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CIN: L74999MH1994PLC077041

NOTICE OF POSTAL BALLOT / E-VOTING

Dear Members,

Notice pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014

Notice is hereby given, pursuant to Section 110 of the Companies Act, 2013 (**"the Act"**) read with Companies (Management and Administration) Rules, 2014 (the **"Rules"**), that JSW Energy Limited (the **"Company"**) is seeking consent of its Members through Postal Ballot, which includes voting by electronic means, inter-alia for the following special business: (1) approval of "JSWEL Employees Stock Ownership Plan - 2016" (**"ESOP 2016"/"Plan"**) and grant of stock options to eligible employees of the Company and those of its Indian subsidiaries under the Plan and other connected and incidental items, detailed hereinafter and (2) Approval for appointment of Mr. Rakesh Nath (DIN: 00045986) as an Independent Director;

The proposed resolutions along with Explanatory Statement pursuant to Section 102 of the Act are appended along with the Postal Ballot Form for your consideration.

Mr. Shreyans Jain, Practicing Company Secretary, Mumbai (Membership No. ACS 18839) has been appointed by the Company as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

Please read carefully the instructions printed on the back of the Postal Ballot Form and return the form duly completed in all respects in the enclosed self-addressed postage prepaid envelope so as to reach the Scrutinizer by Wednesday, 23rd March, 2016, before 5.00 p.m. Postal Ballot Form, if sent by courier or by registered post / speed post at the expense of the Member will also be accepted. The Postal Ballot Form may also be deposited personally at the address given on the self-addressed Business Reply Envelope at the expense of the Member. Please note that any Postal Ballot Form(s) received after the said date will be treated as if no reply has been received from the member.

E-Voting

In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Section 110 of the Act read with the Rules, E-voting facility is being provided to all the members which would enable them to cast their votes electronically. The Company has engaged Karvy Computershare Private Limited (**"Karvy"**) for providing the e-voting facility through its platform.

The process and manner for e-voting is provided on the back of the Postal Ballot Form. In case a member votes through e-voting facility, he/she is not required to vote through Postal Ballot Form.

The e-voting will commence on Tuesday, 23rd February, 2016 at 9.00 a.m. and will end on Wednesday, 23rd March, 2016 at 5.00 p.m.

Upon collation and completion of scrutiny of the Postal Ballot forms / e-voting, the Scrutinizer will submit his report to the Chairman and Managing Director / the Jt. Managing Director and CEO / Director - Finance of the Company. The results of the Postal Ballot would be announced by the Chairman and Managing Director or the Jt. Managing Director and CEO or Director - Finance or any person authorised by the Chairman and Managing Director on Tuesday, 29th March, 2016 at 11.00 a.m. at the registered office of the Company and will be displayed together with the Scrutinizer's report on the notice board of the Company at the registered office and website of the Company i.e., www.jsw.in and also on the website of Karvy i.e., <https://evoting.karvy.com>, besides being communicated to BSE Limited and the National Stock Exchange of India Limited on which the shares of the Company are listed.

The last date for receipt of Postal Ballot Forms or e-voting, i.e., 23rd March 2016 will be taken as the date of passing the resolutions.

Item No. 1

Approval of "JSWEL Employees Stock Ownership Plan - 2016" and grant of stock options to Eligible Employees:

To consider and if thought fit, to give assent/ dissent to the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the applicable provisions of Section 62, Section 67 and all other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**), and the rules issued thereunder (including any statutory modifications or re-enactment thereof), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (**"the SEBI SBEB Regulations"**), circulars issued by the Securities and Exchange Board of India (**"SEBI"**) and all other applicable laws and regulations and in accordance with the enabling provisions in the Memorandum and Articles of Association of the Company, approval and consent of the Members of the Company be and is hereby accorded to the "JSWEL Employees Stock Ownership Plan – 2016" (hereinafter referred to as the **"ESOP 2016" / "Plan"**), as approved by the Board of Directors of the Company (hereinafter the **"Board"** which term shall include a sub-committee of the Board (**"Committee"**), for the benefit of eligible employees of the Company and its subsidiaries in India (**"eligible employees"**), the salient features of which are furnished in the Explanatory Statement to the Notice.

