

Jaiprakash Power Ventures Limited (Revised)

April 05, 2019
Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	11,474.65	CARE D (Single D)	Reaffirmed
Total	11,474.65 (Rupees Eleven Thousand Four Hundred Seventy Four crore and Sixty Five lakh only)		

Details of instruments/facilities in Annexure-1
Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities of Jaiprakash Power Ventures Limited (JPVL) continue to factor in delays in debt servicing by the company due to weak financial performance and stretched liquidity position.

Detailed description of the key rating drivers
Key Rating Weaknesses
Weak financial profile and stretched liquidity position

During FY18, JPVL reported a net loss of 527 crore on operating income of Rs.3,501 cr as against net loss of Rs.760.18 crore on operating income of Rs.2,835.75 crore in FY17. The liquidity position of the company continues to remain weak on account of weak financial performance, leading to ongoing delays in debt servicing.

Status of Resolution plan

The debt resolution plan of JPVL has considered 59.99% i.e. Rs.5,536 cr as sustainable portion out of the total bank debt of Rs. 9,247 cr outstanding as on 31st July 2019. The Resolution plan has been approved by majority of the lenders with cut-off date of July 31, 2018 and is currently in advanced stage of implementation. CARE will continue to closely monitor the progress relating to the resolution plan and will take appropriate rating action on receipt of clarity on the same.

Analytical approach: Standalone

Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)
[CARE's Policy on Default Recognition](#)
[Rating Methodology – Infrastructure Sector Ratings](#)
[Financial ratios – Non-Financial Sector](#)
[Private Power Producers](#)

About the Company

JPVL 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 1,820 MW capacity (500 MW Bina, Madhya Pradesh and 1,320 MW Nigrie, Madhya Pradesh). The company, through its subsidiary Prayagraj Power Generation Ltd (PPGCL), has a 1,980 MW thermal power project in Bara, Uttar Pradesh. JPVL also has a presence in the power transmission business through its 74% subsidiary Jaypee Powergrid Ltd (JPL, rated 'CARE A-; Stable'), which has set up a 214-km transmission line and has a coal mine at Amelia, Madhya Pradesh acquired through e-auction. Further, JPVL has entered into an agreement with Orient Cement Limited for sale of its 2 MTPA Nilgrie cement grinding unit in May 2017. The lenders have converted an aggregate amount of Rs.3,058 cr into equity shares of the company w.e.f Feb 18, 2017.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	2,835.75	3501
PBILD	1,001.71	1131

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

PAT After Discontinuing Operations	-760.18	-527
Overall gearing (times)	1.23	1.18
Interest coverage (times)	0.56	0.76

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: 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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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook 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.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Term Loan-Long Term	-	-	Dec-2034	6042.18	CARE D
Non-fund-based - LT-BG/LC	-	-	-	129.86	CARE D
Fund-based - LT-Cash Credit	-	-	-	470.14	CARE D
Fund-based - LT-Cash Credit	-	-	-	261.00	CARE D
Non-fund-based - LT-BG/LC	-	-	-	104.00	CARE D
Term Loan-Long Term	-	-	-	1932.83	CARE D

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Term Loan-Long Term	-	-	-	841.08	CARE D
Term Loan-Long Term	-	-	-	47.25	CARE D
Term Loan-Long Term	-	-	-	1503.31	CARE D
Non-fund-based - LT-BG/LC	-	-	-	143.00	CARE D

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Debentures-Zero Coupon Debentures	LT	-	-	-	-	-	1)Withdrawn (06-Oct-15) 2)CARE BB (02-Jul-15)
2.	Term Loan-Long Term	LT	6042.18	CARE D	-	1)CARE D (29-Nov-17)	1)CARE D (25-Jul-16)	1)CARE D (06-Oct-15) 2)CARE BB (02-Jul-15)
3.	Non-fund-based - LT-BG/LC	LT	129.86	CARE D	-	1)CARE D (29-Nov-17)	1)CARE D (25-Jul-16)	1)CARE D (06-Oct-15) 2)CARE BB (02-Jul-15)
4.	Fund-based - LT-Cash Credit	LT	470.14	CARE D	-	1)CARE D (29-Nov-17)	1)CARE D (25-Jul-16)	1)CARE D (06-Oct-15) 2)CARE BB (02-Jul-15)
5.	Fund-based - LT-Cash Credit	LT	261.00	CARE D	-	1)CARE D (29-Nov-17)	1)CARE D (25-Jul-16)	1)CARE B (Under Credit Watch) (06-Oct-15)
6.	Fund-based - LT-Cash Credit	LT	-	-	-	-	1)Withdrawn (25-Jul-16)	1)CARE BB (Under Credit Watch) (06-Oct-15)
7.	Fund-based - LT-Cash Credit	LT	-	-	-	-	1)Withdrawn (25-Jul-16)	1)CARE BB (Under Credit Watch) (06-Oct-15)
8.	Non-fund-based - LT-BG/LC	LT	104.00	CARE D	-	1)CARE D (29-Nov-17)	1)CARE D (25-Jul-16)	1)CARE B (Under Credit Watch) (06-Oct-15)

9.	Non-fund-based - LT-BG/LC	LT	-	-	-	-	1)Withdrawn (25-Jul-16)	1)CARE BB (Under Credit Watch) (06-Oct-15)
10.	Non-fund-based - LT-BG/LC	LT	-	-	-	-	1)Withdrawn (25-Jul-16)	1)CARE BB (Under Credit Watch) (06-Oct-15)
11.	Term Loan-Long Term	LT	1932.83	CARE D	-	1)CARE D (29-Nov-17)	1)CARE D (25-Jul-16)	1)CARE D (06-Oct-15)
12.	Term Loan-Long Term	LT	841.08	CARE D	-	1)CARE D (29-Nov-17)	1)CARE D (25-Jul-16)	1)CARE B (06-Oct-15)
13.	Term Loan-Long Term	LT	47.25	CARE D	-	1)CARE D (29-Nov-17)	1)CARE D (25-Jul-16)	1)CARE D (06-Oct-15)
14.	Term Loan-Long Term	LT	1503.31	CARE D	-	1)CARE D (29-Nov-17)	1)CARE D (25-Jul-16)	1)CARE B (Under Credit Watch) (06-Oct-15)
15.	Term Loan-Long Term	LT	-	-	-	-	1)Withdrawn (25-Jul-16)	1)CARE BB (Under Credit Watch) (06-Oct-15)
16.	Term Loan-Long Term	LT	-	-	-	-	1)Withdrawn (25-Jul-16)	1)CARE BB (Under Credit Watch) (06-Oct-15)
17.	Non-fund-based - LT-BG/LC	LT	143.00	CARE D	-	1)CARE D (29-Nov-17)	1)CARE D (25-Jul-16)	-

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