

தமிழ்நாடு தமிழ்நாடு TAMILNADU

JSW Steel Limited  
Poktaneri

CR 017967

R100  
27.07.2022

### Memorandum of Understanding

க.க. சான்பிரகாசம்  
முதலமை. எண் 09/2000  
கேள்புத்தூர் Po. கேள்புத்தூர்

This MoU is executed at Salem (Tamilnadu) on this 21<sup>st</sup> day of October 2022

Between

JSW Steel Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at JSW Steel Limited, JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 India and having its factory at Salem (Salem Works) (hereinafter referred to as "JSWSL", which expression shall include its successors, and permitted assigns) of the One Part;

And

JSW Cement Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at JSW Centre, Bandra - Kurla Complex, Mumbai-400051, India (hereinafter referred to as the "JSWCL", which expression shall include its successors and permitted assigns) of the Other Part.

JSWSL and JSWCL shall hereinafter be collectively referred to as the "Parties" and severally as "Party".



NO  
GO







**WHEREAS:**

JSWSL is engaged in the business of manufacturing steel at M. Kallipatti and Pottaneri Village of Mettur taluk, Salem district, Tamilnadu state.

JSWCL is engaged in the business of processing, manufacturing and sale of cement and allied activities having its operations across India.

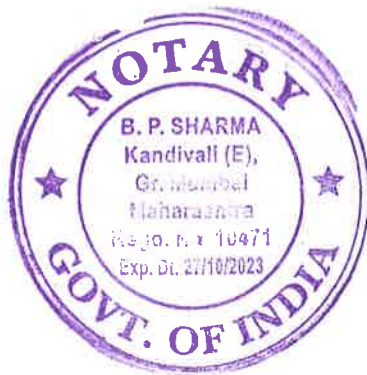
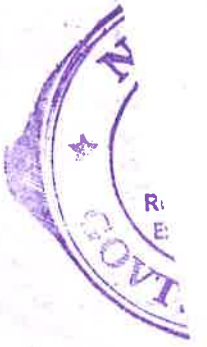
- C. JSWSL generates approx. 0.50 MTPA of Blast Furnace Slag which is suitable for manufacturing Portland Slag Cement. JSWSL has agreed to provide Blast Furnace Slag along with land and other related infrastructure to JSWCL for smooth operations of the grinding unit. The Parties have agreed to enter into this MOU to record the objectives, terms and conditions for transfer of Slag Grinding unit to JSWCL.

NOW THEREFORE, in consideration of the undertakings of the Parties set out in this MoU, the Parties hereby agree as follows:

**Objectives and Scope of the MOU**

- i. JSWSL has set up a Slag Grinding Unit (GU) of 0.80 million ton per annum (MTPA) capacity inside JSWSL's Plant premises located at M. Kallipatti and Pottaneri Village of Mettur taluk, Salem district, Tamilnadu state to produce Ground Granulated Blast Furnace Slag (GGBFS) (Slag Grinding Unit) .
- ii. The Grounded Slag being a primary raw material for JSWCL's cement business, JSWCL shall pay an amount of INR 129 crores to JSWSL towards transfer of the Grinding Unit in its favor. JSWSL hereby acknowledges the receipt of advance payment of Rs. 117 crores towards the above transaction and JSWCL undertakes to transfer the balance amount of Rupees 12 Crores upon signing of this MOU. Any statutory expenses including GST/Income tax shall be levied accordingly on the respective parties.
- iii. The Parties however acknowledge that nothing contained above or otherwise in this MoU shall be considered as a binding obligation on any of the Parties or entitle any Party to any cause of action relating to the execution of definitive agreements. Upon the consummation of this MoU and based upon the findings, each Party shall have a right to independently consider and decide upon the possibility of entering into such definitive agreements, if required. This MoU is intended to outline the basic business understanding with regards to the Project. The final terms and conditions and execution of definitive agreements, if any, would be subject to inter alia, conduct of a detailed due









diligence, satisfactory review of business plans, validation of revenue assumptions, legal & Tax review, relevant regulatory approvals, if any, and internal corporate authorization and approvals of the Parties. The Parties will bear the costs for the registration of the definitive agreements.