"RESOLVED FURTHER THAT the Plan be implemented through "JSW Energy Employees ESOP Trust" (**"Trust"**), based on the guidelines formulated by the Committee and approval and consent of the Members of the Company be and is hereby accorded to create, grant, offer, issue and allot from time to time upto 60,00,000 (Sixty Lakhs) Employee Stock Options (**"ESOPs"**) not exceeding 0.37% of the paid-up equity share capital of the Company (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) as on the date of passing of this resolution to the eligible employees including Whole-time Directors (excluding Promoter(s) or persons belonging to the Promoter Group, Independent Directors, Nominee Directors and

Non-Executive Directors), whether working in India or out of India (hereinafter referred to as “**Eligible Employee(s)**”) as approved by the Committee under the Plan, exercisable into not more than 60,00,000 (Sixty Lakhs) fully paid-up equity shares in the Company in aggregate of face value of Rs. 10/- (Rupees Ten) each, to be allotted by the Company either to the Trust and/or to the Eligible Employees and/or acquired by the Trust from the secondary market, in one or more tranches, for the implementation of Plan at an exercise price which shall be equivalent to the prevailing market price of the equity shares of the Company one day prior to the date of grant discounted by 20% and on such other terms and conditions, as may be determined by the Committee or the Trust, as the case may be, from time to time.

RESOLVED FURTHER THAT the Committee be and is hereby authorized to:

- i. Delegate to the Trust the authority to administer, implement and supervise the operation of the Plan on such terms and conditions as it may specify;
- ii. Determine the terms and conditions of grant, issue, re-issue, cancellation and withdrawal of Options from time to time;
- iii. Formulate, approve, evolve, decide upon and bring into effect, suspend, withdraw or revive any sub-scheme or plan for the purpose of grant of the Options to the eligible employees and to make any modifications, changes, variations, alterations or revisions in such sub-scheme or plan from time to time;
- iv. Do all such acts, deeds, things and matters as may be considered necessary or expedient including delegation of all or any of the powers herein conferred by this resolution; and
- v. Settle any questions, difficulties or doubts that may arise in this regard.

RESOLVED FURTHER THAT the Board be and is hereby further authorised to issue and allot equity shares upon exercise of ESOPs from time to time in accordance with the Plan and such equity shares shall rank paripassu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the Committee be and is hereby also authorized to determine, modify and vary all or any of the terms and conditions of the Plan as it may in its absolute discretion determine subject to applicable laws.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.

RESOLVED FURTHER THAT any of the Directors and/ or the Company Secretary of the Company be and are hereby authorized to take all necessary steps for listing of the securities of the Company proposed to be allotted under the Plan on the Stock Exchanges, where the existing securities of the Company are listed, as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolutions, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion, deem necessary or desirable for such purpose including to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESOP 2016 as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to such issue or offer, allocation, allotment and utilization of the proceeds (including power to amend or modify any terms of such issue or allotment) without being required to seek any further consent or approval of the shareholders, as it may in its absolute discretion deem fit and further to execute all documents and writings as may be necessary, proper, desirable or expedient and to give such directions and/ or instructions as it may from time to time decide and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions of the Plan.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein to any Committee of Directors or to any Officers/Executives of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc. as may be necessary in this regard.

Item No. 2

Approval to grant stock options to the Eligible Employees of the Company’s subsidiary companies under the “JSWEL Employees Stock Ownership Plan - 2016”;

