Is JSPL selling family silver under the garb of debt reduction?

JSPL's promoters are chipping away at the company's functional assets under the garb of debt reduction and better ESG metrics. This time, it is the sale of the power business.

Picture source: www.jantakareporter.com

IiAS has recommended voting **AGAINST** Jindal Steel and Power Limited (JSPL) proposal to sell its 96.42% equity stake in Jindal Power Limited (JPL; the company's power business) to Worldone Private Limited (WorldOne). WorldOne is currently holds equity investments in Jindal family companies and has Naveen Jindal (JSPL's Executive Chairperson and promoter) as its majority shareholder.

Exhibit 1: JPL's financial profile

Particulars	FY19	FY20	FY21
Revenues	44.1	37.6	46.0
EBITDA	16.0	12.1	13.2
EBITDA margin (%)	36.3	32.2	28.6
PBT	(7.2)	(3.7)	(18.7)
PAT	(5.7)	(2.3)	(12.6)

Source: Exchange filings, Annual Reports, Investor presentation

The background of the transaction and the revised Offer

JSPL holds 96.42% equity stake in JPL. Further, JPL has issued ~2.9 bn 5% non-cumulative, non-convertible, redeemable 20-year preference shares (RPS) of face value Rs. 10 and ~3.9 bn 5% cumulative, non-convertible redeemable preference shares of face value Rs. 10 each to JSPL. Further, JSPL has availed inter-corporate deposits aggregating to Rs. 15.3

bn and received capital advances aggregating to Rs. 28.5 bn from JPL. Both ICDs and capital advances carry a rate of interest of 9.7% per annum.

The sale transaction was first presented to shareholders for a vote in an EGM scheduled in May 2021. However, a day before e-voting was to begin, the company withdrew the EGM. It has since presented a 'Revised Offer' to shareholders for a vote.

Original Offer	• In May 2021, JSPL sought shareholders' approval to divest its entire equity stake of 96.42% in JPL for a cash consideration of Rs. 30.15 bn. • The ICDs and the capital advances aggregating to Rs. 43.86 bn given by JPL to JSPL be converted into a loan and a separate loan agreement be executed for this purpose. JSPL would continue to hold the RPS.
Revised Offer	• JSPL proposes to sell its entire 96.42% stake in JPL for an equity consideration (payable in cash) of Rs. 30.15 bn • WPL would take over the ICDs and Capital Advances paid by JPL to JSPL aggregating to Rs. 43.86 bn, which would essentially be set off against outstanding redeemable preference shares (RPS).

IiAS argues that the Revised Offer is not 'better' that the Original Offer. The preference shares, the outstanding ICDs and capital advances, were all transacted at a time when JPL was a 100% subsidiary of JSPL. To this extent, one can consider these transactions to be a function of managing cash flows and liquidity. In the Revised Offer, while the equity value remains the same at Rs.30.15 bn, the preference shares are being offset against the ICDs and capital advances. This is a natural set off and should have been done to clean the books in the first instance.

Exhibit 2: Valuation as per IiAS estimates for the original and revised offer (Rs. bn)

Particulars	Original	Revised offer	Comments
Equity value (paid as cash consideration)	30.2	30.2	
Present value of Preference Shares#	40.2	-	Taken by WPL
Estimated value of net debt being transferred*	67.6	67.6	
Less: ICDs & Capital Advances	43.8	-	WPL will assume all liabilities
Enterprise Value	**94.2**	**97.8**	
Power Generation Capacity (MW)		3,400	

Source: IiAS research

** Excludes present value of preference shares issued, as per IiAS estimates*

 # 10% discounting factor used for 5% preference shares aggregating to Rs. 70.0 bn (repayable after 20 years)

Competitive bidding process?

The company ran two competitive bidding processes to determine the transaction value. These were independently handled by Grant Thornton.

Exhibit 3: Timeline for the bidding process

Date	Particulars
Round One – for the Original Offer	
December 2020	Initiated sale process of equity stake in JPL – invited interested buyers and appointed Grant Thornton Advisory Private Limited (independent advisor) run the entire sale process.

