigarh (35 km)
- ✓ **Nearest Airport:** Raipur (300 km)



## Tamnar SPV : Snapshot

<b>Plant</b>	<ul style="list-style-type: none"> <li>Capacity - 1,000 MW (4 x 250 MW)</li> </ul>
<b>CODs</b>	<ul style="list-style-type: none"> <li>Unit # 1 : 8th December 2007</li> <li>Unit # 2 : 15th June 2008</li> <li>Unit # 3 : 16th April 2008</li> <li>Unit # 4 : 5th September 2008</li> </ul>
<b>Clearances</b>	<ul style="list-style-type: none"> <li>All major consents and clearances are in place</li> </ul>
<b>Water</b>	<ul style="list-style-type: none"> <li>Water allocation adequate from Rabo Dam (25 km Raw Water Pipeline)</li> </ul>
<b>Power evacuation</b>	<ul style="list-style-type: none"> <li>Connected to CTU</li> </ul>
<b>Fuel</b>	<ul style="list-style-type: none"> <li>JPL has bid for Tara Coal Block with 1,000 MW (Tamnar SPV) as end use plant – matter subjudice</li> <li>Presently coal being procured from E-auction</li> </ul>
<b>Off-Take arrangement</b>	<ul style="list-style-type: none"> <li>Presently entire power sold on merchant</li> </ul>
<b>Equipment</b>	<ul style="list-style-type: none"> <li>Supplied by reputed and well recognised players</li> </ul>
<b>Other features</b>	<ul style="list-style-type: none"> <li>ISO-9001, ISO-14001, OSHAS- 18001, ISO- 50001</li> <li>Plant is constructed according to the best engineering practices</li> <li>Plant performance has historically been excellent</li> </ul>

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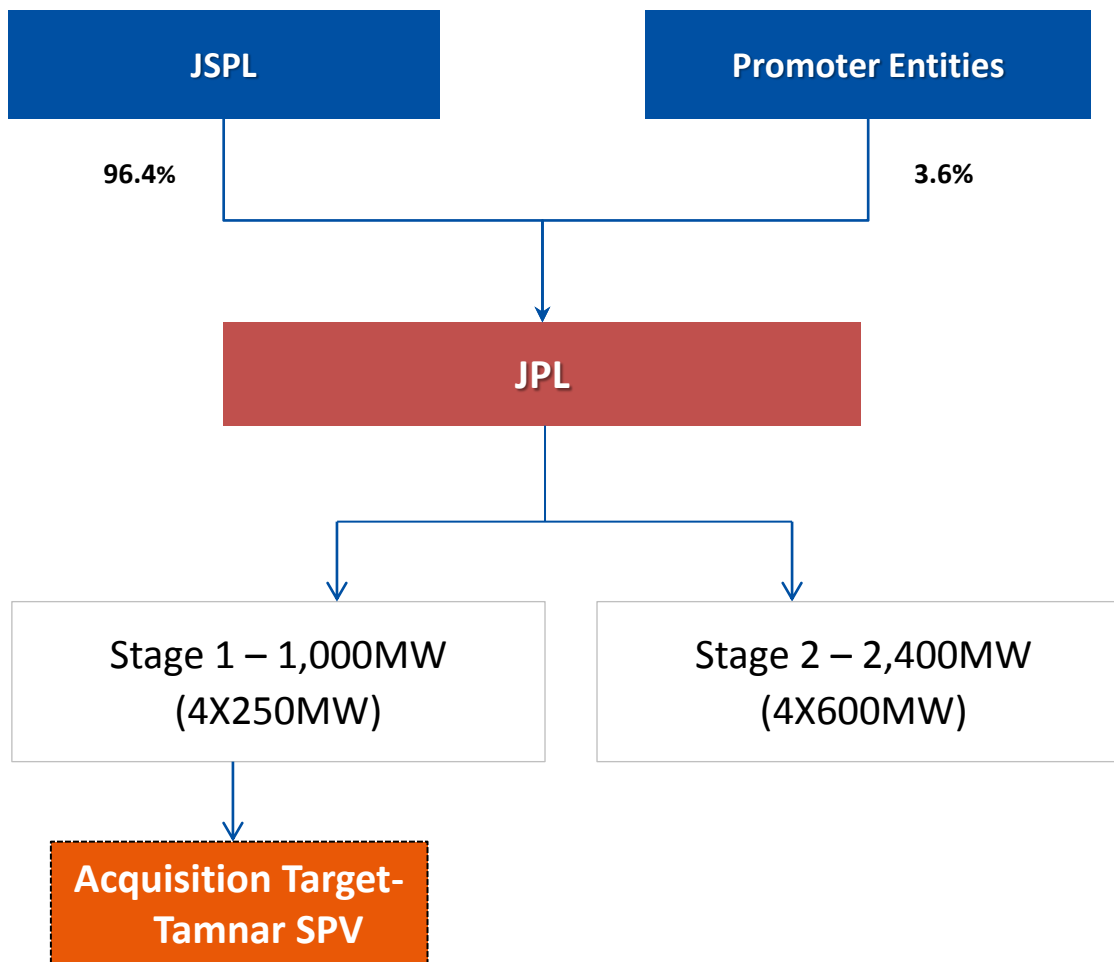
Acquisition Rationale