To consider and if thought fit, to give assent/ dissent to the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (“**the Act**”), and the rules issued thereunder (including any statutory modifications or re-enactment thereof), and all other applicable provisions, if any, of the Act, the rules issued thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (“**the SEBI SBEB Regulations**”) and all other applicable laws and regulations, circulars issued by SEBI, approval and consent of the Members of the Company be and is hereby accorded to extend the coverage of “JSWEL Employees Stock Ownership Plan – 2016” (hereinafter referred to as the “**ESOP 2016**” / “**Plan**”), referred to in the resolution under Item No. 1 in this Notice and duly passed at the meeting, also to the Eligible Employees of the existing and future subsidiaries of the Company incorporated in India, including Whole-time Directors (excluding Promoter(s) or persons belonging to the Promoter Group, Independent Directors, Nominee Directors and Non-Executive Directors), whether working in India or out of India, as approved by the Committee in accordance with the provisions of the Plan and approval

of the members be and is hereby accorded to grant stock options, in one or more tranches, to the aforesaid eligible employees, not exceeding the aggregate limit of 60,00,000 Options referred in the resolution under Item No. 1 in this Notice and duly passed at the meeting, exercisable into equivalent number of equity shares of the Company (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Committee or the Trust referred to in Item No.1 in this Notice, as the case maybe, be and are hereby severally authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper and to settle any questions, difficulties or doubts that may arise in this regard."

Item No. 3

Authorization to the Trust to undertake Secondary Acquisition of equity shares of the Company for implementation of the "JSWEL Employees Stock Ownership Plan – 2016" (hereinafter referred to as the "ESOP 2016" / "Plan"):

To consider and if thought fit, to give assent/ dissent to the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto ("**the SEBI SBEB Regulations**"), the Companies Act, 2013 ("**the Act**"), and the rules issued thereunder (including any statutory modifications or re-enactment thereof), and any other applicable laws, rules and regulations for the time being in force, if any, approval of the Members of the Company be and is hereby accorded to JSW Energy Employees ESOP Trust ("**Trust**"), to acquire up to 60,00,000 (Sixty Lakhs) equity shares of the Company from the secondary market, representing 0.37% of the fully paid up equity share capital of the Company, in one or more tranches, for the implementation of "JSWEL Employees Stock Ownership Plan – 2016" (hereinafter referred to as the "**ESOP 2016**" / "**Plan**"), at an exercise price which shall be equivalent to the prevailing market price of the equity shares of the Company one day prior to the date of grant discounted by 20% and on such other terms and conditions as a Committee referred in the resolution under Item No. 1 in this Notice or the Trust may deem fit and the Trust be hereby and is authorized to do all such acts, deeds and things as maybe incidental or ancillary in this regard.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, buy-back of shares, split or consolidation of shares etc. of the Company, the number of shares of the Company to be acquired from the secondary market by the Trust shall be appropriately adjusted.

Item No. 4

Approval for provision of money by the Company for purchase of its own shares by the Trust/Trustees for the benefit of eligible employees under the "JSWEL Employees Stock Ownership Plan – 2016" (hereinafter referred to as the "ESOP 2016" / "Plan"):

To consider and if thought fit, to give assent/ dissent to the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 67 and other applicable provisions, if any of the Companies Act, 2013 ("**the Act**"), and the rules issued thereunder (including any statutory modifications or re-enactment thereof), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto ("**the SEBI SBEB Regulations**") and other applicable laws, rules and regulations for the time being in force, if any, approval of the Members of the Company be and is hereby accorded to the Company for provision of up to Rs. 90 Crore (Rupees Ninety Crore) as loan to JSW Energy Employees ESOP Trust ("**Trust**") or such other higher amount as the Board may decide taking into account increase in the market price of securities, subject to the overall limits prescribed under Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014, to enable the Trust to acquire or subscribe to equity shares of the Company for implementation of "JSWEL Employees Stock Ownership Plan – 2016" (hereinafter referred to as the "**ESOP 2016**" / "**Plan**"), in one or more tranches.

RESOLVED FURTHER THAT any loan provided by the Company shall be repayable to and recoverable by the Company from time to time during the term of the ESOP 2016 and/or any other employee benefit plans, as the case may be, subject to exercise price being paid by the employees on exercise of stock options under the respective employee benefit plan.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Committee referred in the resolution under Item No. 1 in this Notice and the Trust be and are hereby severally authorized to do all such acts, deeds, things and matters as may be considered necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the members of the Company.

