

Indicative TERM SHEET

This document is issued for discussion purposes only and does not constitute any commitment, offer, recommendation or solicitation to any person to enter into any transaction. The terms are neither complete nor final and are subject to further discussion, negotiation and internal approvals. The terms of any transaction entered into will be recorded in a written confirmation or other document. ICICI Prudential AMC has no fiduciary duty towards you, and assume no responsibility to advise on, and makes no representation as to the appropriateness or possible consequences of, the prospective transaction.

Transaction:	Non-Convertible Debenture collateralized by shares of JSW Steel & JSW Energy
Financing Amount:	Upto INR 540 Crs(Five hundred and forty crores only)
Repayment Amount at Maturity:	The sum of Financing Amount and the Accrued Premium. Upon repayment of each Tranche at maturity, shares in the Collateral Basket will be released on a pro-rata basis, based on prevailing coverage ratio
Yield:	9.10% XIRR calculated from the Financing Date until redemption and payable at redemption as accrued redemption premium ("Accrued Premium")
Use of Proceeds:	Repayment of existing debt and interest servicing, loans to/ investments in JSW Group Companies and General Corporate Purposes
Issuer:	Adarsh Advisory Services Pvt Limited
Pledgors:	Vividh Finvest Pvt Ltd, JSW Techno Projects Management Ltd, Indusglobe Multiventures Pvt Ltd, JSW Investments Pvt Ltd
JSW Group:	Companies, entities, firms and other bodies managed and controlled directly and indirectly by Mr. Sajjan Jindal and his family, other than: (i) JSW Steel Ltd. And JSW Energy Ltd. and (ii) other operating companies whose principal business is (and whose principal revenue is derived from): (a) undertaking of manufacturing operations; (b) providing infrastructure (including mining, port, rail, road and aviation) related facilities, activities and services; (c) generation, transmission, distribution or trading of power; (d) providing information technology related services; (e) providing sports related activities; and (f) undertaking of overseas trading operations
Promoter Group	The group of companies managed by Mr. P.R. Jindal, Mr. Sajjan Jindal, Mr. Ratan Jindal and Mr. Naveen Jindal and their respective family.
Proposed Financing Date:	1 st week of December
Credit Rating	Minimum rating of BWR A(SO)
Tranche Amount and door to door Tenor	Tranche I: INR 200 Crs: 37 months Tranche II: INR 175 Crs: 43 months Tranche III: INR 165 Crs: 49 months
Deposit of Amounts	The Company shall ensure that the Redemption Amount shall be deposited in the Designated Account 30 (thirty) Calender Days prior to the Redemption Date of respective tranche ("Redemption Deposit Date"). Redemption Deposit Date shall be referred to Deposit Dates. Upon the deposit of relevant amount on relevant Redemption Deposit Date, company will have the option to prepay the respective tranche without any prepayment penalty.
Underlying:	Ordinary shares of JSW Steel Ltd. ("JSW Steel") (Bloomberg ticker: JSTL IN Equity) and JSW Energy Ltd. ("JSW Energy") (Bloomberg ticker: JSW IN Equity) listed on the National Stock Exchange of India



Collateral Basket:	Shares of JSW Steel and JSW Energy
Put/Call Option	For each tranche, at the end of every year from the Deemed Date of Allotment, with a 45 calendar day notice
Initial Collateral:	Overall 2.0x collateral cover with the following details: (i) Shares of JSW Steel equivalent to 1.25x of the Financing Amount (the "JSW Steel Collateral Shares") and (ii) JSW Energy shares and/or JSW Steel shares (the "JSW Energy Collateral Shares") equivalent to 0.75x of the Financing Amount, as of the Financing Date, such that the Overall Coverage (defined henceforth) is equivalent to 2.0x of the Financing Amount
JSW Steel Coverage:	On any day a ratio calculated as (a) divided by (b), where: (a) The market value of JSW Steel Collateral Shares using the closing price of JSW Steel shares, and (b) Financing Amount plus the accrued Premium
Overall Coverage:	On any day a ratio calculated as (1) divided by (2), where: (1) The combined market value of the JSW Steel Collateral Shares and the JSW Energy Collateral Shares using the closing prices of JSW Energy shares and JSW Steel shares and (2) Financing Amount plus the accrued Premium
Security Package:	Direct pledge on the JSW Steel Collateral Shares and the JSW Energy Collateral Shares
Debenture Trustee:	Catalyst Trustee
Collateral Mechanics	
Top-up Coverage:	If the JSW Steel Coverage on any day is equal to or lower than 1.15x, then Issuer would be required to deliver Shares of JSW Steel within 2 Business Days such that the JSW Steel Coverage is not less than 1.25x If the Overall Coverage on any day is equal to or lower than 1.80x, then Issuer would be required to deliver Shares of JSW Energy and/or shares of JSW Steel within 2 Business Days such that the Overall Coverage is not less than 2x and the JSW Steel Coverage is not less than 1.25x
Release Coverage:	Subject to no continuing Event of Default, If the JSW Steel Coverage is higher than 1.35x for 5 consecutive trading days, calculated based on the closing price of JSW Steel, the Issuer may request the Lender to release a certain amount of JSW Steel shares, provided that, post such release: (a) JSW Steel Coverage is not less than 1.25x (b) Overall Coverage is not less than 2x If the Overall Coverage is higher than 2.2x for 5 consecutive trading days, calculated based on the closing price of JSW Steel and JSW Energy, the Issuer may request the Lender to release a certain amount of JSW Steel or JSW Energy shares, provided that, post such release: (a) JSW Steel Coverage is not less than 1.25x (b) Overall Coverage is not less than 2x
Eligible Collateral:	Shares of JSW Steel for JSW Steel top-up events



