

Jaypee Infratech Limited

February 26, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	6,550.00	CARE D (Single D)	Reaffirmed
Total Bank Facilities	6,550.00 (Rs. Six Thousand Five Hundred Fifty Crore Only)		
Non Convertible Debentures	211.95	CARE D (Single D)	Reaffirmed
Total Long Term Instruments	211.95 (Rs. Two Hundred Eleven Crore and Ninety-Five Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale and key rating drivers

The ratings 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.

Key Rating Sensitivity

Positive Factors

- Timely repayment of its debt on timely basis.

Detailed description of the key rating drivers

Key Rating Weaknesses

Weak financial performance and stretched liquidity position

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' and 'credit watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

[Financial ratios – Non-Financial Sector](#)

[Rating Methodology – Infrastructure Sector Ratings](#)

About the Company

JIL is a special purpose vehicle promoted by Jaiprakash Associates Ltd (JAL, rated 'CARE D'), holding 60.98% stake as on December 31, 2019, 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 (YEDA), 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 slowdown in real estate sales and high debt levels, the company's financial performance in FY19 (refers to the period April 01 to March 31) was weak, resulting in weak liquidity position and ongoing delays in debt servicing as discussed with the company and confirmed with bankers. 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 Mr. Anuj Jain as Interim Resolution Professional (IRP). Recently the NCLT in its order declared a PSU viz. NBCC Ltd as successful bidder to take over the assets of Jaypee Infratech Limited.

(Rs. In crores)

Brief Financials (Rs. crore)	31-03-2019	31-03-2020
	A	A
Total operating income	1292.51	1584.87
PBILDT	277.83	-220.07
PAT	-1325.69	-2142.76
Overall gearing (times)	-0.95	-0.57
Interest coverage (times)	0.18	-0.12

A-Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN Number	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Term Loan-Long Term		-	-	-	6550.00	CARE D
Debentures-Non Convertible Debentures	INE099J07160	September 01, 2014	10.50%	31.12.2017	11.95	CARE D
Debentures-Non Convertible Debentures	INE099J07186	January 02, 2015	11%	31.12.2018	100.00	CARE D
Debentures-Non Convertible Debentures	INE099J07194	January 02, 2015	11%	30.06.2019	100.00	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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Term Loan-Long Term	LT	6550.00	CARE D	-	1)CARE D (26-Mar-20)	1)CARE D (31-Jan-19)	1)CARE D (23-Mar-18)
2.	Debentures-Non Convertible Debentures	LT	211.95	CARE D	-	1)CARE D (26-Mar-20)	1)CARE D (31-Jan-19)	1)CARE D (23-Mar-18)

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Simple
2.	Term Loan-Long Term	Simple

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

Contact us

Media Contact

Mradul Mishra

Contact no.: +91-22-6837 4424

Email ID: mradul.mishra@careratings.com

Analyst Contact

Mr. Achin Nirwani

Contact no.: +91- 11-4533 3233

Email ID: achin.nirwani@careratings.com

Relationship Contact

Swati Agrawal

Contact no.: +91-11-4533 3200

Email ID: swati.agrawal@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 the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. 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. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, 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. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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