

## Jaiprakash Power Ventures Limited

November 29, 2017

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities	11,474.65 (reduced from 15,170.49)	<b>CARE D (Single D)</b>	<b>Reaffirmed</b>
<b>Total</b>	<b>11,474.65</b> <b>(Rupees Eleven Thousand Four Hundred and Seventy Four crore and Sixty Five lakh only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

The rating assigned to the bank facilities of Jaiprakash Power Ventures Limited (JPVL) continues 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 performance and stretched liquidity position

During FY17, JPVL reported a net loss of Rs.760.18 crore on operating income of Rs.2,835.75 crore as against net loss of Rs.246.49 crore on operating income of Rs.2,897.32 crore in FY16. In H1FY18, net loss stood at Rs.175.57 crore. The liquidity position of the company continues to remain weak on account of weak financial performance, leading to ongoing delays in debt servicing.

**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 JaypeePowergrid 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 company is currently under the Strategic Debt Restructuring (SDR) scheme.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	2,897.32	2,835.75
PBILDT	1,592.00	1,001.71
PAT	-246.49	-760.18
Overall gearing (times)	1.97	1.23
Interest coverage (times)	0.84	0.56

A: Audited

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

**Status of non-cooperation with previous CRA:** NotApplicable

**Any other information:**NotApplicable

**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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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**About CARE Ratings:**

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**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	-	-	Mar-2025	1932.83	CARE D
Term Loan-Long Term	-	-	Sep-2025	841.08	CARE D
Term Loan-Long Term	-	-	Jun-2023	47.25	CARE D
Term Loan-Long Term	-	-	Mar-2023	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 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Debentures-Zero Coupon Debentures	LT	-	-	-	-	1)Withdrawn (06-Oct-15) 2)CARE BB (02-Jul-15)	1)CARE BBB- (Under Credit Watch) (26-Feb-15) 2)CARE BBB (Under Credit Watch) (06-Jan-15) 3)CARE BBB+ (SO) (15-Dec-14)
2.	Term Loan-Long Term	LT	6042.18	CARE D	-	1)CARE D (25-Jul-16)	1)CARE D (06-Oct-15) 2)CARE BB (02-Jul-15)	1)CARE BBB- (Under Credit Watch) (26-Feb-15) 2)CARE BBB (Under Credit Watch)

								(06-Jan-15) 3)CARE BBB+ (Under Credit Watch) (12-Aug-14) 4)CARE BBB+ (Under Credit Watch) (07-Apr-14)
3.	Non-fund-based - LT- BG/LC	LT	129.86	CARE D	-	1)CARE D (25-Jul-16)	1)CARE D (06-Oct-15) 2)CARE BB (02-Jul-15)	1)CARE BBB- (Under Credit Watch) (26-Feb-15) 2)CARE BBB (Under Credit Watch) (06-Jan-15) 3)CARE BBB+ (Under Credit Watch) (12-Aug-14) 4)CARE BBB+ (Under Credit Watch) (07-Apr-14)
4.	Fund-based - LT-Cash Credit	LT	470.14	CARE D	-	1)CARE D (25-Jul-16)	1)CARE D (06-Oct-15) 2)CARE BB (02-Jul-15)	1)CARE BBB- (Under Credit Watch) (26-Feb-15) 2)CARE BBB (Under Credit Watch) (06-Jan-15) 3)CARE BBB+ (Under Credit Watch) (12-Aug-14) 4)CARE BBB+ (Under Credit

								Watch) (07-Apr-14)
5.	Fund-based - LT-Cash Credit	LT	261.00	CARE D	-	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 (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 (25-Jul-16)	1)CARE D (06-Oct-15)	-
12.	Term Loan-Long Term	LT	841.08	CARE D	-	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 (25-Jul-16)	1)CARE D (06-Oct-15)	-
14.	Term Loan-Long Term	LT	1503.31	CARE D	-	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 (25-Jul-16)	-	-

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