



GUJARAT NRE

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The National Stock Exchange of India Ltd
Exchange Plaza, 5th floor, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

17.04.2019

**Re: Clarification letter filed by Jindal Steel & Power Limited (JSPL)
(BSE Code: 532286, NSE Code: JINDALSTEL) dated 16.04.2019**

Dear Sir/Madam,

As enumerated by me in the complaint to SEBI, **following facts have been kept hidden from the Indian investors by JSPL:**

- a. **Permanent closure** of the **bigger mine in Australia** i.e Russell Vale since 2015,
- b. **Permanent closure** of the **second mine** i.e Wongawilli last week,
- c. **Investigation** since 2016 **by the NSW Department** of Industry and Investigation to determine if it is a **“fit and proper person”** to hold a mining license. The first company to be thus investigated by the Department,
- d. **Failure to Pay Mining Rent and Levies** on time on numerous occasions in 2017 due to which had to submit a Strict Enforceable Undertaking to the NSW Resource Regulator in June 2018.
- e. **Equity Shares suspended** since December 2018 due to queries raised by ASIC regarding fair value estimate of the mines.
- f. **Industrial Action** taken by the Contractual workers of Wongawilli mine in January 2019 due to which the Company had to offer a better Pay Agreement.
- g. **Investigation by ASIC** into the reliability over the **valuations** given by the Company in its Annual Report.
- h. **Notice to Cease Mining** at Wongawilli Colliery due to **significant safety issues** and series of roof falls in March 2019.
- i. **Investigation by the Department of Planning and Environment**, Resource Regulator’s Major Investigation Unit under the Work Health and Safety Act 2011.
- j. Issued a **Notice** by the Department in relation to **its financial capacity** to comply with its obligations under the Mining Act.

I have just come across the clarification letter submitted by JSPL with the Stock Exchanges on the complaint filed by me with SEBI against JSPL on various non-disclosure and/or wrong disclosures made by JSPL relating to its Australian subsidiaries and the news article published in The Hindu Business Line relating to the said matter.

MY RESPONSE TO THEIR ALLEGATIONS:

At the outset, I would like to point out the false & highly defamatory statements made by JSPL in the above referred letter blaming me with diversion of funds, manipulations and mismanagement which is totally incorrect. Gujarat NRE Coke Limited (GNCL) is in coke making business and had invested heavily in the mines in Australia. **Control of the said mines was taken over by JSPL in a deceitful manner and in its attempt to cause loss to GNCL, it destroyed both the mines causing much bigger loss to JSPL itself while forcing GNCL into losses.** GNCL was the first company to take itself to IBC instead of being dragged by any creditor or banker. Unfortunately, due to unexpected changes in the law, a viable company was placed in liquidation and the job security of 1000 employees hung in the balance.

However, having full faith in the confidence of all my stakeholders, I have submitted a Scheme for revival of GNCL under Sec 230 of the Companies Act, 2016 which has been strangely opposed by JSPL even though JSPL itself loses several crores worth of recovery if the Scheme doesn't go through.

GNCL has been under CDR since 2013, in CIRP for major part of 2017 & in liquidation since January 2018. Hence, since 2014, GNCL has been monitored continuously by bankers and other external independent professionals. The vigilance on GNCL has only increased since application of IBC in 2017, so the question of money diversion is moot and without any proof or basis. It simply shows the apathy of JSPL officers and Naveen Jindal, its Chairman, who are hoping that their own misdeeds are not brought to surface. Such baseless allegations made by JSPL at the instance of Naveen Jindal only make it liable for payment of substantial damages, again at the cost of others including public shareholders of JSPL.

CONTINUED MIS-INFORMATION CAMPAIGN BY JSPL

It is pertinent to note here that the complaint made by me was very specific and supported by the filings made by the JSPL's Australian subsidiary with the Australian Stock Exchange, the news reports published in Australia and a complaint made by EDO-NSW on behalf of Wollongong local citizens in Australia.

Sadly, instead of coming clean, JSPL has chosen to remain silent on all the allegations and instead, detailed its actions, both lawful and unlawful against me. **Some of these actions are causing a great harm to JSPL itself and its public shareholders in addition to the obvious harm to stakeholders including public sector banks and public shareholders of Gujarat NRE Coke Limited (GNCL).**

Besides, **JSPL has also chosen to remain silent about other questions raised by me based on its Annual Report of FY17-18.** A copy of my letter to SEBI dated 08.04.2019 is enclosed for your ready reference.

They have been involved in various frivolous litigations without any substance and by abuse of law for which we have already filed a suit for damages claiming Rs. 500 crores from JSPL and Naveen Jindal, which is pending for adjudication.

Naveen Jindal is misusing the funds of JSPL for his personal fight against Gujarat NRE Group while harming the interests of JSPL and its stakeholders at their cost. For example:

1. Application by JSPL under IB Code against Bharat NRE Coke Limited (BNCL) despite the fact that JSPL holds 2 crore equity shares of BNCL, the value of which becomes zero on BNCL getting admitted under IB Code. It is like JSPL, spending money in this litigation, thereby forcing itself to lose money that could be realised from those 2 crore equity shares.
2. JSPL is an unsecured operational creditors in GNCL for Rs. 31 crores (as against a misleading sum of Rs. 94 crores mentioned by JSPL in its letter under reply) and through the Scheme floated by me under Sec 230 of the Companies Act, 2013, JSPL as well as other unsecured creditors of GNCL would have got equity shares of some value as on date with a huge potential for upside. **But by spending JSPL's funds on this litigation, Naveen Jindal is ensuring that JSPL remains deprived of this recovery. Ideally,**

both GNCL & JSPL's public shareholders need to sue Naveen Jindal for their losses on this count.

3. The FIR has been done not by Wollongong Coal Ltd (WLC) but by JSPL itself in December 2018 for actions relating to 2013 which were the subject matter of complaint by WLC to Australian local Police in 2014. The matter has been duly investigated by Australian Police at that time who did not find any truth in the allegations made by WLC. **For reasons best known to Naveen Jindal, in abuse of legal provisions in India, JSPL has filed the above FIR on manipulated facts thereby exposing JSPL to a large claim of damages from us.**
4. The 4th case is again filed at the instance of Naveen Jindal by WLC against myself based on incorrect appreciation of law of dealings between holding company and its subsidiary and having filed the case having no substance in 2014 with a view to put me under pressure, Naveen Jindal and his employees in Australia have been shying away from allowing the case to be heard for the fear of losing heavily with costs order against them. As the matter is still sub-judice, I would not like to make any further comment on the same.

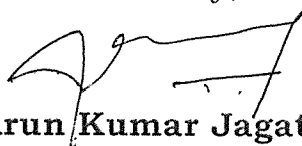
Based on the letter under reply, it can clearly be seen that JSPL India's officers have complete knowledge and control over the workings of WLC but still no proper disclosures or information has been given to allay the concerns of stakeholders.

Instead of clarifying the points raised and resolving the question of the current situation of the Australian mines, JSPL has tried to circumvent all the issues raised and tried to divert the matter by highlighting disputes with me and Gujarat NRE group. They have also requested to ignore the complaint without giving any basis.

As such, I would request you to seek clarification from JSPL on each of the points raised by me in the said complaint letter which is enclosed for your ready reference.

Thanking you.

Yours faithfully,



(Arun Kumar Jagatramka)

Encl: as above