Date	Particulars
February 2021	Non-binding offers received from investors (after extensions as requested by the potential investors)
March 2021 onwards	After receiving non-binding offers, the potential investors were granted adequate time to access the virtual data room and conduct due diligence on JPL. After completion of the due diligence exercise, company received offers from interested entities which were analyzed by the audit committee and the offer from WPL was unanimously approved.
26 April 2021	Audit Committee of JSPL approves the transaction. Date of first EGM notice containing the proposed original offer from WPL for shareholder approval
20 May 2021	Postponement of EGM due to concerns from investors
Round Two – for the Revised Offer	
23 July 2021	JSPL received the revised offer from WPL on 23 July 2021. Board of JSPL took on record the revised offer at its meeting held on 23 July 2021 and decided to undertake additional competitive bidding process
26 July 2021	Using the revised offer from WPL as the base offer, company published an advertisement in various journals and on its website, inviting other/ fresh bids/ expression of interest.
2 August 2021	Interested investors were required to submit an expression of interest by 2 August 2021. Company did not receive any expression of interest, nor did they received any request to extend timelines.
6 August 2021	The audit committee of JSPL approved the sale of equity and redeemable preference shares in JPL to WPL.

Source: EGM Notices, stock exchange filings

JSPL's rationale for selling the power business

In its shareholder notice, JSPL has articulated the following rationale (in summary) for JPL's sale:

1) To continuously deleverage its balance sheet by achieving its immediate goal of Rs. 150.0 bn net debt and eventual goal to become a net cash company.
2) The proposed divestment is one such step that will help substantially reduce CO2 emissions by about 50% (on full capacity utilization). The transaction is expected to significantly improve company's ESG score and to provide the company with a wider access to capital from ESG focused investors - equity and debt.
3) The transaction helps further streamline company's operations by becoming a pure play steel company with all its steel operations within India. This divestment is expected to bring more management focus to the India steel operations in achieving better operational efficiencies and aim for higher profitability. The renewed focus coupled with improving return ratios could act as a strong trigger for re-rating of the company.
4) This transaction will lead to an inflow of Rs. 30.15 bn into the company. These cash proceeds from the transaction will be utilized to pare debt and expand company's steel capacity in Angul from 6 MTPA to 12 MTPA and taking the company's overall steel capacity in excess of 15 MTPA.

5) The transaction will reduce liabilities with respect to ICDs and capital advances aggregating Rs. 43.86 bn
6) The company will no longer need to invest in the power business – including the flue gas desulphurization technologies – and use those funds to invest in the steel business.
7) Prospects of coal power plants are falling and therefore any further delay in divestment will reduce valuations of the power business and drag return ratios.

IiAS rationale for voting AGAINST the transaction:

IiAS debunks the company's rationale. In response to the company's rationale, we submit the following:

1. **JPL – A stable cash flow generating entity that can support its own debt**
   JPL has stable operations and is a cash generating business (as illustrated in Exhibit 4). The business has sustainable debt, which has been managed by the cash flows from the business itself. In fact, the excess liquidity in the business has been extended to the parent to manage the debt of the parent in the past. The debt reduction by selling JPL will come with consequent reduction in cash flows. Therefore, this transaction may not have a material impact on overall credit quality.

Exhibit 4: Performance of JPL **(Rs. bn)**

Particulars	FY17	FY18	FY19	FY20	9M-FY21	FY21
Revenues	35.2	43.6	44.1	43.9	32.4	46.0
EBITDA	14.5	17.1	16.0	13.3	9.7	13.2
EBITDA margin (%)	41.1	39.2	36.3	30.3	29.9	28.7
PBT	(7.8)	(7.3)	(7.2)	(5.1)	(1.8)	(18.7)
PAT	(6.7)	(6.7)	(5.7)	(3.7)	(1.0)	(12.6)
Interest Cost	7.9	9.4	9.2	8.9	6.2	7.9
Cash Profits	6.6	7.8	8.2	9.6	9.7	++
Debt	84.1	81.8	80.6	73.9	67.6	++