Item No. 5

Approval for appointment of Mr. Rakesh Nath (DIN:00045986) as an Independent Director

To consider and if thought fit, to give assent/ dissent to the following Resolution as a **Special Resolution**:

"RESOLVED THAT Mr. Rakesh Nath (DIN:00045986), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 23rd July 2015 under Section 161(1) of the Companies Act, 2013 ("**the Companies Act**") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act signifying his intention to propose the candidature of Mr. Rakesh Nath for the office of Director be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, Mr. Rakesh Nath (DIN:00045986), who has submitted a declaration that he meets the

criteria of independence under Section 149(6) of the Companies Act, and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years with effect from 23rd July 2015.”

By Order of the Board
For **JSW Energy Limited**

Place: Mumbai
Date: 20th January 2016

S. Madhavan
Company Secretary

Notes:

1. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 setting out material facts is annexed hereto.
2. The Notice, together with the documents accompanying the same, is being sent to all the members by email/ courier / registered post / speed post whose names appear in the Register of Members/ list of Beneficial Owners as received from the National Securities Depository Services Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) or Registrar and Share Transfer Agent as at Friday, 12th February 2016, at their respective registered/ last known address. Please note that a person who is not a member as on the aforesaid date should treat this Notice for information purposes only. The Notice will be displayed on the website of the Company (www.jsw.in) and of Karvy Computershare Private Limited (Karvy) (<https://evoting.karvy.com>)
3. A Postal Ballot Form along with self-addressed postage pre-paid envelope is also enclosed. Members who have received the Postal Ballot notice by e-mail and who wish to vote through Postal Ballot Form, can download the Postal Ballot Form from the Company's website (www.jsw.in) or seek duplicate Postal Ballot Form from the Company or Karvy.
4. Incomplete, unsigned, improperly or incorrectly tick marked Postal Ballot Forms will be rejected. There will be only 1 (one) Postal Ballot Form for every registered folio /client ID irrespective of the number of joint members.
5. The Postal Ballot Form should be completed and signed by the Shareholder (as per specimen signature registered with the Company and/or furnished to NSDL/ CDSL). In case, shares are jointly held, this form should be completed and signed by the first named member and, in his/her absence, by the next named member. Holder(s) of Power of Attorney ("PoA") on behalf of a Shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the board resolution/ authorization giving the requisite authority to the person voting on the Postal Ballot Form.
6. Voting rights of the Members shall be in proportion to their share of the paid up equity share capital of the Company, as on the cut-off date, being Friday, 12th February 2016.
7. Members have the option to vote either through e-voting or through physical Postal Ballot Form. If a Shareholder has opted for e-voting, then he/ she should not vote by physical Postal Ballot Form also and vice-versa. However, in case Members cast their vote both via physical Postal Ballot Form and e-voting, then voting through e-voting shall prevail and voting done by Postal Ballot shall be treated as invalid.
8. The Scrutinizer will submit his report to the Chairman and Managing Director / the Jt. Managing Director and CEO / Director - Finance of the Company after completion of the scrutiny of the postal ballots including e-votes submitted. The Scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The results of the postal ballot including e-voting will be announced on Tuesday, 29th March, 2016 at 11.00 a.m. at the registered office of the Company.
9. Resolutions passed by the members through Postal Ballot shall be deemed to have been passed as if the same have been passed at a General Meeting of the members, subject to receipt of requisite number of votes in favour of the resolutions.
10. All the documents referred to in the accompanying notice and explanatory statement would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday from the date of dispatch of notice upto the date of declaration of results of Postal Ballot/e-voting.

EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

Item Nos. 1 to 3

Your Company appreciates the critical role its employees play in its growth. Your Company strongly feels that the value created by its employees should be shared with them. To promote the culture of employee ownership in your company, the Board of Directors of your Company at its meeting held on 20th January 2016 resolved to introduce the "JSWEL Employees Stock Ownership Plan - 2016" (hereinafter referred to as the "**ESOP 2016**" or the "**Plan**") subject to the approval of the shareholders and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended (the "**SEBI SBEB Regulations**"). The Board of Directors of your Company has also constituted a sub-committee under the SEBI SBEB Regulations to formulate the detailed terms and conditions of the ESOP 2016, to administer and implement the ESOP 2016 in accordance with the SEBI SBEB Regulations ("**Compensation Committee**").

