



About The Company:

JSWEL was formed in the year 1994 as a joint venture between Jindal Group and Tractebel S.A of Belgium. The name was Jindal Tractebel Power Company Ltd.JSW Energy Ltd. (JSWEL) is a group company of Jindal South West (JSW) group headed by Mr.Sajjan Jindal. Other companies in JSW are JSW Steel Limited , Jindal South West Mining Limited , JSW Port , Jindal Praxair Oxygen Company Limited (JPOCL), and investment companies.

JSW owns a 260 MW plant at Vijayanagar, Karnataka, part of whose generation is sold to group company, JSW Steel, and the remaining on short-term basis to other buyers. To this was added 600 MW in two stages in June and September this year. While half the power produced here is again being sold to JSW Steel, the other half, save a small 6 MW, will be sold on short-term basis through the power-trading subsidiary, JSW Power Trading Company.

With this power IPO, JSW Energy will become fourth power generation Company to enter capital market after state run NHPC, Adani Power and Indiabulls Power, this year. IPO's of power sector companies like Adani Power has raised Rs.3,020 crore

Book Running Lead Manager:

JM Financial Consultants Private Limited, Kotak Mahindra Capital Company Ltd, ICICI Securities Ltd, IDFC-SSKI Ltd, J.P.Morgan India Ltd, SBI Capital Markets Ltd, Morgan Stanley India Company Private Ltd, IDBI Capital Services Ltd

CARE Ratings:

The IPO of JSW Energy Ltd. has been assigned "CARE IPO Grade 4" by Credit Rating Agency CARE. "CARE IPO Grade 4" indicates that the company has above average fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals



Details of IPO

Issue Size:2700cr(inclusive Anchor Investor portion)

Face value: Rs 10/-per share

Floor Price: RS 100/-per share

Cap Price: Rs 115/-per share(Rs. 5discount for retail investors

Lot Size:60 Equity shares x multiples of 60 Equity shares each

Bid price	100	105	110	115 or cut off
Bid amount payable after Retail discount (Rs.)	95	100	105	110
Minimum no. of shares to be applied	60	60	60	60
Minimum application amount (Rs.)	5700	6000	6300	6600
Maximum no. of shares which can be applied	1020	960	900	900
Maximum application (Rs.)	96900	96000	94500	99000

Issue Size

S. NO	Main Catg.	Min App.value at 100	Max. App value at 115	Cut-off price allowed(yes/No)
1	QIB	162,000,000 (60%)	140869565 (60%)	No
2	Non Inst.	27,000,000 (10%)	23478261 (10%)	No
3	Retail	81,000,000 (30%)	70434783 (30%)	yes
Total Issue Size	1+2+3	270,000,000	234782609	



How will the capital raised by be used?

- The firm plans to use its IPO proceeds to fund expansion. The company is building power plants with a combined capacity of nearly 3,000 megawatts and has plans to develop utilities in western, eastern and southern India.
- A part will be used to repay the debts. The company has a total debt of Rs 5,900 crore in its books with no cash available.

This will be the first IPO of JSW in last 15 years

Why to Invest

- The company plans to foray in all areas of power: Generation, Transmission, Distribution and Trading
- JSW Energy has 860 MW of operational generating capacity and 2790 MW of generating capacity in the construction or implementation stage. In addition, it has power generation projects at an early stage under development, with a proposed combined installed capacity of 7740 MW..
- Besides power generation, JSW Energy is venturing into manufacturing of supercritical boilers. This is a joint venture project between JSW Energy and Toshiba coming up at Chennai.
- JSW Energy is setting up Hydro Power Project at Kutehar, River Chambha, which will generate 260 MW power valued at Rs. 1700 crore

Financials:

The company, till recently, had only 260 MW of installed power generation. On this, the company has posted consolidated Net Profit of Rs.279 crores in FY 2008-09. For half year ended September 2009, it has reported Net Profit of Rs.269.46 on Total Income of Rs. 875.35 crores.

Conclusion:

As India makes its crucial transition from a developing to a developed economy, there will be a rapidly growing demand for energy. The IPO is fairly priced. We recommend the long term investors to subscribe for the IPO.



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