

SEPTEMBER 25, 2015

CARE REVISES THE RATINGS ASSIGNED TO THE BANK FACILITIES AND NCDS OF
JAYPEE INFRATECH LIMITED
Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	6,550	CARE D [Single D]	Revised from CARE BB [Double B]
Total facilities	6,550 (Rupees Six Thousand Five Hundred and Fifty crore only)		
Long-term Non-Convertible Debenture – II	500	CARE D [Single D]	Revised from CARE BB [Double B]
Long-term Non-Convertible Debenture – III	400	CARE D [Single D]	Revised from CARE BB [Double B]
Long-term Non-Convertible Debenture – IV	400	CARE D [Single D]	Revised from CARE BB [Double B]
Total instruments	1,300 (Rupees One Thousand and Three Hundred crore only)		

Rating Rationale

The revision in the ratings of the bank facilities and instruments of Jaypee Infratech Limited (JIL) takes into account delay in servicing of debt obligations by the company due to its weak liquidity position.

Background

JIL is a special purpose vehicle promoted by Jaiprakash Associates Ltd (JAL, rated 'CARE D'), holding 71.64% stake as on June 30, 2015) to develop and operate a 165-km six-lane (extendable to eight lanes) access-controlled toll expressway between Noida and Agra in Uttar Pradesh (E'way project). The E'way project achieved Commercial Operations Date (COD) and commenced toll collection in August 2012, post receipt of substantial completion certificate. Also, JIL has been granted rights by Yamuna Expressway Development Authority (YEA), a state government undertaking, for the development of approximately 6,175 acres of land (443.30 mn sq ft of real estate) along expressway in five different parcels in Uttar Pradesh for residential, commercial, amusement, industrial and institutional development. The land for real estate development is provided on 90-year lease.

On account slow down in real estate sales and high debt levels, the company's financial performance in FY15 (refers to the period April 01 to March 31) and Q1FY16 was lower than envisaged, resulting in weak liquidity position and ongoing delays in debt servicing. JIL is in the process of refinancing its existing debt and availing of additional debt for payment to creditors and working capital requirements.

JIL reported PAT of Rs.355.00 crore on total operating income of Rs.3,251.83 crore during FY15 as against PAT of Rs.299.17 crore on total operating income of Rs.3,329.42 crore in FY14. In Q1FY16 (unaudited), JIL reported PAT of

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

Rs.26.09 crore on total operating income of Rs.513.44 crore as against PAT of Rs.45.96 crore on total operating income of Rs.705.64 crore in Q1FY15.

Analyst Contact

Name: Mr Jatin Babbar

Tel: 011-45333246

Cell: +91 9999568722

Email: jatin.babbar@careratings.com

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

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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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.

CONTACT

Head Office Mumbai

Ms. Meenal Sikchi

Vice President - Bank Loan & Instrument Rating
 Mobile: +91-9819009839
 E-mail: meenal.sikchi@careratings.com

Mr. Ankur Sachdeva

Vice President - Bank Loan & Financial Services
 Mobile: +91-9819698985
 E-mail: ankur.sachdeva@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
 Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

Other Office:

503, Kaledonia, Sahar Road, Near Andheri Railway Station, Andheri (E), Mumbai - 400 069
 Tel: +91-22-6144 3456 | Fax: +91-22-6144 3556

AHMEDABAD

Mr. Mehul Pandya

32, Titanium, Prahaladnagar Corporate Road,
 Satellite, Ahmedabad - 380 015
 Cell: +91-98242 56265
 Tel: +91-79-4026 5656
 E-mail: mehul.pandya@careratings.com

JAIPUR

Mr. Rakesh Jayaraman

304, Pashupati Akshat Heights, Plot No. D-91,
 Madho Singh Road, Near Collectorate Circle,
 Bani Park, Jaipur - 302 016.
 Cell: +91 - 94139 69100
 Tel: +91-141-402 0213 / 14
 E-mail: harshraj.sankhla@careratings.com

BENGALURU

Mr. Dinesh Sharma

Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
 No. 30, M.G. Road, Bangalore - 560 001.
 Cell: +91-99000 41975
 Tel: +91-80-4115 0445, 4165 4529
 E-mail: dinesh.sharma@careratings.com

KOLKATA

Ms. Priti Agarwal

3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
 10A, Shakespeare Sarani, Kolkata - 700 071.
 Cell: +91-98319 67110
 Tel: +91-33- 4018 1600
 E-mail: priti.agarwal@careratings.com

CHANDIGARH

Mr. Sajjan Goyal

2nd Floor, S.C.O. 196-197, Sector 34-A,
 Chandigarh - 160 022.
 Cell: +91 99888 05650
 Tel: +91-172-5171 100 / 09
 Email: sajan.goyal@careratings.com

NEW DELHI

Ms. Swati Agrawal

13th Floor, E-1 Block, Videocon Tower,
 Jhandewalan Extension, New Delhi - 110 055.
 Cell: +91-98117 45677
 Tel: +91-11-4533 3200
 E-mail: swati.agrawal@careratings.com

CHENNAI

Mr. V Pradeep Kumar

Unit No. O-509/C, Spencer Plaza, 5th Floor,
 No. 769, Anna Salai, Chennai - 600 002.
 Cell: +91 98407 54521
 Tel: +91-44-2849 7812 / 0811
 Email: pradeep.kumar@careratings.com

PUNE

Mr. Rahul Patni

9th Floor, Pride Kumar Senate,
 Plot No. 970, Bhamburda, Senapati Bapat Road,
 Shivaji Nagar, Pune - 411 015.
 Cell: +91-78754 33355
 Tel: +91-20- 4000 9000
 E-mail: rahul.patni@careratings.com

COIMBATORE

Mr. V Pradeep Kumar

T-3, 3rd Floor, Manchester Square
 Puliakulam Road, Coimbatore - 641 037.
 Tel: +91-422-4332399 / 4502399
 Email: pradeep.kumar@careratings.com

CIN - L67190MH1993PLC071691

HYDERABAD

Mr. Saikat Roy

401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
 Hyderabad - 500 029.
 Cell : + 91 9820998779
 Tel: +91-40-4010 2030
 E-mail: saikat.roy@careratings.com