	Shares of JSW Energy or JSW Steel for Overall Coverage top-up events																
Others																	
Mandatory Redemption Events	<p>Typical for a transaction of this nature, Mandatory Redemption Events will include, but not limited to:</p> <ul style="list-style-type: none"> The share price of JSW Steel falls below <table border="1"> <thead> <tr> <th>Share Price</th><th>Percentage</th></tr> </thead> <tbody> <tr> <td>60.0</td><td>33.3%</td></tr> <tr> <td>52.5</td><td>33.3%</td></tr> <tr> <td>45.0</td><td>33.3%</td></tr> </tbody> </table> The share price of JSW Energy falls below <table border="1"> <thead> <tr> <th>Share Price</th><th>Percentage</th></tr> </thead> <tbody> <tr> <td>42</td><td>33.3%</td></tr> <tr> <td>38</td><td>33.3%</td></tr> <tr> <td>33</td><td>33.3%</td></tr> </tbody> </table> Either JSW Steel or JSW Energy shares are suspended for any reason on the NSE for 2 consecutive trading days (except as a result of an administrative error) Any JSW Steel or JSW Energy shares are moved to the T2T (Trade to Trade) segment of the NSE Failure to deposit the Redemption Amount on Deposit Dates Any JSW Steel or JSW Energy shares (or JSW Steel or JSW Energy itself) will cease to be listed, traded or publicly quoted on the NSE for any reason Group Debt Event – (a) the total debt secured by shares of JSW Steel and/ or JSW Energy does not exceed 40% of the market value of JSW Group's stake in JSW Steel & JSW Energy and / or (b) aggregate Financial Indebtedness of JSW Group is not in excess of Rs 7,500 crs 	Share Price	Percentage	60.0	33.3%	52.5	33.3%	45.0	33.3%	Share Price	Percentage	42	33.3%	38	33.3%	33	33.3%
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Prepayment Premium	2% p.a. for event other than Mandatory Redemption event or exercise of any put/ call, payment on T-30 or Prepayment initiated by the bank upon an EOD																
Covenants:	<p>Typical for a transaction of this nature, including but not limited to:</p> <ol style="list-style-type: none"> Financial statements or certificate of Issuer Debenture related information Credit rating certificate at each expiry Compliance certificate, including quarterly compliance certificate on Group Debt Event Notification of Default Compliance with laws Merger or change in capital structure and business Change in constitutional documents Taxation Maintenance of Collateral Mechanics Information undertaking on total indebtedness of the JSW Group Negative pledge on 20% of JSW Group stake in JSW Steel & JSW Energy Shareholding & Control 																



