

Press Release

Brickwork Ratings assigns BWR A (SO) rating to JSW Techno Projects Management Ltd's proposed secured Non Convertible Debenture (NCD) Issue up to ₹ 800 Crores

NCD Issue Rating: BWR A (SO)

Outlook : Stable

Brickwork Ratings (BWR) has assigned '**BWR A (SO)** (Pronounced **BWR A (Structured Obligation)**)' for JSW Techno Projects Management Limited's (JSWTPML) Secured NCD issue of ₹ 800 Crores (₹ Eight hundred Crores only) with a tenor up to 36 months. Instruments with this rating are considered to have **adequate degree of safety** regarding timely servicing of financial obligations. Such instruments carry **low credit risk**.

The rating takes into account, inter alia, the promoters background, the strength of the underlying securities and the structured payment mechanism for meeting the obligations under the proposed NCD issue. BWR has essentially relied upon the Term sheet outlining the structure of the deal, collateral value, audited financial results of JSW Steel Ltd., JSW Energy Ltd. and information and clarifications provided by JSWTPML.

Outstanding Ratings

Information about the outstanding ratings of the Company is as under:

Instruments	Amount	Rating	Assigned/ Reaffirmed	Tenor	Rating History
					Rating As on
Secured NCD	₹ 300 Crores	BWR A(SO) (Stable)	Reaffirmed	36 months	BWR A (SO) (Stable) May 2010
Secured NCD	₹ 450 Crores	BWR A(SO) (Stable)	Reaffirmed	36 months	BWR A (SO) (Stable) March 2011

JSW Techno Projects Management Ltd (JSWTPML) was incorporated on May 4, 2010. It is wholly owned by JSW group and promoted by Mrs. Sangita Jindal w/o Mr. Sajjan Jindal, Vice chairman and Managing Director of JSW Steel Ltd. JSWTPML is engaged in project management, engineering, management consultancy services etc.

The proposed NCDs would primarily be used towards investment in 2% Fully Convertible debentures of JSW Investment Pvt. Ltd. The NCDs will be secured by way of pledge of equity shares of JSW Steel Ltd. and JSW Energy Ltd., owned by the Promoter Group.

JSW Steel Ltd's consolidated income from operations has increased from ₹ 18,957 Crores in FY10 to ₹ 23,900 Crores in FY11. PAT has gone up from ₹ 1598 Crores in FY10 to ₹ 1754 Crores in FY11. For the half year ended September 2011, the company's net sales increased to ₹ 15,566 Crores as compared to ₹ 10,726 Crores in the same period previous year. PAT has decreased to ₹ 582 Crores in H1 FY12 from ₹ 653 Crores in H1 FY11. However the company reported net loss due to share of Loss of minority and share of loss of associates of ₹ 184 Crores in H1FY12 as compared to net profit of ₹ 669 Crores in H1FY11. Consolidated results for quarter ended September 2011 include share in profit of ₹ 9.44 Crores and share of exceptional items of ₹ 614.75 Crores of JSW Ispat Steel Ltd., an associate of the Company, for the quarter ended 30 June 2011.

JSW Energy Ltd's consolidated total income has increased from ₹ 2429 Crores in FY 10 to ₹ 4,428 Crores in FY 11. PAT has increased from ₹ 745 Crores in FY 10 to ₹ 842 Crores in FY 11. For the half year ended September 2011, the company's total income increased to ₹ 2,269 Crores as compared to ₹ 1,779 Crores in the same period previous year. However, PAT reduced to ₹ 22 Crores in H1FY12 as compared to a profit of ₹ 482 Crores in H1FY11 mainly due to increase in fuel cost of ₹ 1469 Crores in H1FY12 as compared to ₹ 891 Crores in H1 FY11.

In most of the business areas in which the JSW Group operates, growth prospects are also dependent on policy decisions at the national level and prevailing business trends. Keeping in view the performance of the Companies concerned and the underlying securities, the proposed NCD issue is reasonably well secured, Besides, their promoters have a track record of meeting their obligations.

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