**Now it is hereby agreed by and between the Parties hereto as follows:**

- 1.0 JSWSL shall transfer the Slag Grinding unit to JSWCL. JSWSL will also assist JSWCL for smooth transfer of the Environment Clearances (EC) pertaining to the 0.8 MTPA Slag grinding unit to JSWCL upon prior permission of the Ministry of Environment , Forest and Climate Change (MOEF&CC).
- 2.0 Subject to requisite approvals from various authorities and subject to mutual agreement on commercial terms, JSWSL will also provide the following to JSWCL:
  - i) Approx. 6 acres of land on long term lease basis for operating the transferred Slag Grinding unit
  - ii) Long term supply of blast furnace slag
  - iii) Long term supply of BF gas and Right of Way for the gas pipeline
  - iv) Supply of water
  - v) Other Utilities as may be required

**3.0 LAND:**

JSWSL will provide a plot admeasuring up to 6 acres at Pottaneri, Salem plant for a period of 15 years on long term Lease basis to JSWCL against the security deposit of 6 crores at an annual rent of INR 100 per acre. The Parties shall enter into a registered lease agreement for the Lease of the 6 Acres of Land by JSWSL in favor of JSWCL on mutually agreed terms and conditions. JSWCL will bear all the cost of making this plot of land suitable for its usage. Applicable rental and the Security deposit shall be paid by JSWCL after the registration of lease agreement. The entire cost for the registration shall be borne by JSWCL

**4.0 Blast Furnace Slag:**

The entire quantity of blast furnace slag (approx. 0.50 MTPA) which is a by-product of the JSWSL's operations (as and when available), will be lifted by JSWCL from JSWSL's blast furnace on long term basis at a mutually agreed price based on the market conditions. JSWCL will arrange the balance quantity of BF Slag, if desired, from other sources at its own cost.







5.0 **EOF Slag:**

The EOF slag which is a by-product of JSWSL's operations (as and when available), will be supplied by JSWSL to JSWCL at prevailing mutually agreed market price.

6.0 **BF Gas Supply:**

JSWSL shall provide a Right of Way (ROW) to JSWCL for installation of pipeline from the Blast Furnace to its plant and supply approx. 80,000 Nm<sup>3</sup>/day of BF gas as fuel to JSWCL at the prevailing market price.

7.0 **Hot gas from Sinter Plant:**

Available quantity of hot gas generated from JSWSL's operations will be provided at mutually agreed price arrived based on calorific value and cost of steam coal consumed by JSWSL.

8.0 **WATER:**

JSWSL will supply JSWCL approx. 5 cum per day of water from its quota allotted by the Water Resources & Irrigation Department under common infrastructure sharing agreement. JSWCL shall install digital water flow meter at its source for measuring the water consumed and pay the charges as levied by the irrigation deptt. Additional charges for use of infrastructure for water supply will be mutually agreed.

9.0 **Nitrogen:**

JSWSL will supply nitrogen gas required for purging during shutdown maintenance time to JSWCL through pipeline. The quantity of gas supply shall depend upon the availability of nitrogen gas with JSWSL. JSWCL shall install digital flow meter at its source for measuring the quantity of nitrogen gas consumed and shall be invoiced based on the prevailing monthly gas cost.

10.0 **Electricity:**

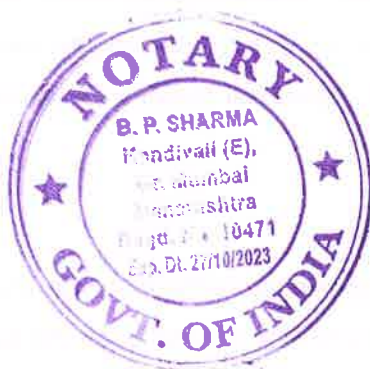
JSWCL shall directly procure electric power supply from Tamil Nadu electricity Board/State Grid and will directly pay to such supplier.

11.0 **Common Infrastructure:**

JSWSL will share the common infrastructure facilities with JSWCL. An agreement shall be entered between JSWSL & JSWCL for common infrastructure facilities which includes access to internal roads, Storm drains, Occupational health center, fire-fighting system, canteen, water reservoir, treatment plant etc. and any other common facility which may be identified at mutually agreed monthly charges.









12.0 **Other operating cost:**

The entire cost of operating the grinding unit of variable and fixed nature for GGBFS production shall be borne by JSWCL. Any other cost or expenses incurred by JSWSL in connection with production, maintenance and sales shall be reimbursed by JSWCL.