Target Overview

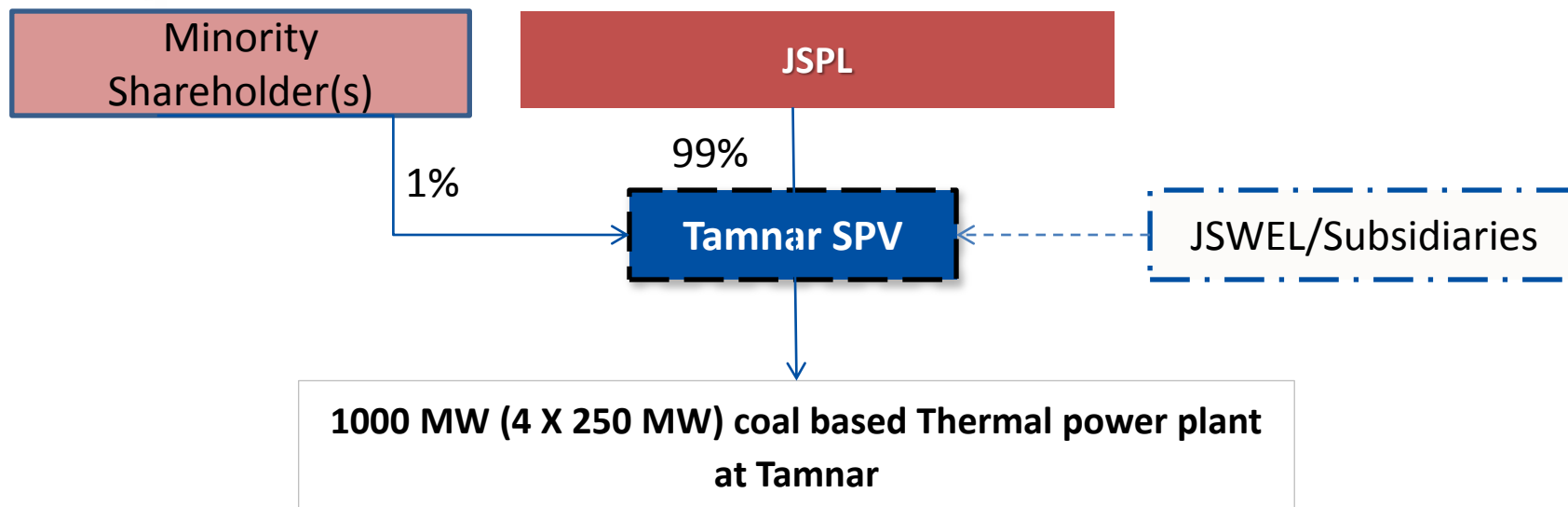
Acquisition Overview



# Ownership of JPL



## Proposed Scheme of Acquisition



At Closing, JSWEL and/or its subsidiaries would acquire 100% of the Securities of Tamnar SPV into which the assets would have been transferred through the Hon'ble High Court approved scheme.

## Acquisition Consideration

<b>Enterprise Value*</b>	<ul style="list-style-type: none"> <li>▪ Rs.4,000 crores plus NCA – without secured fuel and long term off-take arrangements</li> <li>▪ Rs.6,500 crores plus NCA – with completely secured fuel and long term off-take arrangements meeting a minimum return threshold</li> </ul>
<b>Advance Payment</b>	<ul style="list-style-type: none"> <li>▪ Interest bearing advance of Rs.500 crores pursuant to shareholders' and CCI approval</li> </ul>
<b>Long Stop Date</b>	<ul style="list-style-type: none"> <li>▪ June 30, 2018</li> </ul>

*\*Subject to compliance with terms and conditions and adjustment provisions contained in definitive document*

## Forward looking and cautionary statement

*Certain statements in this report concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risk and uncertainties relating to these statements include, but are not limited to risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within Power industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, our ability to commission mines within contemplated time and costs, our ability to raise the finance within time and cost client concentration, restrictions on immigration, our ability to manage our internal operations, reduced demand for power, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which the Company has made strategic investments, withdrawal of fiscal/governmental incentives, impact of regulatory measures, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. The company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the company.*

**Thank you**