The approval of the shareholders is, therefore being sought for issue of stock options to eligible employees of your Company and its subsidiary companies (as discussed below) by introduction of the ESOP 2016.

The main features of the ESOP 2016 are as under:

1. Brief description of the Plan:

The Company proposes to introduce the ESOP 2016 primarily with a view to attract, retain, incentivize and motivate the existing and future employees of the Company. The Plan contemplates grant of options to the eligible employees (including Whole time Directors)

beyond a particular grade, as may be determined by the Compensation Committee. Upon vesting of options and exercise of the same in accordance with and in the manner prescribed in the Plan, the Eligible Employees shall be entitled to equity shares of the Company. All questions of interpretation of the ESOP 2016 shall be determined by the Compensation Committee and such determination shall be final and binding upon all persons participating in ESOP 2016. The Trust or the Compensation Committee shall also have the power to take necessary decisions for effective implementation of the Plan.

Manner of implementation of ESOP 2016

The Plan is proposed to be implemented through "JSW Energy Employees ESOP Trust", an independent Employee Welfare Trust ("Trust"), which is in the process of being constituted, with a view to efficiently administer the Plan. It is proposed that the Company would make a fresh issue of equity shares either to the Trust and/or to the Employees and/or the Trust would acquire existing shares of the Company from the secondary market (including from the Promoters of the Company) for purpose of the Plan, subject to adherence with applicable laws and regulations as prevailing and in force from time to time.

2. Total number of Options to be granted:

It is proposed that upto 60,00,000 (Sixty Lakhs) options ("Options") in aggregate, would be available both, for grant to the eligible employees of the Company and for the eligible employees of the subsidiaries of the Company under ESOP 2016, in one or more tranches. The Options will be exercisable into a maximum 60,00,000 (Sixty Lakhs) equity shares of the Company of face value of Rs.10/- each fully paid up.

Each Option would give the Option holder the right to get one fully paid up equity of the Company.

In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, buy-back, stock split and others, the number of Options would be adjusted suitably.

In cases where Options, whether vested or unvested, lapse or expire or are forfeited for any reason, the Compensation Committee may re-issue those Options to the other eligible employees. The Options so issued shall be subject to the terms and conditions of the Plan.

3. Identification of classes of employees entitled to participate in ESOP 2016:

The following employees in such grade as the Compensation Committee may decide in its absolute discretion, are entitled to participate in ESOP 2016:

1. A permanent employee of the Company who has been working in India or outside India including a Whole-Time Director of the Company;
2. An employee as defined in (1) above of a subsidiary of the Company, incorporated in India
Each of the following class/classes of employees of the Company or its subsidiaries are not eligible to participate in ESOP 2016:
 - (a) an employee who is a Promoter or a person belonging to the Promoter Group.
 - (b) a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company.
 - (c) Independent directors, nominee directors and non-executive directors.

4. Requirements of vesting and period of vesting:

The Options granted shall vest so long as an employee continues to be in the employment of the Company or its Subsidiary or an associate company of the Company or a JSW group Company, as the case may be as may be permitted. Vesting can also occur in tranches. Options granted under ESOP 2016 would vest in not less than one year and not more than four (4) years from the date of grant of such Options. However, in the event of the death of a grantee or the grantee suffering a permanent disability, Options so granted, shall stand vested in his legal heirs or the grantee, as the case may be, as provided under the Plan.

The detailed terms and conditions for vesting would be governed by the Plan.

5. Transferability of employee stock options:

The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of death of an employee stock option holder while in employment, all the options granted to him / her shall vest in his / her legal heir(s)/successors(s) / nominee as the case may be and may be exercised by them within the period as may be prescribed under the ESOP 2016.

6. Maximum period within which the Options shall be vested:

The Options granted under ESOP 2016 would vest subject to maximum period of 4 years from the date of grant of such Options.

