

## JSW Steel Limited

September 29, 2020

### Ratings

Facilities	Amount (Rs. crore)	Rating1	Rating Action
Long Term Bank Facilities – Term Loan	32,639.00 (enhanced from 32,459.86)	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Long Term Bank Facilities – Fund Based	2,275.00 (enhanced from 1,406.00)	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Short Term Bank Facilities – Non Fund Based	20,089.00 (enhanced from 18,505.00)	CARE A1+ (A One Plus)	Reaffirmed
Long/Short Term Bank Facilities – Non Fund Based	11,639.00 (enhanced from 11,378.00)	CARE AA-; Stable/CARE A1+ (Double A Minus; Outlook: Stable/ A One Plus)	Reaffirmed
<b>Total Facilities</b>	<b>66,642.00</b> <b>(Rs. Sixty-Six Thousand Six Hundred Forty-Two Crore Only)</b>		
Non-Convertible Debentures	6,000.00 (Rupees Six Thousand Crore only)	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Non-Convertible Debentures (Proposed)	4,000.00 (Rupees Four Thousand Crore only)	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Assigned
Commercial Paper issue (Standalone)	5,000.00 (Rupees Five Thousand Crore only)	CARE A1+ (A One Plus)	Reaffirmed
Issuer Rating <sup>^</sup>	-	CARE AA-(Is); Stable (Double A Minus (Issuer Rating); Outlook: Stable)	Reaffirmed

Details of instruments/facilities in Annexure-1

<sup>^</sup>The rating is subject to the company maintaining overall gearing not exceeding 2.40 times (overall gearing projected as on March 31, 2021).

### Detailed Rationale & Key Rating Drivers

The reaffirmation of ratings assigned to the bank facilities and instruments of JSWSL takes into account the company's dominant position in the Indian steel industry with sizeable market share, wide product offering and flexibility to shift between domestic & export markets - thereby enabling it to withstand rough industry cycles. Moreover, it also factors in operationalization of newly acquired iron ore mines in Odisha, which are expected to yield a long term strategic advantage to the company in terms of enhanced captive raw material security. Although JSWSL registered a subdued performance during FY20 and Q1FY21, going ahead, CARE expects healthy improvement in operating cash flows for JSWSL, largely supported by the recent pick up in domestic steel demand and visible upward price trend.

The ratings are, however, constrained by its leveraged capital structure, commitment towards capital intensive projects and risk of non-commissioning of facilities as envisaged; and risk of successful business integration of recent & proposed acquisitions. The management's demonstrated track record in turning around stressed acquired assets and executing brownfield projects partially mitigates the risk. Nonetheless, the ratings also continue to be tempered by susceptibility of profit margins to forex risk and volatility in key input prices; and presence of the company in inherently cyclical steel industry.

### Rating Sensitivities

These indicate broad level of operating and/ or financial performance levels that could trigger a rating change, upward or downward.

#### Positive Factors:

- Timely commissioning of the planned capex as envisaged, thereby resulting into substantial increase in saleable volumes and cash-flows

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

- Adequate deleveraging of the company's capital structure by rationalization of debt levels and/or sufficient equity infusion
- Consistent improvement in Net Debt/ EBITDA (Annual) to below 3.5x
- Successful ramp-up of its recently acquired assets/companies, generating adequate cash-flows with low dependence on JSWSL for servicing their debt obligations

**Negative Factors:**

- Continued high levels of Net Debt/ PBILDT for a prolonged period
  - Decline in Operating EBITDA/Tonne (Annual) below Rs. 7,000 per tonne (standalone)
- Any significant increase in working capital requirement or any unforeseen large debt funded capex/acquisition

**Detailed description of the key rating drivers****Key Rating Strengths*****JSWSL's established presence in the Indian steel industry, strong track record of the management in project execution and cost management expertise***

JSWSL, with its steelmaking capacity of 18 mtpa, has considerable presence in the steel industry in India. The company has a dominant market share in Southern and Western India. Its multi-location steel manufacturing facilities produce various upstream and downstream products. Over the past years, JSWSL has ramped up its capacities in a timely and cost-effective manner to become one of the leading steelmakers in the private sector in India. Further, the company has managed to maintain competitive margins due to its efficient operations. Apart from turning around stressed acquired assets, the company has demonstrated strong track record in green field and brownfield project execution as well as cost management expertise. Moreover, it has also acquired facilities in the US and Italy to establish its foothold across the global front. However, those are yet to generate positive cash flows.