Events of Default:	<p>Typical for a transaction of this nature, including but not limited to:</p> <ul style="list-style-type: none"> – Failure of Pay – Breach of Covenants – Breach of Collateral Mechanics – Change of control – Misrepresentation – Cross-acceleration to any other financing secured by shares of JSW Steel or JSW Energy of the JSW Group – Insolvency or Insolvency Proceedings – Unlawfulness or Invalidity – Illegality – Material Adverse Change – Nationalization – Moratorium – Expropriation – Cessation of business – Unlawfulness – Repudiation – Material Audit qualification – Non Listing – Material litigation – Credit rating – The rating agency withdraws or lowers the rating assigned to the Debentures – Constitutional documents – Merger, except for intra-group restructuring which does not have an adverse effect on the value of the Collateral Basket <p>Upon an event of default, if the transaction is accelerated then the amount due and payable would be the sum of:</p> <ul style="list-style-type: none"> (a) The Financing Amount plus the Accrued Premium up to the date of the default, and (b) Prepayment Premium
Corporate Actions:	If there is any corporate action on the shares of JSW Steel or JSW Energy then the debenture trustee may adjust the terms of the transaction to reflect the dilutive or concentrative effect of the corporate action on the Collateral Basket
Tender Offer:	If there is any tender offer on JSW Steel (other than tender offer by JFE Steel Corporation or any of its group associates) or JSW Energy which reduces the free float (number of total outstanding shares less number of shares held by the JSW Group) of JSW Steel or JSW Energy by more than 25%, the Financing Amount plus the Accrued Premium will become due and payable
Dividends:	<p>If there is any dividend declared in excess of INR5 per share per calendar year by JSW Steel or INR10 per share per calendar year by JSW Energy, the Issuer will procure to set up an escrow arrangement at least 5 days prior to the ex-dividend date, to the satisfaction of the Lender, such that the dividend to be received with respect to the Collateral Basket are received directly in the escrow account</p> <p>If the dividend is deposited in the escrow account for a minimum of 15 Business Days, the Issuer may request a release of the deposited dividend, provided that following the</p>



	release (i) there is no Event of Default; (ii) the JSW Steel Coverage is not less than 1.1x; and (iii) the JSW Energy Coverage is not less than 1.1x. For the purpose of ensuring that the coverage is reduced to no less than 1.1x following any release, the Issuer shall be permitted to post additional shares of JSW Steel and JSW Energy prior to any release of deposited dividend
Business Day:	Mumbai
Conditions Precedent:	<p>Typical for a transaction of this nature, including but not limited to:</p> <ul style="list-style-type: none"> • Subject to all approvals, including any external legal and regulatory approvals • Pledge creation & DP Confirmation • Successful completion of "know your client" process • Confirmation of no conflict • Information on all the borrowing by the JSW Group • Satisfy legal opinion
Operation of Designated Bank	<ol style="list-style-type: none"> 1) Debenture Trustee will control the said account 2) Investors will have first and exclusive charge on the said account 3) All application money will be deposited in said account <p>Providing the control of the account to be done withing 15 days from Deemed Date of Allotment</p>
Representations & Warranties:	<p>Typical for a transaction of this nature, including but not limited to:</p> <ul style="list-style-type: none"> • Insider Trading Representations • Corporate Status • Binding Obligations • Non-Conflict • Power and Authority • Validity and admissibility in evidence • Governing law and enforcement • Insolvency • Filing or Stamp Taxes • Deduction of Tax • No Default • Taxation • No Breach of Laws • Legal and Beneficial Ownership • No Misleading Information • Financial Statements • Pari Passu Ranking • No proceedings pending or threatened • No immunity • Solvency • Shares, shareholding & control • Authorised signatories • No non-public information • Material Adverse Effect • Compliance with laws relating to sanctions, terrorism, corruption etc. • Money Laundering Laws
Status:	These terms and conditions are indicative only and not a commitment expressed or



	implied on the part of the Lender to enter into this Transaction
Confidentiality:	This term sheet and its contents are intended for the exclusive use of the Lender and Issuer and shall not be disclosed to any person other than the legal and financial advisors for the purposes of the proposed Transaction unless the prior written consent of the Lender is obtained
Legal Expenses:	Issuer will reimburse the Lender for all out of pocket legal expenses (including without limitation, legal fees, disbursements and stamp duty) incurred by the Lender in the preparation and execution of the Transaction, regardless of whether or not the Transaction is executed
Governing Law:	India
Documentation:	Debenture Trust Deed Information Memorandum Pledge Agreement Power of Attorney
Force Majeure	This Term Sheet is subject to, in the opinion of the prospective investor, a) any material adverse change having occurred in any of the business, condition (financial operations, of the issuer (and its subsidiaries or parent company or promoter group) since the last available audited annual report, b) any circumstance, change or condition (including the continuation of an existing condition) in the domestic and international commercial bank, loan syndication, financial or capital market, political or economic conditions that, in the opinion of the prospective investor, would materially affect syndication and conclusion of the Facility; and any material adverse change having occurred in the financial markets in which the issuer and/or its principal assets are located or in the market for loans to and debt securities of India.

For Adarsh Advisory Services Private Limited

Director / Authorised Signatory

ICICI PRUDENTIAL MUTUAL FUND

Authorised Signatories