

Ref: JPVL:SEC:2015

7<sup>th</sup> October, 2015

The Manager  
Listing Department  
**National Stock Exchange of India Ltd**  
"Exchange Plaza", C-1, Block G,  
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**BSE Limited**

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**Fax No.:** 022-22723121/2037  
2039/2041

**Sub : Credit rating assigned to the bank facilities of the Company**

Dear Sirs,

In terms of Clause 36 of the Listing Agreement, this is to inform you that Credit Analysis & Research Limited (CARE) has revised the ratings of the Company's bank facilities. A copy of the rating rationale is attached. Kindly take the same on record.

Thanking you,

Yours faithfully,  
For JAIPRAKASH POWER VENTURES LIMITED



(M.M.Sibbal)  
Sr. General Manager &  
Company Secretary

Encl: As above



OCTOBER 06, 2015

## CARE REVISES THE RATINGS ASSIGNED TO THE BANK FACILITIES OF

## JAIPRAKASH POWER VENTURES

## Ratings

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	11,885.00	<b>CARE D [Single D]</b>	<b>Revised from CARE BB [Double B]</b>
Long-term Bank Facilities	817.41	<b>CARE B [Single B]</b>	<b>Revised from CARE BB [Double B]</b>
Long-term Bank Facilities	2,409.95	<b>CARE B [Single B] (Credit Watch)</b>	<b>Revised from CARE BB [Double B], Placed on Credit Watch</b>
Long-term Bank Facilities	6,226.74	<b>CARE BB [Double B] (Credit Watch)</b>	<b>Placed on Credit Watch</b>
<b>Total Facilities</b>	<b>21,339.10 (Rupees Twenty One Thousand Three Hundred Thirty Nine crore and Ten lakh only)</b>		
Zero coupon Non- Convertible Debenture – II (ZCDs)	-	-	<b>Withdrawn*</b>

\* CARE has withdrawn the rating of the ZCDs with immediate effect as the company has fully repaid the amounts under the said issue and there is no amount outstanding under the issue as on date.

\*\*The aforesaid liabilities stand transferred to Himachal Baspa Power Company Limited (HBPCL). The transfer was due to transfer of the company's Karcham Wangtoo and Baspa Hydro power projects to HBPCL, which is now owned by JSW Energy Ltd (JSWEL). CARE is in the process of obtaining information from JSW Energy group in order to make assessment of credit quality of these instruments under the new entity.

## Rating Rationale

CARE has revised the ratings assigned to the bank facilities of Jaiprakash Power Ventures Ltd (JPVL) in respect of those availed for Nigrie thermal power project (NTPP) to 'CARE D' on account of the ongoing delays in debt servicing of these loans. The cash flows of the project have weakened as a result of subdued operating performance and the proposal for refinancing and additional financial assistance is under consideration with the lenders. Also, CARE has revised the rating assigned to corporate term loans and cement unit loans of JPVL to 'CARE D' due to weak liquidity and impending large repayment obligations in the near term for which funds are yet to be tied up. Also, CARE has revised the rating assigned to the bank facilities of JPVL in respect of Bina power project to 'CARE B' and placed under credit watch on account of binding MOU entered with JSW Energy Ltd for sale of the project. The rating of bank facilities of Vishnuprayag power project has been revised to 'CARE B' on account of deterioration in the overall financial risk profile of the company. Cash flows of the company have weakened due to continued high debt levels, relatively longer time taken and lower than expected realization from the sale of two power assets to the JSW group, and subdued operating performance of the thermal power assets. The rating continues to factor in experienced promoter group having long track record in the power segment. Going forward, performance of the various operational projects, timely monetization of assets as envisaged, raising of requisite funds to meet investment and other obligations, secure adequate fuel supply for the Nigrie

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

TPP and timely implementation of the project under JPVL's subsidiary Prayagraj Power Generation Ltd (PPGCL) shall be the key rating sensitivities.

**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 under implementation thermal power project in Bara, Uttar Pradesh. JPVL has recently transferred its Baspa and Karcham hydro power projects to Himachal Baspa Power Company Ltd (HBPCL) and divested it to JSWEL (rated 'CARE AA-/A1+' under credit watch). JPVL has also commissioned 2 MTPA cement grinding unit at Nigrie in June 2015.

For FY15 (refers to the period April 1 to March 31), JPVL, on a standalone basis, reported PAT of Rs.137.21 crore on total operating income of Rs.4097.26 crore as against PAT of Rs.19.73 crore on the total operating income of Rs.2,746.83 crore in FY14. In Q1FY16 (unaudited), JPVL reported PAT of Rs.64.94 crore on the total operating income of Rs.1,209.37 crore as against PAT of Rs.69.15 crore on total operating income of Rs.787.02 crore in Q1FY15.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

*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.*

**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 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 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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