***Wide product offering***

JSWSL earns its revenues from a well-diversified portfolio of steel products.

JSWSL majorly manufactures flat steel products which include slabs, HRC, CRC, GP/GC as well as coated products – with applications in varied sectors including automotive, consumer durables, pipes & tubes, construction & infrastructure, etc. The product portfolio continues to be dominated by flat products with a share of ~72% of total sales volume in FY20. Out of this, HR coils constituted around 41% and CR coils constituted 16% of company's total sales volume.

In the Longs product segment, JSWSL majorly manufactures TMT bars (JSW Neosteel – brand name of the company's product), wire rods, special alloy steel etc. Long products constituted around 24% of total sales volume in FY20.

The share of margin-accretive valued added and special products (VASP) declined to ~48% of consolidated sales volume in FY20 (FY19: 53%). Further, the company is in process of increasing its downstream capacities by 4 MTPA by over the next two years, which is likely to improve the group's value-added product offering.

The company was able to increase its export sales volume in FY20 and in Q1FY21, so as to offset weak domestic demand. Export sales accounted for about 21% of total sales in FY20 as compared to 15% in FY19. Share of exports went up to 57% in Q1FY21.

***Increase in raw material security***

Iron ore is the key raw material for steel production. During FY20, the volume from operationalized 6 iron ore mines in Karnataka was 4.1 MnT, which met ~15% of total requirement of the company.

JSWSL emerged as a "Preferred Bidder" for 3 additional mines in Karnataka in FY20 with estimated iron ore reserves of 93 MnT. The management estimates to extract ~7 MnTPA from these 9 mines, thereby fulfilling approx. 30% of iron ore requirement of Vijayanagar Works.

Besides, JSWSL emerged as a "Preferred Bidder" for four operational mines in Odisha in FY20, with estimated iron ore resources of more than 1100 MnT, with an aggregate EC (Environmental clearance) of around 29 MnTPA. The company has started mining operations at all the 4 blocks from July 01, 2020. These mines shall suffice entire iron ore requirements of Dolvi Works and Salem.

Thus, in total, the mines in Karnataka and Odisha are likely to meet at least 50% of total requirement of the company.

Although the above mines have been acquired at premium, those are expected to enhance the consistency, availability and yield improvement of iron ore, as discussed with the management. Going ahead, the company expects savings in transport costs after setting up of slurry pipelines, gradually over a period of time. Even so, availability of captive mines can be considered as a long-term strategic advantage.

**Key Rating Weaknesses*****Subdued performance in FY20 and Q1FY21, however, sharp recent recovery is likely to support performance revival during the second half of FY21***

JSWSL reported a de-growth of 13% in its consolidated total income in FY20 to Rs. 73,820 crore. The sales volume declined by 4.5% to 14.90 MnT, while the blended realization declined by 9.4% on account of prolonged monsoon, sluggish demand (especially auto sector) and decline in steel prices. JSWSL was able to save on its raw material cost and power & fuel cost owing to decline in iron ore and coking coal prices during the period, as well as cost efficiency measures like optimisation of fuel consumption and utilization of pipe conveyor system for transport of iron ore from mines to the factory. However, the disproportionate steep fall in net sales realization, could not be fully offset by savings in raw material and other costs, resulting in decline in operating EBITDA/tonne (consolidated) from ~Rs. 12,149 per tonne in FY19 to ~Rs. 7,968 per tonne in FY20.

The Indian subsidiaries continued to contribute positively to the overall EBITDA, while the operating losses in overseas subsidiaries (acquired in last 2 years) owing to inventory write-offs and lower realizations dragged the overall performance. As a result, the consolidated operating EBITDA declined by 37% from Rs. 18,952 crore in FY19 to Rs. 11,873 crore in FY20. This coupled with high interest cost resulted in 44% decline in GCA (Gross Cash Accruals) to Rs. 7,121 crore in FY20.