7. Exercise price or pricing formula:

The exercise price shall be equivalent to the prevailing market price of the equity shares of the Company one day prior to the date of grant discounted by 20%.

The Employee shall bear all tax liability in relation to the grant of the options.

8. Exercise period and the process of exercise:

The exercise period would ordinarily commence from the date of vesting and will expire on completion of four (4) years from the date of vesting of options, subject to certain exceptions and in any case before the expiry/termination of the ESOP 2016.

Options that are vested may be exercisable by the eligible employees either in full or in tranches by making full payment of exercise price

and applicable taxes and by execution of such documents as may be prescribed by the Trust or the Compensation Committee, from time to time. There shall be no lock-in period on shares transferred to employees pursuant to exercise of Options.

The Options shall lapse if not exercised within the specified exercise period.

The Plan permits cashless exercise of options. For the purpose of implementing the cashless exercise option, the Trust or Compensation Committee shall be entitled to specify such procedures or mechanisms for exercise of the Options as may be necessary and the same shall be binding on the Grantee.

9. Appraisal process for determining the eligibility of the employees to ESOP – 2016:

The appraisal process for determining the eligibility of the employees will be specified by the Compensation Committee from time to time and will be based on eligibility criteria such as performance, merit, grade, conduct and length of service and/or such other criteria as may be determined by the Compensation Committee at its sole discretion.

10. Maximum number of options to be issued per employee and in aggregate:

The maximum number of options that may be granted to any employee under the Plan shall not exceed 1% of the issued equity capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Options. The aggregate of all such Options granted under the Plan shall not exceed 60,00,000 (Sixty Lakhs).

11. Administration of the Plan:

The ESOP 2016 shall be administered by the Trust based on the guidelines and other terms and conditions formulated by the Compensation Committee.

12. Maximum percentage of secondary acquisition (subject to limits specified in the regulations) that can be made by the Trust for the purpose of the Plan:

The Plan envisages that the Trust may acquire up to 60,00,000 equity shares of the Company from the secondary market, representing 0.37% of the fully paid up equity share capital of the Company, in one or more tranches, subject to the overall cap imposed under the SEBI SBEB Regulations.

13. Financial assistance to the Trust

The Company shall provide up to Rs 90 Crore (Rupees Ninety Crore) ,as a loan to the Trust for the implementation of the Plan and to enable the Trust to acquire or subscribe to equity shares of the Company. It is also proposed that the Board be provided with the flexibility to sanction a higher loan amount if the cost of the acquisition exceeds the amount sanctioned, in view of the increase in the price of the equity shares of the Company. The loan shall be an interest free loan and is proposed to be utilized for implementation of the Plan. The amount of loan will be within the statutory limit of 5% of the aggregate of paid-up share capital and free reserves of the Company, as prescribed under Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014. The Trust shall repay the loan to the Company from time to time during the term of the ESOP 2016, upon availability of funds and subject to exercise price being paid by the employees on exercise of the Options.

14. Disclosure and accounting policies:

The Company shall comply with the disclosures, the accounting policies and other requirements as may be prescribed under the ESOP Regulations and other applicable laws from time to time.

15. Method of Option valuation:

The Company will adopt the fair value method for accounting purposes. Black-Scholes option pricing model will be used for determining the fair value of an option granted under the ESOP Plan.

SEBI SBEB Regulations require separate approval of members by way of special resolution to grant stock options to the employees of holding and/or subsidiary companies. Accordingly, a separate resolution under item no.2 is proposed to extend the benefits of ESOP 2016 to the employees of subsidiary company(ies) as may be decided by the Compensation Committee from time to time under Applicable Laws.

A copy of the draft ESOP 2016 would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday from the date of dispatch of notice upto the date of declaration of results of Postal Ballot / e-voting.

The SEBI SBEB Regulations also require a separate special resolution to be passed by the members of the Company in order to enable the Trust to acquire shares from the secondary market. Accordingly, a separate resolution under Item No.3 is proposed.

In terms of provisions of applicable laws, consent of the Shareholders is being sought by way of a Special Resolution(s) for all items set out at Sr. No. 1 to 3 of this Notice.