++ The company has not disclosed JPL's cash profits and debt levels in the 4Q21 results
Source: IiAS research, Annual Reports

The rationale to sell JPL to immediately reduce debt is unclear. JSPL's ratings were upgraded in January 2021 by two notches to CRISIL A-/Stable/CRISIL A2+ on the back of stronger cash flows of the steel business. Given the cyclical upturn in steel and the production shutdowns of facilities globally, the cash flows from the steel business are likely to support debt reduction over the short to medium term. Factoring the sale of the power business, CRISIL, in May 2021, reaffirmed the rating at CRISIL A-/Stable/CRISIL A2+, suggesting that the transaction had no immediate positive impact on JSPL's credit quality.

2. **JPL's cash flows are likely to be bolstered by captive coal linkages**
   As per the company's press release, JPL has won an auction for Gare Palma IV/1 coal mine. Gare Palma IV/1 coal mine is located in Chhattisgarh on which JPL acquired

~66.4 hectares of land. According to CRISIL's August 2021 rating rationale on the outstanding ratings on JPL's debt, the coal mine has reserves around 39 mn tonne and production capacity of 6 mn tonne per annum. Once commissioned, it will improve fuel security, with captive and linkage coal availability increasing to around 50% from 24%, which will lead to reduction in the cost of coal. Also, the mine has conveyor belt connectivity with the existing plants of JPL, which will reduce logistics cost.

JSPL estimates that the mine will not last for more than 7 years and that the ramp up with require significant capital expenditure. As per CRISIL's rating rationale, the captive and linkage coal availability will increase to 50% from 24%, which we believe this increase will drive operational performance in the medium term. IiAS estimates that JPL's operating cash flows can increase by at least Rs. 4 bn in the medium term. This will support credit quality, once again contradicting the company's undue urgency to reduce debt through this transaction.

3. Valuations are low and pegged at distressed sale levels, which JPL is not

Exhibit 5: Peer comparison with listed entities on FY21 financials

Particulars	Revenues (Rs. Bn.)	EBITDA (Rs. Bn.)	EBITDA%	EV (Rs Bn.)	EV/ EBITDA (x)	EV/Sales (x)	EV/MW (Rs. mn /MW)	P/B (x)
Torrent Power	121.7	36.1	29.6	299.3	8.3	2.5	77.2	2.2
Adani Power	262.2	106.0	40.4	834.8	7.9	3.2	59.4	3.0
NTPC	1,115.3	379.9	34.1	3,075.1	8.1	2.8	46.0	0.9
Tata Power	324.7	88.5	27.3	822.8	9.3	2.5	64.2	2.0
JPL	**46.0**	**13.2**	**28.6**	**97.8**	**7.4**	**2.1**	**28.8**	**0.3**

Source: IiAS research, BSE filings

Based on our analysis an enterprise value of Rs. 97.8 bn has been assigned to JPL (Exhibit 2), which is lower than industry peers on a price/book and EV/MW basis:

- When compared with recent transactions in the sector on an EV/MW basis, the divestment of JPL is in line with acquisitions of GMR Chhattisgarh Energy Ltd. and Prayagraj Power Generation Co. both of which were distressed assets that were sold as part of a debt resolution plan. On the contrary, JPL is an stable cash-flow generating entity with adequate credit metrics.
- In May 2016, JSW Energy planned to acquire the Raigadh power plant of JPL of 1,000 MW, at an EV/MW of up to ~65x, while in the proposed divestment entire JPL's EV/MW is of ~29x. While we understand that valuations can change over time, we argue that the quantum of difference in valuation of JPL when compared with the 1,000 MW Raigadh plant is high.

