

JULY 25, 2016

CARE REVISES AND REAFFIRMS THE RATINGS ASSIGNED TO THE LONG-TERM BANK FACILITIES OF JAIPRAKASH POWER VENTURES LTD

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	12,241.53 (enhanced from 11,885.00)	CARE D [Single D]	Reaffirmed
Long-term Bank Facilities	656.50 (reduced from 817.41)	CARE D [Single D]	Revised from CARE B [Single B]
Long-term Bank Facilities*	2,272.46 (reduced from 2,409.95)	CARE D [Single D]	Revised from CARE B [Single B], Removed from Credit Watch
Total	15,170.49 (Rupees Fifteen Thousand One Hundred Seventy crore and Forty Nine lakh only)		
Long-term Bank Facilities**	-	-	Withdrawn

*The rating of bank facilities of Bina thermal power project was placed on credit watch as JPVL entered into a binding Memorandum of Understanding (MoU) with JSW Energy Limited for sale of the power plant.

**CARE has withdrawn the rating assigned to the bank facilities pertaining to Karcham Wangtoo and Baspa hydro power projects of JPVL with immediate effect consequent to their transfer to Himachal Baspa Power Company Limited (HBPCL). The transfer of facilities was due to transfer of the company's said power projects to HBPCL.

Rating Rationale

The revision in the ratings of the bank facilities of Jaiprakash Power Ventures Ltd (JPVL) factors in delays in debt servicing by the company due to its weak liquidity.

Background

JPVL, a 60.69% subsidiary of Jaiprakash Associates Ltd (JAL, rated 'CARE D') is engaged in power generation business and currently has one operational hydro power project of 400 MW (Vishnuprayag in Uttarakhand), and two thermal power projects of having 1,820 MW capacity (500 MW Bina and 1,320 MW Nigrie, Madhya Pradesh). JPVL has a presence in the power transmission business through its 74% subsidiary Jaypee Powergrid Ltd (JPL, rated 'CARE A-'), which has set up a 214-km transmission line. The company, through its subsidiary Prayagraj Power Generation Ltd (PPGCL), has 1,980-MW thermal power project in Bara, Uttar Pradesh, of which 660-MW capacity is

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

operational and rest is under implementation. JPVL has also commissioned 2 MTPA cement grinding unit at Nigrie in June 2015.

As per the brief audited results for FY16 (refers to the period April 01 to March 31), JPVL reported a net loss of Rs.294.5 crore on operating income of Rs.3,883.68 crore as against PAT of Rs.137.21 crore on operating income of Rs.3,944.13 crore in FY15.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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