

Jaypee Infratech Limited

March 23, 2018

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	6,550	CARE D (Single D)	Reaffirmed
Total Facilities	6,550 (Rupees Six Thousand Five Hundred and Fifty crore only)		
Long Term Instruments- Non-Convertible Debentures	211.95	CARE D (Single D)	Reaffirmed
Total Instruments	211.95 (Rupees Two Hundred Eleven crore and Ninety Five lakh only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating assigned to the bank facilities and instruments of Jaypee Infratech Limited (JIL) continue to factor in delays in debt servicing by the company due to its 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, JIL reported a net loss of Rs.876.69 crore on operating income of Rs.962.31 crore as against net loss of Rs.357.31 crore on operating income of Rs.2,801.52 crore in FY16. In 9MFY18, net loss stood at Rs.1,337.92 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

JIL is a special purpose vehicle promoted by Jaiprakash Associates Ltd (JAL, rated 'CARE D'), holding 64.44% stake as on December 31, 2017, 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.

Slowdown in real estate segment and weak financial performance resulted in weak liquidity position and delays in debt servicing by the company. The company is currently under the Corporate Insolvency Resolution Process by virtue of the order dated August 9, 2017 of National Company Law Tribunal (NCLT), Allahabad Bench.

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

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	2801.52	962.31
PBILDT	603.12	-361.19
PAT	-357.31	-876.69
Overall gearing (times)	1.52	1.59
Interest coverage (times)	0.59	-0.43

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	-	-	Oct-2034	6550.00	CARE D
Debentures-Non Convertible Debentures	Sep 1, 2014 (Rs.11.95 cr), Jan 2, 2015 (Rs.100 cr), Jan 2, 2015 (Rs.100 cr)	10.5% p.a.	Dec 31, 2017 (Rs.11.95 cr), Dec 31, 2018 (Rs.100 cr), Jun 30, 2019 (Rs.100 cr)	211.95	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-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (10-Apr-15)	1)CARE BBB-(SO) (20-Jan-15) 2)CARE BBB+(SO) (15-Dec-14)
2.	Term Loan-Long Term	LT	6550.00	CARE D	-	1)CARE D (31-Dec-16)	1)CARE D (25-Sep-15) 2)CARE BB (10-Jun-15) 3)CARE BBB- (10-Apr-15)	-
3.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (31-Dec-16)	1)CARE D (25-Sep-15) 2)CARE BB (10-Jun-15) 3)CARE BBB- (10-Apr-15)	1)CARE BBB-(SO) (20-Jan-15) 2)CARE BBB+(SO) (15-Dec-14)
4.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (31-Dec-16)	1)CARE D (25-Sep-15) 2)CARE BB (10-Jun-15) 3)CARE BBB- (10-Apr-15)	1)CARE BBB-(SO) (20-Jan-15) 2)CARE A-(SO) (15-Dec-14)
5.	Debentures-Non Convertible Debentures	LT	211.95	CARE D	-	1)CARE D (31-Dec-16)	1)CARE D (25-Sep-15) 2)CARE BB (10-Jun-15) 3)CARE BBB- (10-Apr-15)	1)CARE BBB-(SO) (20-Jan-15) 2)CARE A-(SO) (15-Dec-14) 3)CARE A (SO) (In Principle) (28-Aug-14)

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