OCTOBER 16, 2015

CARE REAFFIRMS RATING TO NCD AND THE BANK FACILITIES OF JSW INFRASTRUCTURE LTD.

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Remarks
Long term Bank Facilities – Term Loan	167[reduced from Rs. 210 crore]	**CARE A+ (Single A plus)**	Reaffirmed
Short term Bank Facilities – NFB (LC/BG)	60[enhanced from Rs 10.00]	**CARE A1 (A One)**	Reaffirmed
Total Facilities	**227 (Rupees two hundred twenty seven crores only)**		
Long term Non-Convertible Debenture	340(Rupees three hundred forty crores only)	**CARE A+ (Single A plus)**	Reaffirmed

Rating Rationale

The ratings of JSW Infrastructure (JSWIL) continue to derive strength from the JSW group's demonstrated ability to execute large projects in diversified sectors, significant growth in cargo throughput and revenue exhibited by the company on a consolidated basis over the past four years coupled with the improved profitability, cargo visibility for the ports under the subsidiaries viz, South West Ports Ltd (South West port), JSW Jaigarh Port Ltd (Jaigarh port) and JSW Dharamtar Port Pvt Ltd (Dolvi port), favourable location of all the ports with strategic importance for the JSW group companies.

The ratings are, however, constrained by the project execution risk on account of the planned brownfield expansion at Jaigarh and Dolvi ports.

JSWIL's ability to infuse the remaining equity and successfully execute the ongoing project expansion at Jaigarh and Dolvi ports in a timely and cost effective manner are the key rating sensitivities. Furthermore, ability to achieve the envisaged increase in cargo throughput at the ports is the other rating sensitivity.

Background

JSWIL, incorporated in the year 2006, is part of the JSW Group and is engaged in the business of developing infrastructure for ports, shipyard, roads and rail connectivity across India. JSWIL, through its subsidiaries, has three operating ports viz. South West Ports Ltd (rated CARE A1+) in Goa, JSW Jaigarh Port Ltd (rated A+/A1), JSW Dharmatar Port (rated A+/A1) in Maharashtra. JSWIL acts a holding company for investments into port infrastructure being developed by the JSW group, provides project management services to the SPVs formed for the specific projects during the implementation of the project and also provides cargo handling services at ports after commissioning. JSWIL has entered into agreements with South West Port Ltd. and JSW Jaigarh port for cargo handling and maintenance of handling equipment.

Further, on October 1, 2012, the company has acquired operation and maintenance, through port services agreement, of Dolvi port owned by JSW Steel Ltd (subsequent to acquisition of Ispat Industries Ltd by JSW Steel Ltd).

During FY15, on a consolidated basis, JSWIL reported total operating income of Rs.562.8 crore and PAT of Rs.147.7 crore as against total operating income of Rs.504.4 crore and PAT of Rs.200 crore during FY14.

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[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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CIN - L67190MH1993PLC071691