Thereafter, JSWSL has reported net loss after tax of Rs. 582 crore for Q1FY21, at a consolidated level. The decline in operating EBITDA by 55% Q-o-Q to Rs. 1,341 crore in Q1FY21 was driven by demand disruptions (especially in the domestic market) caused by Covid-19 outbreak and plant shutdown to prevent the same, resulting in drastic fall in sales volume (by 24% Q-o-Q) and realizations (by 14% Q-o-Q). As a result, the GCA declined by around 75% sequentially to Rs. 437 crore. Exports accounted for 57% of total sales volume in Q1FY21 vis-à-vis 15-20% share in normal circumstances.

CARE expects improvement in performance of the company during the second half of FY21, on the back of recent improvement in realizations and domestic demand. The improvement in performance of the company is envisaged on the basis of gradual improvement in overall situation in the country post unlocking of the economy.

***Leveraged Capital Structure***

On a consolidated basis, the total debt level (including acceptances) of the company elevated to Rs. 78,348 crore as on March 31, 2020 as compared to Rs. 64,052 crore as on March 31, 2019 owing to increase in term debt in order to meet the requirements for capex and refinancing. Also, the increase in debt consists of forex impact of ~Rs. 2,283 crore. As a result, the overall gearing increased from 1.94x as on March 31, 2019 to 2.25x as on March 31, 2020. It increased to 2.27x as on June 30, 2020 as a result of reduction in net worth owing to net loss in Q1FY21.

Against the gross debt, JSWSL had free cash & bank balance of Rs 11,917 crore as on March 31, 2020 (and Rs. 8,639 crore on June 30, 2020). Higher debt coupled with weaker annual cash flow led to a spike in Net Debt/GCA from 4.56x in FY19 to 9.33x in FY20.

In light of the on-going capex, the debt levels shall continue to remain elevated for at least next 1 year. With commissioning of enhanced capacity of 5 MnTPA at Dolvi, the profitability and cash flows are expected to improve, which in turn, shall result in moderation in the overall gearing and improvement in debt coverage ratios from FY22 onwards.

***Commitment towards various capital-intensive projects and related risks***

The company has announced cumulative domestic capex project of Rs. 48,515 crore (57% debt funded) from FY18-FY23, which includes plans for expansion of the company's steel-making capacity by 33% from 18 MTPA to 24 MTPA and downstream capacity by 50%, apart from modernisation and other cost savings projects.

The actual spend for capex in FY20 was Rs. 10,200 crore as against earlier planned capex spend of Rs. 15,708 crore for FY20. With this, the company has incurred Rs. 23,928 crore of capex during FY18-FY20. However, with the outbreak of Covid-19, the project activities were severely hampered, owing to lockdowns announced and resultant material & labour supply disruptions. The company, therefore, revised its planned capex for FY21 from Rs. 16,340 crore envisaged earlier to Rs. 8,200 crore. With additional mining capex of Rs. 800 crores, the total domestic capex for FY21 is estimated to be Rs. 9,000 crore, which is expected to be funded from debt of around Rs. 7,000 crore and the balance from internal accruals. Capex outflow for Q1FY21 was around Rs. 2370 crore.

With expansion of crude steel capacity at Dolvi by 5 MnTPA and additional downstream capacities by FY21, complemented with cost saving initiatives being undertaken by the company, the operating cash flows are expected to improve from FY22 onwards. However, timely commissioning of the facilities as envisaged is paramount and shall remain a key rating monitorable.

***Recent and on-going acquisitions exposing JSWSL to risk of successful business integration***

JSWSL, during FY19 acquired USA and Italy based steel assets with an installed capacity of 1.5 mtpa (with potential to expand upto 3 mtpa) and 1.32 mtpa respectively and also completed the acquisition of Monnet Ispat and Energy Limited through a

Special Purpose Vehicle as a consortium partner with AION Investments under IBC framework. These are yet to generate positive cash flows.

Furthermore, the company had also successfully bid to acquire Bhushan Power and Steel limited (BPSL), another stressed steel asset under IBC framework; which was approved by the NCLAT's order dated February 17, 2020. The Supreme Court's verdict on the appeal against NCLAT order is awaited. JSWSL's cash outflow for the proposed acquisition is expected to be around Rs. 4,500 crore.