Exhibit 6: Comparable transactions proposed/undertaken by listed entities over the years

Target Entity	Acquirer	Date	EV (Rs. bn)	PGC (MW)[1]	EV/MW (Rs. mn/MW)
Udupi Power Corporation Ltd.	Adani Power	Apr-15	63.0	1,200	52.5
Jaiprakash Power Ventures Ltd. (Bina plant)[3]	JSW Energy	Jul-16	27.0	500	54.0
GMR Chhattisgarh Energy Ltd.*	Adani Power	Aug-19	35.3	1,370	25.8
Prayagraj Power Generation Co.#	Tata Power & JV partners	Dec-19	60.0	1,980	30.3
JPL	**WPL**	**Aug-21**	**97.8**	**3,400**	**28.8**
GMR Kamalanga[2]	*JSW Energy*	*Jul-20*	*53.2*	*1,050*	*50.7*
JPL – Raigadh plant[3]	*JSW Energy*	*May-16*	*65.0*	*1,000*	*65.0*

Source: IiAS research, BSE filings

1 Power Generation Capacity

2 JSW Energy however, terminated the deal due to covid-19 related uncertainties.

3 Acquisition was terminated due to elapsing of long stop date without completion of the stipulated conditions precedent.

**. As per the entities credit rationale, the entity was previously promoted by the GMR Group, that was taken over by Adani Power Ltd. in August 2019 through a competitive bidding process initiated by the lead bank i.e., Axis Bank after the company got into financial stress and was unable to service its debt obligations. Under the resolution process, Adani Power Ltd has taken over the project and renamed it 'Raipur Energen Limited'.*

 # As per the entities credit rationale, the plant went through financial stress owing to cost overruns and working capital unavailability due to elongated receivables cycle. It was taken over by Resurgent Power (Tata Power, ICICI Ventures and other partners), for a one-time settlement amount of Rs. 60.0 bn, through its wholly owned subsidiary Renascent Power Ventures Pvt Ltd (Renascent Power) in December 2019.

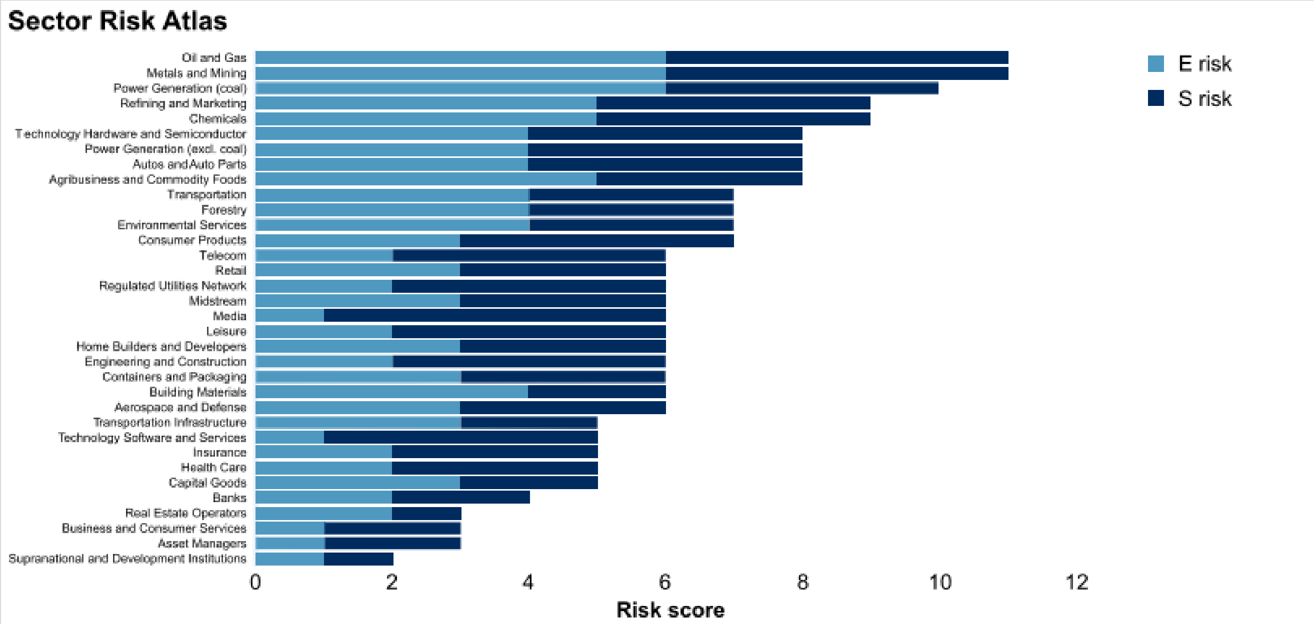
The company claims that valuations are low because the capacity is not tied up with Power Purchase Agreements (PPAs) and fuel linkages. JPL has only 26% of its capacity tied to PPAs which is indeed low when compared to other power generators. However, that does not translate its valuation closer to the other distressed asset sales. IiAS argues that while the tied-up capacity in terms of PPAs and fuel linkages might differ for the peers, JPL has been selling the balance power through the auction route and has delivered 30%-40% EBITDA margins in the past three years, which is comparable to be industry peers.