Your Directors recommend the Resolution(s) proposed at Item No. 1 to 3 of this Notice for your approval.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned in the aforesaid Special Resolution(s), except to the extent of their entitlements, if any, under the Plan.

Item No. 4

The Company proposes to provide a loan of up to Rs 90 Crore (Rupees Ninety Crore) to the Trust to acquire or subscribe to equity shares of the Company, for the purpose of implementation of ESOP 2016 subject to the overall limits specified under the applicable laws, on such terms and conditions as may be determined by the Compensation Committee, from time to time. It is also proposed that the Board be provided with the flexibility to sanction a higher loan amount if the cost of the acquisition exceeds the amount sanctioned, in view of the increase in the

price of the equity shares of the Company. The loan shall be an interest free loan and is proposed to be utilized for implementation of the Plan. The amount of the loan will not exceed 5% of the aggregate paid-up share capital and free reserves of the Company or as may be permissible.

Particulars in respect of the Trust:

The details required under Section 67 of the Act read with Rule 16 of the Rules are as follows:

1. The class of employees for whose benefit the scheme is being implemented and money is being provided for subscription to shares:

The ESOP 2016 is being implemented and money is being provided for purchase and subscription of shares for the benefit of employees within the meaning of the ESOP 2016. The class/ classes of employees in such grade as the Compensation Committee may determine in its absolute discretion, are eligible subject to selection by the Compensation Committee as under:

1. A permanent employee of the Company who has been working in India or outside India including a Whole Time Director of the Company;
2. An employee as defined in clause (1) above of a Subsidiary incorporated in India;
However, each of the following class/classes of employees are not eligible:
 - a) an employee who is a Promoter or a person belonging to the Promoter Group;
 - b) a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company;
 - c) Independent Directors, Nominee Directors and Non-Executive Directors.

2. The particulars of the Trustee or employees in whose favour such shares are to be registered:

The shares will be registered in the name of any one or all of the trustees of the Trust for holding equity shares of the Company for and on behalf of the Trust and/or such shares held by/in the name of the employees.

3. The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the Promoters, Directors or Key managerial personnel, if any:

The Plan will be administered by the “JSW Energy Employees ESOP Trust” (“Trust”), which is in the process of being constituted.

Particulars of the Trustees of the Trust:

S. No.	Name	Address	Occupation	Nationality
1.	Mr. Kantilal Patel	Flat No. 803, 12 Yashomangal CHS Ltd, 64 B, Lallubhai Shamaldas Road, Andheri (West), Mumbai 400058	Service	Indian
2.	Mr. K. S. N. Sriram	Flat No. 1, Padmalaya, Intercity CHS Ltd, Plot no. 5, Sector 16 A, Vashi – Navi Mumbai – 400705	Service	Indian

The Trustees are neither promoters, directors nor key managerial personnel of the Company nor are they related to the promoters, directors or key managerial personnel in their personal capacity. The Trustees may be changed, subject to applicable laws.

4. Any interest of key managerial personnel, directors or promoters in such scheme or trust and effect thereof:

Promoters and persons belonging to promoter group are not eligible to participate in the the Plan and do not have any interest in the Plan or the Trust. The key managerial personnel and whole-time directors of the Company are interested in the Plan to the extent of the Options that may be granted to them under the Plan.

5. The detailed particulars of benefits which will accrue to the employees from the implementation of the Plan:

The eligible employees, upon exercise of the Options, will be entitled to receive equivalent number of equity shares of the Company, at a pre-determined price as per the terms of the grant. In case the eligible employees opts to receive cash in lieu of the shares i.e. the cashless option, the corresponding shares relating to Options exercised will be sold on a stock exchange in which the shares of the Company are listed and publicly traded at the time of such cashless exercise, and such employee will be entitled to receive the difference between the selling price and the exercise price for the Options exercised by him after deducting taxes payable on exercise/sale, if any, and other amounts, expenses and charges due from him (including that in connection with the sale of the shares).

6. The details about who would exercise and how the voting rights in respect of the shares to be purchased under the Plan would be exercised:

As per SEBI SBEB Regulations, the Trustees shall not vote in respect of equity shares held in the Trust.

