



JSW Energy Limited

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SEC / JSWEL
28th February, 2020

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| The Secretary BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001 | The Secretary National Stock Exchange of India Limited "Exchange Plaza" Bandra - Kurla Complex, Bandra (East) Mumbai - 400 051 |
| Scrip Code: 533148 | Scrip Code: JSWENERGY- EQ |
| Fax No.: 022 - 2272 2037 / 39 | Fax No.: 022 - 2659 8237 / 38 |

Sub: Credit Ratings - Update

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sirs,

We wish to inform you that Brickwork Ratings (BWR) has taken note of the recent Share Purchase Agreement of the Company with GMR Energy Limited (GEL) to acquire 100% stake in GEL's subsidiary GMR Kamalanga Energy Limited. BWR's outstanding rating of BWR A1+ for the Commercial Paper of the Company continues.

The Press Release issued by BWR in this regard is attached herewith.

We request you to take note of the aforesaid.

Yours faithfully,

For JSW Energy Limited

Monica Chopra
Company Secretary



Part of O. P. Jindal Group

Credit Update

JSW Energy Limited (JSWEL or the company)

28th Feb, 2020

BWR has taken note of the recent press release issued by JSW Energy Ltd wherein the Company has signed Share Purchase Agreement with GMR Energy Limited (GEL), pursuant to which the Company shall acquire 100% stake in their subsidiary i.e. GMR Kamalanga Energy Limited (GKEL) for a total consideration of an amount up to Rs. 5,321 crores (subject to working capital and other adjustments).

GKEL is owning and operating a 1050 megawatt thermal power plant in Odisha. The asset is having close to ~84% of its capacity tied up for the long-term PPA for 25 years (balance term of ~19 years) and diversified PPA portfolio with PPAs with Odisha, Haryana and Bihar.

The acquisition has been done at an enterprise value of ~Rs. 5,321 crores. JSWEL is taking over the existing debt of the asset of Rs 3,951 crores and balance consideration of Rs 1,370 crores will be payable of which Rs 755 crores will be payable upfront subject to the working capital adjustment, primarily by means of debt and internal accruals and balance Rs 615 crores will be kept as a holdback amount which will be payable on certain milestones and shall also be paid or funded through debt and internal accruals.

The acquisition is expected to be completed within 90 days from the Execution date of Share Purchase Agreement (SPA) subject to fulfillment of Conditions Precedent set out in SPA. Some of the major approvals required are from Competition Commission of India (CCI) for acquisition of the Shares, GKEL Lenders, Power Purchase Agreement Beneficiaries and approval from Industrial Development Corporation of Odisha (IDCO).

As per the discussion with the management, BWR understands that the debt of Rs. 3951 crores will have the existing repayment schedule of 14 years i.e. from FY21 to FY34. The cost of borrowing is expected to reduce on account of downward revision in rate of interest. The company has given a guidance of base case Ebitda of ~Rs. 900 crores for FY21. Subject to the downward revision in the rate of interest from the existing rate, Cash accruals from the asset are expected to be adequate to service the debt repayment obligations. Gross debt/Ebitda for JSWEL on a consolidated basis post acquisition is expected to be around 3.5 times in FY21 vis-à-vis 3.3 times in FY19.

BWR has an outstanding rating of BWR A1+ for the Commercial Paper (CP) of Rs. 950 Crs of JSWEL. The CP outstanding amount is NIL as of 25-Feb-2020. Cash & cash equivalent stood at ~Rs. 896 Crs (As of 24-Feb-2020) as against Rs. 713 Crs as of 31-Jan-2020 on a consolidated basis. Sanctioned Fund based limits stood at Rs. 977 Crs (on consolidated basis), out of which utilized fund based limit is NIL as of 31-Jan-2020.

For more information, please refer below link to the rating rationale:

<https://www.brickworkratings.com/Admin/PressRelease/JSW-Energy-19Nov2019.pdf>



| Analytical Contacts | Investor Contacts |
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About Brickwork Ratings :Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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