4. **Selling the power business will neither reduce carbon footprint by 50% nor reduce overall ESG risks**

   JSPL's contention that the carbon footprint will reduce by 50% assumes that the power business will operate at full capacity. However, JPL's plant load factor has been in the range of 30% - 40% - therefore, the reduction in carbon footprint will be equally measured.

   We argue that selling off the power business will not materially impact JSPL's overall ESG risks. The residual steel business has almost similar ESG scores, given its power intensity. The 2019 risk atlas of S&P Global Ratings, used to provide a view of relative ESG risks that different sectors and geographies face, shows similar environmental risks for both Power and Metals & Mining sectors and in fact, a higher social risk for the Metals & Mining sector over the Power sector.

Exhibit 7: S&P's ESG Risk Atlas 2019



5. A pure steel play will be more cyclical

Keeping JSPL as a pure steel play may help JSPL attract better valuations currently, as the steel industry is in an upcycle. Notwithstanding, the cyclicality of cash flows from the steel business are better cushioned by the power business' cash flow stability. JPL has depicted stable and better EBITDA margins than JSPL (ex JPL) over the years, as depicted in Exhibit 7. The testimony of this argument is that the power business has been able to provide JSPL cash flow support in form of ICDs and capital advances aggregating Rs. 43.8 bn, which have been relatively long term in nature – these have been continuously rolled over / not repaid for over 5 years.

Exhibit 8: Relative Performance **(Rs. bn)**

Particulars	FY18		FY19		FY20		FY21	
	JSPL (ex JPL)	JPL	JSPL (ex JPL)	JPL	JSPL (ex JPL)	JPL	JSPL (ex JPL)	JPL
Revenues	232.2	43.6	351.3	44.1	326.1	37.6	381.5	46.0
EBITDA	49.6	17.1	69.3	16.0	66.1	12.1	131.2	13.2
EBITDA margin (%)	21.4	39.2	19.7	36.3	20.3	32.2	34.4	28.7
PBT	(11.3)	(7.3)	(20.8)	(7.2)	2.6	(3.7)	91.7	(18.7)
PAT	(7.4)	(6.7)	(10.8)	(5.7)	2.6	(2.3)	67.9	(12.6)
Finance Cost	29.3	9.4	33.4	9.2	32.6	8.6	23.0	7.9
Debt	347.8	81.8	315.0	80.6	294.3	73.9	-	-[1]

Source: IiAS research, Annual Reports, Investor Presentation

[1] *Debt as on 31 December 2020 was Rs. 67.6 bn for JPL*

6. **Is the company's central argument that due process was followed enough to accept such low valuations?**
   The board's central argument for accepting low valuations was that a competitive bidding process was run twice, and that it was independently conducted by Grant Thornton. In comparing the valuation with other transactions, every unique feature of JPL is being brought into the debate. While we agree that every power plant will have some unique characteristics, that alone cannot be the reason to drive down valuations. We expect that the audit committee will have considered some comparable transactions before accepting the final bid – the company must disclose these.