The voting rights can be exercised by eligible employees only when the equity shares that they are entitled to pursuant to exercise of vested Options, are transferred to them, in accordance with the Plan.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned in the aforesaid Special Resolution, except to the extent of their entitlements, if any, under the Plan.

Your Directors recommend the resolution proposed at Item No.4 of this Notice for your approval.

Item No. 5

Mr. Rakesh Nath was earlier appointed as an Additional Director by the Board with effect from 25th June 2015. However, in terms of the provisions of Section 161 of the Companies Act, 2013, an Additional Director appointed by the Board would hold office upto the date of

the next Annual General Meeting (AGM). As the Notice for the 21st AGM was despatched before the appointment of Mr. Rakesh Nath, his appointment could not be placed before the shareholders at the 21st AGM for their approval. Accordingly, Mr. Rakesh Nath had relinquished his office as a Director after 22nd July 2015 i.e. the date of 21st AGM.

Mr. Rakesh Nath was again appointed as an Additional Director and as an Independent Director by the Board with effect from 23rd July 2015 pursuant to Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Rakesh Nath will hold office up to the date of the ensuing Annual General Meeting. A notice has been received along with deposit of requisite amount from a member proposing Mr. Rakesh Nath as a candidate for the office of Director of the Company.

The Company has received from Mr. Rakesh Nath a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Mr. Rakesh Nath, aged 65 years, has about 37 years of varied experience in Power Sector planning, Operation & Maintenance of Thermal and Hydro Power Stations and Transmission System, Regulation of water supply from multi-purpose hydro projects including operation & maintenance of irrigation canal system, Power System Operation and Power Trading. He was the Technical Member of Appellate Tribunal for Electricity (APTEL) from March 2010 to May 2015. Prior to joining APTEL, Mr. Nath was the Chairperson, Central Electricity Authority and Ex-officio Secretary to the Government of India.

Mr. Nath worked extensively for accelerated capacity addition during the 11th Five Year Plan and initiated advance action for the 12th Plan.

Mr. Nath has been instrumental in preparation of a proposal for low carbon growth strategy for power sector till 2022 and CO2 base line data for power sector. Mr. Nath has also been ex-officio Member of CERC and Part Time Director of Nuclear Power Corporation.

As Chairman, Bhakra Beas Management Board from the year 2001 to 2005, Mr. Nath was responsible for administration, operation and maintenance of Bhakra Beas hydro stations, the largest hydro complex in Northern Region. During his tenure as Whole Time Director of Power Trading Corporation during the years 2000 & 2001, Mr. Nath initiated important transactions of trading of power from surplus to deficit areas.

Mr. Rakesh Nath has been the Member Secretary of Northern Regional Electricity Board and Western Regional Electricity Board, the two largest regional grids of the country. Mr. Nath was Convener of the Working Group set up by the Government of India to prepare guidelines for inter-regional power transaction which paved way for structuring inter-regional power transfers across the country.

Mr. Rakesh Nath is a member of the Company's Audit Committee, Nomination and Remuneration Committee and Compensation Committee. Mr. Rakesh Nath is presently an Independent Director on the Board of Alstom T&D India Limited, Himachal Baspa Power Company Limited and Jaigad PowerTransco Limited as also Designated Partner in RNSM Energy Advisors LLP.

Mr. Rakesh Nath does not hold any equity shares of the Company.

In the opinion of the Board, Mr. Rakesh Nath fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder as also under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Rakesh Nath as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday from the date of dispatch of notice upto the date of declaration of results of Postal Ballot/e-voting.

The Board considers that the proposed appointment of Mr. Rakesh Nath as a Director, given his vast experience and knowledge in diverse areas, will be in the best interest of the Company and bring diversity to the composition of the Board. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rakesh Nath as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rakesh Nath, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Directors recommend the Resolution set out at Item No. 5 of the Notice for your approval.

By Order of the Board
For **JSW Energy Limited**

Place: Mumbai
Date: 20th January 2016

S. Madhavan
Company Secretary