CARE shall continue to monitor and review the impact of the acquisitions on the financial profile of JSWSL. Any major increase in debt for inorganic growth will be a key monitorable. Also, the company is exposed to risk of successful integration of the operations of the acquired entities.

#### **Foreign exchange risk**

Owing to high dependence on imports for its coking coal requirement as well as substantial foreign currency denominated debt, the company remains exposed to forex risks, which is only partially mitigated by way of its hedging policy, covering its revenue account almost fully on gross basis for 6 months forward and next one year's debt service obligations. In respect of imports and other payables, the company hedges its payables as when the exposure arises.

Net Unhedged foreign currency exposure (payable) increased from Rs. 20,432 crore as on March 31, 2019 to Rs. 29,466 crore as on March 31, 2020, majorly owing to increase in foreign currency debt.

Net loss on foreign currency transactions and translation (including hedging costs) increased from Rs. 554 crore in FY19 to Rs. 829 crore in FY20, as a result of sharp rupee depreciation.

#### **Cyclicality of the steel industry**

Prospects of steel industry are strongly co-related to economic cycles. Demand for steel is sensitive to trends of particular industries, viz. automotive, construction, infrastructure and consumer durables, which are the key consumers of steel products. These key user industries in turn depend on various macroeconomic factors, such as consumer confidence, employment rates, interest rates and inflation rates, etc. in the economies in which they sell their products. When downturns occur in these economies or sectors, steel industry may witness decline in demand.

#### **Industry Outlook**

India is the second largest crude steel producer in the world. India's crude steel production fell by 1.5% and finished steel production was flat at 109.2 MT in FY20 against 110.9 MT in FY19. Domestic demand for steel was impacted by slowdown in manufacturing activities during the year which was further aggravated by the Covid-19 Pandemic towards the year end. However, as other countries struggled with their manufacturing, China continued to churn out more steel as government stimulus measures revived demand. This created export opportunities for the Indian steel makers, which was well seized by several Indian players including JSWSL.

As the lockdown measures continue to relax further in the coming months, steel demand as well as production has been increasing steadily in the domestic market. Despite a seasonally weaker period of the year owing to monsoons, the domestic steel production as well as demand has shown significant improvement on an M-o-M basis. Production of crude steel improved from 3.2 million tonnes (mt) in Apr-20 to 8.5 mt in Aug-20, while finished steel production increased from 1.6 mt in April 2020 to 7.8 mt during the same period. Production in the domestic market is in line with steady improvement in demand. Monthly steel consumption which had declined to 1.6 mt in Apr 2020, has now recovered to 8.4 mt in July 2020.

Domestic demand has witnessed a 'V' shape recovery in the last 3 months (April-July 2020). Furthermore, normalcy has been getting restored on the supply side as well. CARE expects domestic steel demand to witness steady improvement on the back of opening up of the economy. Demand for steel during the short to medium term period is likely to be supported by automobile and pipes manufacturing sector, improving infrastructure activity (including the railway and metro projects) along with the construction sector (road and bridges construction). However, demand recovery from the real estate sector is likely to take a longer time. Higher exports, improving realizations and lower raw material prices is likely to support the profitability margins of domestic integrated steel players.

#### **Liquidity: Adequate**

JSWSL's liquidity position is adequate as marked by sufficient free cash & bank balance maintained by the company (around Rs. 11,917 crore as on March 31, 2020 and Rs. 8,639 crore on June 30, 2020 on a consolidated basis) as well as access to unutilized fund-based and non-fund based working capital sanctioned consortium limits of around Rs. 6,600 crore as on June 30, 2020 at a standalone level. The current ratio as on March 31, 2020 remained constrained at 0.84x (PY: 0.79x) – mainly on account of high current maturities of debt. The operating cycle of JSWSL remained at around 19 days during FY20.

Projected GCA (Gross Cash Accrual) for FY21 as supported by free cash & bank balances and undrawn sanctioned bank facilities as on March 31, 2020 are adequate to cover its repayment obligation of Rs. 6,281 crore and capex requirement of Rs. 9,000 crore for FY21.

JSWSL had availed moratorium under the Covid-19 relief package (as announced by the Reserve Bank of India from March 2020-August 2020) on its instalments and interest on rupee term loans. However, as per management discussion, the company has paid-off the accumulated deferred interest thereafter. JSWSL has already raised Rs. 1,000 crore through NCDs (repayable in 15 months) to preserve liquidity in June 2020. Also, JSWSL being the flagship company of JSW Group and having established presence in the Indian steel industry enjoys strong financial flexibility and strong access to capital market.

