

Confidential

Ref.: Inv /DEBT/SN/19-20/56

Date: 23.12.2019

Chief Financial Officer
 JSW Steel Limited,
 Bandra Kurla Complex,
 Bandra (East), Mumbai-400051

Dear Sir,

Re: Participation in E-bidding for Subscription to Secured, Redeemable Non-Convertible Debentures on EBP platform through private placement.

We refer to your letter dated November 13, 2019 for subscription to Secured Redeemable Non-Convertible Debentures aggregating to Rs.1000 crore with same terms and conditions as approved for their previous proposal of Rs.3000crore.

In this respect, we would like to inform that the Corporation is agreeable "in principle", to participate in the Electronic Bidding Platform (EBP) of BSE/NSE for subscription to the captioned NCDs rated as AA/(Negative) by ICRA and/or CARE for an amount up to ₹ 1000 crore for tenor of 10 years and shall be subject to compliance of the provisions of the electronic book mechanism for issuance of securities on private placement basis as per relevant circular issued by SEBI and Stock Exchange. Our participation in the captioned issue is also subject to the following terms & conditions:-

1. Terms and Conditions:

Issuer	JSW Steel Limited
Instrument	Secured Redeemable Non Convertible Debentures
Purpose	To meet long term working capital requirements, refinancing of existing debt, general corporate purpose and ongoing capital expenditure.
Bidding Amount	Rs. 1000 crore
Face Value	Rs.10 lakh each
Tenure	10 years
Redemption	Four equal annual installments commencing at the end of 7 th year from the date of allotment.
Security	The debentures shall be secured by first pari passu charge on specific fixed assets of the company with minimum asset cover of 1.25 times of the outstanding NCDs.
Security Creation	Security will be created upfront before disbursement
Rating	[ICRA]AA (Negative) and CARE AA; Negative
Prepayment Option	Not acceptable
Listing	Proposed to be listed on WDM segment of BSE or NSE.

केन्द्रीय कार्यालय, "योगक्षेम", जीवन बीमा मार्ग, मुंबई - 400 021.
 दूरभाष : 06500000

Central office, "Yogakshema", Jeevan Bima Marg, Mumbai - 400 021.
 Tel.: 00500000

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JSW Steel Limited- Subscription to Secured NCD

Allocation Method	Uniform allotment
Coupon Type	Yield Basis
Trustee	To be decided

2. As the issue is proposed to be secured upfront by execution of mortgage deed and/or hypothecation deed in favour of Debenture Trustee covering the security cover of not less than 1.25 times throughout the term of debentures, the following documents in this regard may be submitted to us, if not forming part of IM/PPM.
 - Copy of Debenture Trust Deed between the company and trustee.
 - Copy of Mortgage Deed and/or Hypothecation Deed, duly executed by the company.
 - Copy of CHG-9 filed by the company.
 - Confirmation from concerned trustee regarding creation and perfection of security, giving details thereof.
 - "Certificate of Registration of Mortgages/Charges etc.", issued by Registrar of Companies under Companies Act 2013.
 - Details of assets with latest book value thereof charged as security and details of secured borrowings against these assets along with calculation of stipulated security cover ratio, duly certified by Statutory Auditors/Chartered Accountants.
3. Floor rate at 8.90% p.a. payable quarterly. However, it may be revised upward if the prevailing market conditions at the time of bidding so warrants.
4. The disbursement will be subject to Credit worthiness certificates from the Lead banks viz State bank of India and Punjab National Bank. Submission of Management Certificate confirming No default with any of the lenders and compliance of Financial Covenants..
5. If the long term rating falls to "A+" any point of time during the currency of the NCDs,
 - i. LIC reserves the right to reset the interest rate based on the downgraded rating with effect from the date of downgrading.
 - ii. If the rating falls below 'A+', the Corporation shall reserve the right to recall its outstanding principal amount on the aforesaid debentures along with all other monies / accrued interest due in respect thereof including compensation for all real / notional losses calculated on the basis as the Corporation may deem fit.
6. LIC will directly participate in the bid on the EBP platform as an investor.
7. Following points among other information should also be incorporated in the Information Memorandum/PPM/Term Sheet to be uploaded on the EBP site of Stock Exchanges/Depositories:
 - a. In case of default in payment of Interest and/or principal redemption on the due dates, additional interest @ 2% p.a. over the documented rate will be payable by the Company for the defaulting period.

U. Ganai



JSW Steel Limited- Subscription to Secured NCD

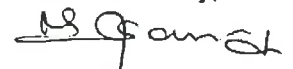
- b. The NCDs shall be listed on BSE/NSE. In case of delay in listing of the Debentures beyond 20 days from the deemed date of allotment, the issuer will pay penal interest of at least @ 1% p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debentures to the investor.
- c. All business day/Working Day Convention/Effect of Holidays shall be in line with relevant SEBI Circular.
- d. All other terms and conditions (precedent and subsequent to disbursement) mentioned in the indicative term sheet of the proposal submitted by the Company to be executed/completed within timeline.

Please ensure uploading of the following documents along with the Information Memorandum/PPM/Term Sheet on the EBP platform:-

- a) Latest Credit Rating letter not older than 30 days from the date of bidding from independent credit rating agencies along with rating rationale.
- b) Debenture Trustee Consent Letter to act as trustee for the captioned issue.
- c) BSE/NSE in principle approval letter for listing of the NCDs.
- d) Certified Copy of the Resolution passed by the shareholders under the Companies Act 2013 authorizing borrowing and security creation.
- e) Certified Copy of the Board Resolution for borrowing powers, authorization for accepting the terms & conditions and executing the documents under the Companies Act 2013.
- f) Confirmation that no Brokerage/Commission/Incentive has been /would be paid to any intermediary/merchant Banker/Broker/Any other person by the Company in respect of above NCDs.

The offer is valid for a period up to 90 days from the date of this letter. Acceptance of terms & conditions must be communicated within 7 days from the date of receipt of this letter. Also the likely date for bringing the issue on EBP Platform must be communicated before 7 days of the date of likely uploading.

Yours faithfully,



p Executive Director
(Investment-Operations)