   The company's central argument that third party bids were lower than the promoters' offer, can possibly be attributed to the fact that the business has been laden with unnecessary debt – the transactions (of ICDs, capital advances, and RPS) between JSPL and JPL were likely part of liquidity management and were undertaken at a time when JPL was a 100% subsidiary. Further, knowing that the promoters themselves are interested, might have dissuaded most from bidding.

7. **Will the pledge of promoter equity in JSPL increase?**
   WPL, the acquiring company, is a promoter-controlled entity, but not a direct promoter of JSPL. The shareholder notice suggests that WPL is one of the holding companies of the Jindal family. It is unclear to what degree WPL will raise debt to finance this transaction, and if this in turn will increase in the pledge of promoter equity in JSPL. On 30 June 2021, JSPL's promoter equity was pledged to the extent of 39.5%. In the May 2021 analyst call, while being unable to comment on the promoters' source of funding, JSPL's management stated the promoters intend to reduce pledge of shares, and to this extent, there would not be any incremental pledge of JSPL shares. While this intent is being articulated (not by the promoters but by the company on their behalf), in the absence of any clarity with respect to funding, IiAS believes the risk of higher promoter pledge cannot be ruled out.

Did the audit committee protect minority interests in approving the transaction?
In IiAS' opinion, the audit committee that approved the transaction is not independent. JSPL's audit committee on 30 June 2021 comprised tenured Independent Directors and one executive director. While the audit committee composition was compliant with regulations, we believe the audit committee, which has approved this transaction, lacked independence.

Exhibit 9: Audit committee (AC) composition on 30 June 2021

Name of the director	Category, according to IiAS	Board tenure (years)	Date of appointment to the AC
Ram Vinay Shahi (Chairperson of the AC)	Non-Executive Director	13	15-10-2007
Arun Kumar Purwar	Non-Executive Director	14	19-12-2014
Hardip Singh Work	Non-Executive Director	12	29-03-2019
Vidya Rattan Sharma	Managing Director	2	25-09-2019

Source: Stock exchange filings, IiAS Research
Note: IiAS considers Independent Directors with a board tenure of over 10 years as non-independent.

On 29 July 2021, five directors (of a ten-member board) ceased to remain directors and were replaced by a new set of Independent Directors (Exhibit 11). The new audit committee and the board approved the Revised Offer on 6 August 2021. In this context, IiAS raises the following concerns:

- The newly composed audit committee, which approved the final bid from WorldOne, comprised Independent Directors that will have had a tenure of just 8 days. IiAS believes it would have been unlikely for the newly reconstituted audit committee (comprising independent directors that have just been brought onto the board), to be able to make an informed decision on a transaction that was already well-ahead on its process of completion.
- From the disclosures of the audit committee composition provided by the company, we are unable to ascertain if all members of the newly composed audit committee are financially literate.

Exhibit 10: JSPL's audit committee on 6 August 2021

Director	Dr. Bhaskar Chatterjee	Anil Wadhwa	Shivani Wazir Pasrich	Vidya Rattan Sharma
Role in the Audit Committee	Chairperson	Member	Member	Member
Board appointment date	29 July 2021	29 July 2021	29 July 2021	14 August 2019
Board Tenure	8 days	8 days	8 days	2 years
Designation	Independent Director	Independent Director	Independent Director	Managing Director
Brief background *Full background of newly appointed Independent Directors can be accessed from JSPL's stock exchange filing:* *https://bit.ly/2XM4iCM*	Dr. Bhaskar Chatterjee is former IAS. He joined the Indian Administrative Service in 1975 and has held many distinguished positions including Secretary to the Government of India, Department	Anil Wadhwa was a member of the India Foreign Service from 1979-2017 and has served as the Indian Ambassador to Italy, Thailand, Oman and Poland. As Secretary (East) in the Ministry of External Affairs of India he oversaw	Ms. Shivani Wazir Pasrich is an actor, activist and promoter of the Arts, former Miss India Worldwide and a Classical dancer. She is an Economics Honours graduate from Lady Shri Ram College & Law graduate from	V R Sharma holds about 38 years of core sector industry experience in Steel, Power, Cement & Mining both in India and abroad. He is the former Joint Managing Director of Bhushan Power