13.0 **Rates & Taxes:**

The obligation to fulfil statutory dues such as duties, levies and taxes etc. in connection with operating the grinding unit will be on account of JSWCL. Any damage or claim arises to JSWSL on account of statutory non-compliance w.r.t operating the grinding unit shall be compensated by JSWCL as and when it arises.

14.0 **Effective Date, Term & Termination:**

This MoU shall be effective from the date of signatures by the Parties ("Effective Date") and shall remain valid until one year from the date of execution, extendable upon mutual agreement. Upon signing of definitive agreements, all terms and conditions in this MoU shall stand superseded by the terms and conditions under the definitive agreements. The Parties may terminate this MoU at any time for any reason or no reason whatsoever by giving One Month prior written notice to the other Party of its intention to terminate this MoU without any obligations, undertakings and liabilities herein.

The nature of this MoU is binding, and Parties shall be bound by the same.

15.0 **EXPENSES:**

Each Party shall bear its respective costs and expenses incurred in connection with any discussions, negotiations and investigations during the term of this MoU in connection with the Proposed Transaction.

16.0 **NOTICES:**

Any and all notices to any of the Parties hereto shall be sent by registered mail to the addresses indicated herein below, electronic messages (message of receipt of the Party to whom it is addressed requested), as follows:

For JSWSL:

Address: Pottaneri, Mettur Taluk, Salem  
To the attention of: Mr. BNS Prakash Rao  
Tel: 04298272569  
e-mail address: bnsprakashrao@jsw.in

For JSWCL:

Address: JSW Center, BKC, Mumbai  
To the attention of: Mr. Shubham Arora  
tel: 022 4286 1000



NOT  
B. P. SHARMA  
Kandiv  
Gr. Mu  
Mahara  
ed. No  
Dt. 27/10/2023  
GOVT. OF INDIA

NOTARY  
B. P. SHARMA  
Kandiv (S)  
Gr. Mumbai  
Mahara  
Reg. No. A-10471  
Exp. Dt. 27/10/2023  
GOVT. OF INDIA



e-mail address: shubham.arora@jsw.in

The above details may be changed upon prior notice to the other Party as provided herein.

Unless any such change in the addresses are communicated to the other Party, a notice on the address as per the latest records of the other Party shall be deemed as adequate service under this MoU.

**17.0 ASSIGNMENT:**

The Parties shall not assign their rights and obligations under the terms of this MoU to any Party other than its legal successor without the written consent of the other Party.

**18.0 AMENDMENT:**

Any amendment to this MoU shall be made in writing by the Parties hereto and specifically stated to be an amendment to this MoU.

**19.0 DISPUTE RESOLUTION, APPLICABLE LAW AND JURISDICTION**

- a) The Parties agree that any and all claims and disputes which may arise out of or in connection with or from the execution of this MoU shall, at the first instance, be attempted to be resolved amicably by the representatives of the Parties in good faith. If such disputes are not resolved amicably between the Parties within a period of 30 (thirty) days from the date of such dispute having arisen, or such other time period as may be mutually agreed between the Parties, the same shall be subject to the exclusive jurisdiction of the courts at Salem, Tamilnadu, India.
- b) This MoU shall be governed by the laws of India, without giving any effect to conflict of laws principle.

IN WITNESS WHEREOF the Parties have set and subscribed their respective and the day, month, and the year first above written.

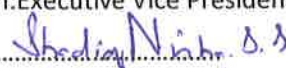
**Executed for and behalf of JSW Steel Limited by:**

Name: B N S Prakash Rao


Signature: 

Designation: Executive Vice President & Plant Head

Witness -1

  
AGM - Legal  
JSW - Salem Works

Witness -2

  
PRD, Salem Works


**Executed for and behalf of JSW Cement Limited by:**

Name: Navinder S. Kaur

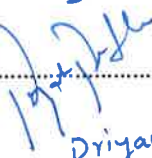
Signature: 


Designation: Director Finance & Commercial

Witness -1

  
Shubham Arora

Witness -2

  
Priyank Prudhvi

**BEFORE ME**  
  
**B P SHARMA**  
B Sc LL B  
NOTARY GR. MUMBA  
MAHARASHTRA  
(Govt of India)