**Analytical approach:** Consolidated

CARE has adopted consolidated approach. JSWSL has 51 subsidiaries, having significant operational and financial linkages. All the subsidiaries are either operating in similar line of business or business related to the steel sector. There is significant reliance of subsidiaries on parent and business inter-linkages present between parent and subsidiaries. (List in Annexure-4)

**Applicable Criteria**

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)

[CARE's Issuer Rating](#)

[Rating Methodology: Consolidation and Factoring Linkages in Ratings](#)

[Rating Methodology – Manufacturing Companies](#)

[Rating methodology – Steel Companies](#)

[Financial ratios – Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

**About the Company**

JSWSL is part of the JSW group, which in turn is part of the O.P. Jindal group. The JSW group has presence across various sectors, such as steel, energy, ports, infrastructure, cement, etc. JSWSL is one of the leading steel producers in India with a steelmaking capacity of 18 MnTPA. Its integrated steel manufacturing units located across three states (i.e., Vijayanagar Works, Karnataka (12 MnTPA), Dolvi Work, Maharashtra (5 MnTPA) and Salem Works, Tamil Nadu (1 MnTPA)) have facilities to produce a wide range of flat and long steel products. Furthermore, through its wholly-owned subsidiary (JSW Steel Coated Products Ltd), the company is one of the leading producers of value-added downstream steel products in India specializing in galvanized sheets, galvalume products and high-end colour coated sheets.

During FY19, JSWSL achieved its highest ever crude steel production of 16.69 million tonne (MT) as against 16.27 MT in FY18. It declined to 16.06 MT in FY20. Saleable steel volumes were at 15.08 MT in FY20 compared to 15.76 MT in FY19.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	84,916	73,820
PBILDT	19,120	12,399
PAT	7,524	3,919
Overall gearing (times)	1.94	2.25
Interest coverage (times)	4.88	2.91

A: Audited; The financials have been re-classified as per CARE Standards.

**Status of non-cooperation with previous CRA: Not Applicable**

**Any other information: Not Applicable**

**Rating History for last three years:** Please refer Annexure-2

**Complexity level of various instruments rated for this company:** Annexure 3

## Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN No.	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-fund-based - ST-BG/LC	-	-	-	-	20089.00	CARE A1+
Fund-based/Non-fund-based-LT/ST	-	-	-	-	11639.00	CARE AA-; Stable / CARE A1+
Fund-based - LT-Cash Credit	-	-	-	-	2275.00	CARE AA-; Stable
Term Loan-Long Term	-	-	-	April, 2030	32639.00	CARE AA-; Stable
Issuer Rating-Issuer Ratings	-	-	-	-	0.00	CARE AA-(Is); Stable
Debentures-Non Convertible Debentures	INE019A07241	January 18, 2013	10.34%	January 18, 2024	1000.00	CARE AA-; Stable
Debentures-Non Convertible Debentures	INE019A07258	May 20, 2013	10.02%	May 20, 2023	500.00	CARE AA-; Stable
Debentures-Non Convertible Debentures	INE019A07266	July 19, 2013	10.02%	July 19, 2023	500.00	CARE AA-; Stable
Debentures-Non Convertible Debentures	INE019A07415	October 18, 2019	8.79%	October 17, 2029	2000.00	CARE AA-; Stable
Debentures-Non Convertible Debentures	INE019A07423	January 23, 2020	8.90%	January 23, 2030	1000.00	CARE AA-; Stable
Debentures-Non Convertible Debentures	-	-	-	yet to be issued	1000.00	CARE AA-; Stable
Debentures-Non Convertible Debentures	-	-	-	yet to be issued	4000.00	CARE AA-; Stable
Commercial Paper-(Standalone)	NA	NA	NA	7-364 days	2500.00	CARE A1+
Commercial Paper-(Standalone)	NA	NA	NA	7-364 days	2500.00	CARE A1+

## Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	2275.00	CARE AA-; Stable	-	1)CARE AA-; Stable (20-Mar-20) 2)CARE AA; Negative (04-Oct-19) 3)CARE AA; Stable (05-Apr-19)	1)CARE AA; Stable (08-Oct-18)	1)CARE AA-; Stable (28-Sep-17)
2.	Term Loan-Long Term	LT	32639.00	CARE AA-; Stable	-	1)CARE AA-; Stable (20-Mar-20) 2)CARE AA; Negative (04-Oct-19) 3)CARE AA; Stable (05-Apr-19)	1)CARE AA; Stable (08-Oct-18)	1)CARE AA-; Stable (28-Sep-17)
3.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (04-Oct-19) 2)CARE AA; Stable (05-Apr-19)	1)CARE AA; Stable (08-Oct-18)	1)CARE AA-; Stable (28-Sep-17)
4.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (08-Oct-18)	1)CARE AA-; Stable (28-Sep-17)
5.	Debentures-Non Convertible Debentures	LT	1000.00	CARE AA-; Stable	-	1)CARE AA-; Stable (20-Mar-20) 2)CARE AA; Negative (04-Oct-19) 3)CARE AA; Stable (05-Apr-19)	1)CARE AA; Stable (08-Oct-18)	1)CARE AA-; Stable (28-Sep-17)
6.	Non-fund-based - ST-BG/LC	ST	20089.00	CARE A1+	-	1)CARE A1+ (20-Mar-20) 2)CARE A1+ (04-Oct-19) 3)CARE A1+ (05-Apr-19)	1)CARE A1+ (08-Oct-18)	1)CARE A1+ (28-Sep-17)
7.	Fund-based/Non-fund-based-LT/ST	LT/ST	11639.00	CARE AA-; Stable / CARE A1+	-	1)CARE AA-; Stable / CARE A1+ (20-Mar-20) 2)CARE AA;	1)CARE AA; Stable / CARE A1+ (08-Oct-18)	1)CARE AA-; Stable / CARE A1+ (28-Sep-17)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
						Negative / CARE A1+ (04-Oct-19) 3)CARE AA; Stable / CARE A1+ (05-Apr-19)		
8.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (04-Oct-19) 2)CARE AA; Stable (05-Apr-19)	1)CARE AA; Stable (08-Oct-18)	1)CARE AA-; Stable (28-Sep-17)
9.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (08-Jun-20)	1)CARE AA-; Stable (20-Mar-20) 2)CARE AA; Negative (04-Oct-19) 3)CARE AA; Stable (05-Apr-19)	1)CARE AA; Stable (08-Oct-18)	1)CARE AA-; Stable (28-Sep-17)
10.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA-; Stable	-	1)CARE AA-; Stable (20-Mar-20) 2)CARE AA; Negative (04-Oct-19) 3)CARE AA; Stable (05-Apr-19)	1)CARE AA; Stable (08-Oct-18)	1)CARE AA-; Stable (28-Sep-17)
11.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA-; Stable	-	1)CARE AA-; Stable (20-Mar-20) 2)CARE AA; Negative (04-Oct-19) 3)CARE AA; Stable (05-Apr-19)	1)CARE AA; Stable (08-Oct-18)	1)CARE AA-; Stable (28-Sep-17)
12.	Commercial Paper- Commercial Paper (Standalone)	ST	2500.00	CARE A1+	-	1)CARE A1+ (20-Mar-20) 2)CARE A1+ (04-Oct-19) 3)CARE A1+ (05-Apr-19)	1)CARE A1+ (08-Oct-18)	1)CARE A1+ (28-Sep-17)
13.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (04-Oct-19) 2)CARE AA; Stable (05-Apr-19)	1)CARE AA; Stable (08-Oct-18)	1)CARE AA-; Stable (28-Sep-17)
14.	Commercial Paper-	ST	2500.00	CARE A1+	-	1)CARE A1+ (20-Mar-20)	1)CARE A1+ (08-Oct-18)	1)CARE A1+



Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
	Commercial Paper (Standalone)					2)CARE A1+ (04-Oct-19) 3)CARE A1+ (05-Apr-19)		(28-Sep-17)
15.	Non-fund-based - LT-BG/LC	-	-	-	-	-	-	-
16.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (05-Apr-19)	1)CARE AA; Stable (08-Oct-18)	1)CARE AA-; Stable (28-Sep-17)
17.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (08-Jun-20)	1)CARE AA-; Stable (20-Mar-20) 2)CARE AA; Negative (04-Oct-19) 3)CARE AA; Stable (05-Apr-19)	1)CARE AA; Stable (08-Oct-18)	1)CARE AA-; Stable (28-Sep-17)
18.	Debentures-Non Convertible Debentures	LT	4000.00	CARE AA-; Stable	-	1)CARE AA-; Stable (20-Mar-20) 2)CARE AA; Negative (04-Oct-19) 3)CARE AA; Stable (05-Apr-19)	1)CARE AA; Stable (08-Oct-18)	1)CARE AA-; Stable (28-Sep-17)
19.	Issuer Rating-Issuer Ratings	Issuer rat	0.00	CARE AA-(Is); Stable	-	1)CARE AA-(Is); Stable (20-Mar-20) 2)CARE AA (Is); Negative (04-Oct-19) 3)CARE AA (Is); Stable (05-Apr-19)	1)CARE AA (Is); Stable (07-Jan-19)	-
20.	Debentures-Non Convertible Debentures	LT	4000.00	CARE AA-; Stable				

### Annexure 3: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Commercial Paper-Commercial Paper (Standalone)	Simple
2.	Debentures-Non Convertible Debentures (Proposed)	Complex
3.	Debentures-Non Convertible Debentures	Simple
4.	Fund-based - LT-Cash Credit	Simple
5.	Fund-based/Non-fund-based-LT/ST	Simple
6.	Non-fund-based - ST-BG/LC	Simple
7.	Term Loan-Long Term	Simple

**Annexure-4: List of subsidiaries, associates and joint ventures of JSWSL considered for consolidation (as on March 31, 2020)**

Sr. No.	Name of companies/ Entities	% of holding
1	JSW Steel (UK) Limited	100
2	JSW Natural Resources Limited	100
3	JSW Natural Resources Mozambique Limitada	100
4	JSW ADMS Carvão Limitada	100
5	JSW Steel (Netherlands) B.V.	100
6	Periama Holdings, LLC	100
7	JSW Steel (USA), Inc.	90
8	Purest Energy, LLC	100
9	Planck Holdings, LLC	100
10	Prime Coal, LLC	100
11	Rolling S Augering, LLC	100
12	Caretta Minerals, LLC	100
13	Periama Handling, LLC	100
14	Lower Hutchinson Minerals, LLC	100
15	Meadow Creek Minerals, LLC	100
16	Keenan Minerals, LLC	100
17	Hutchinson Minerals, LLC	100
18	RC Minerals, LLC	100
19	Peace Leasing, LLC	100
20	JSW Panama Holdings Corporation	100
21	Inversiones Eurosh Limitada	100
22	Santa Fe Mining S.A.	70
23	Santa Fe Puerto S.A.	70
24	JSW Jharkhand Steel Limited	100
25	JSW Bengal Steel Limited	98.69
26	JSW Utkal Steel Limited	100
27	JSW Natural Resources India Limited	98.69
28	JSW Energy (Bengal) Limited	98.69
29	JSW Natural Resources Bengal Limited	98.69
30	JSW Steel Coated Products Limited	100
31	Amba River Coke Limited	100
32	Peddar Realty Private Limited	100
33	Arima Holdings Limited	100
34	Lakeland Securities Limited	100
35	Erebus Limited	100
36	Nippon Ispat Singapore (PTE) Ltd	100
37	Acero Junction Holdings, Inc	100
38	JSW Steel USA Ohio, Inc	100
39	JSW Industrial Gases Private Limited	100
40	JSW Steel Italy S.r.l	100
41	Aferpi S.p.A	100
42	Piombino Logistics S.p.A – A JSW Enterprise	100
43	GSI Lucchini S.p.A	69.27

Sr. No.	Name of companies/ Entities	% of holding
44	Hasaud Steel Limited	100
45	JSW Realty & Infrastructure Ltd	0
46	JSW Retail Limited	100
47	Piombino Steel Limited	100
48	Makler Private Limited	100
49	JSW Vijayanagar Metallica Limited	100
50	Vardhman Industries Limited	100
51	JSW Vallabh Tin Plate Private Limited	73.55

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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