Director	Dr. Bhaskar Chatterjee	Anil Wadhwa	Shivani Wazir Pasrich	Vidya Rattan Sharma
	of Public Enterprises, Ministry of Heavy Industries & Public Enterprises; Principal Adviser, Planning Commission; Additional Secretary, Department of Land Resources, Ministry of Rural Development. As Principal Secretary, Steel and Mines, Govt. of Odisha, he was involved with all the mining operations and raw material procurement for the steel industry particularly iron ore. He was fully concerned with all the backward and forward linkages concerned with the steel industry and was part of the team that was consulted during the formulation of the Steel Policy.	relations with South-East Asia, Gulf and West Asia, Pacific and Australasia. He has served as the Indian Ambassador and permanent representative to FAO, IFAD, WFP UNESCAP and worked with the Organization for the Prohibition of Chemical Weapons (OPCW) in The Hague heading the Government Relations and Political Affairs and Media and Public Affairs Branches.	Faculty of Law, Delhi University. She is also a Master of Ceremonies and an Educationist. She has acted in Yash Chopra's National award-winning film and has to her credit more than five hundred television shows & over a thousand live events. She is the Founder of the Commonwealth Cultural Forum (a platform for creative people of the world to come together), Chairperson of the Commonwealth Society of India, CEO of SWP Productions and Director of The Study School.	& Steel Ltd. and was the CEO of Abul Khair Group.

Source: Audit Committee composition was provided by the company; director profiles have been taken from stock exchange filings

This is not the first transaction of its kind – JSPL has sold family silver in the past

The is not the first – its genesis is perhaps in the July 2020 transaction where shareholders approved the sale of Jindal Shadeed Iron & Steel LLC (JSIS), a wholly owned step-down subsidiary to Templar Investments Limited, a promoter entity. Even then, a business (JSIS) with stable operations and sustainable debt, was sold to a promoter owned entity, while the company argued for debt reduction. Shareholders approved that transaction at a time when the COVID crisis had caused liquidity pressures and the company was in the midst of restructuring its debt with international lenders. With the lack of clarity on whether JSPL's debt would be restructured by its lenders, shareholders approved the Oman transaction for a consideration that supported merely the immediate repayment due. At the time of the JSIS transaction (as it is now), JSPL's debt carried investment grade credit ratings. Subsequent to the transaction, JSPL had successfully negotiated new terms with its international lenders, and the steel cycle turned – which, we expect, should have resulted in higher cash flows from JSIS's operations, had it remained a part of JSPL.

Is this the best form of the transaction?

IiAS has argued against all the reasons presented by the company for the sale of JPL. IiAS believes there is no tangible reason to sell the business at such low valuations. Given where both businesses are poised, we believe the increased cash generation will enable the company to reduce debt. From an ESG risk perspective, given that both sectors carry almost similar risks, the separation is unlikely to have a material impact. Further, the carbon emission reduction by 50% assumes JPL's plants operating at full capacity, which they have not been for a while now.

Even if one were to buy the company's argument for debt reduction and better ESG metrics, the company could have hived off JPL and separately listed it with a mirror shareholding. This would have allowed market forces to decide valuations and provided shareholders the flexibility to decide whether they wished to remain invested in the steel and/or the power business, based on their preferences and risk profiles. The promoters could then make an open offer for the power business (after it was listed), if at all that was necessary.

Shareholder votes can stop the transaction

Shareholders have the power to stop this transaction. Because this is a related party transaction under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), the promoters and their related parties cannot vote on the transaction – and the transaction can be passed only with a majority of minority vote.

