

## JSW Steel (Salav) Limited

October 04, 2019

### Ratings

Facilities	Amount (Rs. crore)	Rating1	Rating Action
Long Term Bank Facilities (Term Loan)@	-	-	Withdrawn
Long Term Bank Facilities (Fund Based)@	-	-	Withdrawn
Short term Non fund based working capital facility (LC/BG) @	-	-	Withdrawn
<b>Total Facilities</b>	-		

*Details of instruments/facilities in Annexure-1*

*@ Backed by Letter of Comfort (LoC) from JSW Steel Limited provided on behalf of JSSL to the lenders.*

### Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the ratings assigned to the Bank facilities of JSW Steel (Salav) Limited (JSSL) with immediate effect consequent to their transfer to JSW Steel Limited (JSWSL). The transfer of facilities was on account of merger of JSSL with its parent company JSWSL with effect from September 01, 2019 wide order from Hon'ble National Company Law Tribunal, Ahmedabad Bench (NCLT Ahmedabad) and Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT Mumbai).

**Analytical approach:** Not Applicable

### Applicable Criteria

[Policy on Withdrawal of ratings](#)

### About the Company

On August 18, 2014, JSW Steel Limited (JSWSL), entered into a Share Purchase Agreement with Welspun Enterprises Limited (WEL) to acquire the entire equity shares of WelspunMaxsteel Ltd. (WMSL). Subsequent to acquisition, name of the company was changed from WMSL to JSW Steel Salav Limited (JSSL). JSSL has a 900,000 MTPA gas based sponge iron unit at Salav, Maharashtra. The Company had to procure natural gas from the spot market at a rate much higher than the existing long term contracted rates. High operating cost and uneconomical industry conditions resulted in the Company operating at lower capacity levels to minimize its losses. Due to the same, the company was incurring losses in the past. However, the company is now merged into its parent company, JSW Steel Limited with effect from September 01, 2019.

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

**Any other information:** Not Applicable

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

### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC	-	-	-	0.00	Withdrawn

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

**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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE AA- (SO) (Under Credit watch with Positive Implications) (05-Nov-18) 2)CARE AA- (SO); Stable (08-Oct-18)	1)CARE A+ (SO); Stable (23-Nov-17)	1)CARE A+ (SO) (18-Aug-16) 2)CARE A+ (SO) (10-Jun-16)
2.	Fund-based - LT-Cash Credit	LT	-	-	-	1)CARE AA- (SO) (Under Credit watch with Positive Implications) (05-Nov-18) 2)CARE AA- (SO); Stable (08-Oct-18)	1)CARE A+ (SO); Stable (23-Nov-17)	1)CARE A+ (SO) (18-Aug-16) 2)CARE A+ (SO) (10-Jun-16)
3.	Non-fund-based - ST-BG/LC	ST	-	-	-	1)CARE A1+ (SO) (Under Credit watch with Positive Implications) (05-Nov-18) 2)CARE A1+ (SO) (08-Oct-18)	1)CARE A1+ (SO) (23-Nov-17)	1)CARE A1+ (SO) (18-Aug-16) 2)CARE A1+ (SO) (10-Jun-16)

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

**Contact us****Media Contact**

Mradul Mishra  
 Contact no. – +91-22-6837 4424  
 Email ID – [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

**Analyst Contact**

Group Head Name - Mr. Hitesh M Avachat  
 Group Head Contact no.- 022-6754 3510  
 Group Head Email ID- [hitesh.avachat@careratings.com](mailto:hitesh.avachat@careratings.com)

**Relationship Contact**

**Ms. Meenal Sikchi**  
 Cell: + 91 98190 09839  
 E-mail: [meenal.sikchi@careratings.com](mailto:meenal.sikchi@careratings.com)

**Mr. Ankur Sachdeva**  
 Cell: + 91 98196 98985  
 E-mail: [ankur.sachdeva@careratings.com](mailto:ankur.sachdeva@careratings.com)

**Ms. Rashmi Narvankar**

Cell: + 91 99675 70636

E-mail: [rashmi.narvankar@careratings.com](mailto:rashmi.narvankar@careratings.com)**Mr. Saikat Roy**

Cell: + 91 98209 98779

E-mail: [saikat.roy@careratings.com](mailto:saikat.roy@careratings.com)**About CARE Ratings:**

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