Resolution		Regulation	Can promoters vote?	Required passing majority
1	Approve sale of JSPL's 96.4% equity stake in Jindal Power Limited (JPL), to Worldone Private Limited (WPL), a promoter-owned entity for an equity valuation of Rs. 30.15 bn, and setting of existing ICDs and capital advances against redeemable preference shares	• Section 180(1)(a) of the Companies Act, 2013 • Regulation 24(5) of SEBI LODR	Yes	75% and more of all votes cast
2	Approve material related party transaction for divestment of the 96.4% equity shareholding	• Section 188 of the	**No**	**More than 50% of the minority shareholder**

Resolution	Regulation	Can promoters vote?	Required passing majority
and preference shares in Jindal Power Limited (JPL) to Worldone Private Limited (WPL)	Companies Act 2013 • Regulation 23(4) of SEBI LODR		**(non-promoter) vote** ***(Majority of minority vote)***

Source: Shareholder notice

Exhibit 11: JSPL' board composition on 26 August 2021 (Revised Offer was accepted by the board on 6 August 2021)

S No	Name	Occupation	Category	IiAS Classification	Age (yrs)	Tenure (yrs)	AC	NRC	SRC	RMC	CSR	FY20 Attendance	Other Directorships[1]	FY20 Pay (Rs.mn)
1	Naveen Jindal (P)(C)	Chairperson	ED	ED	52	23						5/6	2	150.5
2	V. R. Sharma	MD	ED	ED	62	2	M		M	M	M	5/5	1	19.5
3	Dinesh Saraogi	WTD	ED	ED	63	8					M	3/6	1	13.2
4	Ms. Shallu Jindal	Promoter	NED	NED	51	9						4/6	1	0.2
5	Dr. Aruna Sharma	Retired IAS	ID	ID	62	2						3/4	5	0.2
6	Bhaskar Chatterjee	Former IAS Officer	ID	ID	NA	28 days	C	M		C	C	-	-	-
7	Sunjay Kapur	Chairperson, Sona Comstar Ltd.	ID	ID	49	16 days						-	8	-
8	Ms. Shivani Wazir Pasrich	Actor and Activist	ID	ID	NA	28 days	M	C		M	M	-	1	-
9	Anil Wadhwa	Member, Indian Foreign Service	ID	ID	NA	28 days	M	M	C			-	3	-
10	Ms. Kanika Agnihotri	Managing Partner, SKV Associates	ID	ID	NA	28 days			M	M		-	NA	-

Note: IiAS considers Independent Directors with a tenure in excess of 10 years as non-independent non-executive directors. For more details, please refer to IiAS Voting Guidelines.

Source: Information provided by the company, Press release, IiAS research, MCA

ED: Executive Director, ID: Independent Director, NED: Non-executive non-independent director, (P): Promoter, (PR): Promoter Representative (C): Chairperson

Committees: AC-Audit, NRC-Nomination & Remuneration, SRC-Stakeholders Relationship, CSR-Corporate Social Responsibility, RMC-Risk Management

Seeking reappointment Fresh appointments

Cessations since 31 March 2020

S No	Name	Occupation	Category	IiAS Classification	Age (yrs)	Tenure (yrs)	Date of Cessation	Reason for Cessation
1	Ram Vinay Shahi	Former CMD, BSES	ID	NED	77	15	29-Jul-21	Completion of tenure
2	Arun Kumar Purwar	Former CMD, SBI	ID	NED	75	15	29-Jul-21	Completion of tenure
3	Hardip Singh Wirk	Corporate Lawyer	ID	NED	52	12	29-Jul-21	Completion of tenure
4	Sudershan Kumar Garg	Retired CA	ID	ID	71	9	29-Jul-21	Completion of tenure
5	Anjan Barua	Nominee Director, SBI	NED	NED	70	4	22-May-21	Demise

Note: IiAS considers Independent Directors with a tenure in excess of 10 years as non-independent non-executive directors. For more details, please refer to IiAS Voting Guidelines.

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