CARE Ratings
Professional Risk Opinion

India Power Corporation Limited
August 17, 2021

Ratings

Facilities/Instruments	**Amount (Rs. crore)**	**Ratings**	**Rating Action**
Long Term Bank Facilities	225.65	CARE BB+; ISSUER NOT COOPERATING* (Double B Plus ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category; Reaffirmed and removed from Credit watch with Negative Implications
Short Term Bank Facilities	22.61	CARE A4+; ISSUER NOT COOPERATING* (A Four Plus ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category; Reaffirmed and removed from Credit watch with Negative Implications
Total Bank Facilities	**248.26 (Rs. Two Hundred Forty-Eight Crore and Twenty-Six Lakhs Only)**		
Non Convertible Debentures	28.00	CARE BB+; ISSUER NOT COOPERATING* (Double B Plus ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category; Reaffirmed and removed from Credit watch with Negative Implications
Total Long Term Instruments	**28.00 (Rs. Twenty-Eight Crore Only)**		

Details of facilities/instruments in Annexure-1

Detailed Rationale & Key Rating Drivers
CARE has been consistently following up with India Power Corporation Limited (IPCL) for obtaining the monthly 'No Default Statement (NDS)'. However, despite our repeated requests, the company has not provided the requisite NDS and the management has remained non-cooperative in this regard. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on IPCL's bank facilities and instruments will now be denoted as **CARE BB+/CARE A4+; ISSUER NOT COOPERATING*** as CARE has removed the ratings of IPCL from 'Credit Watch with Negative Implications' due to lack of management co-operation.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).
The ratings continue to be constrained by moderate financial performance in FY20 (refers to the period April 01 to March 31) with improvement witnessed in FY21, weakening of liquidity profile and financial flexibility of the promoter group with deterioration in credit profile of major companies of the group, uncertainty of receipt of receivables from group entity (Power Trust) as well as the timing of the same in the context of reduced financial flexibility of promoter group given the long pending execution of share sale of IPCL held by Power Trust, risk of uncertain weather conditions for wind power assets, competition from other players in the command area, growing uncertainty in the regulatory space with last tariff order received for FY18 and last Annual Performance Review (APR) received for FY14 which has resulted in building up of regulatory assets. The rating also takes note of the fact that collection had witnessed a decline on account of extension given by IPCL to its customers for payment of bills due to covid-19 pandemic in Q1FY21 leading to increase in AT&C losses and high exposure in group entities and moderate debt servicing parameters. The ratings also take note of the media report highlighting concerns on the promoter group entities.
The ratings continue to derive strength from the reduction in average cost of supply in FY20 and H1FY21 with further reduction expected when company proposes to commence sourcing power under the 25 year Power Purchase Agreement (PPA) with Solar Energy Corporation of India Limited (SECI) at a fixed tariff of Rs.2.69/unit plus trading margin of Rs.0.07/unit besides completion of the JK Nagar transmission line would result in increased revenue going ahead, long business experience of the promoters, demonstrated support by the promoter group to the company, cost plus based tariff structure supported by Monthly Variable Cost Adjustment (MVCA) for pass-through of increase in power purchase cost, full metered supply with satisfactory collection efficiency, tie-up of

PPAs at competitive rates leading to reduction in cost of supply and satisfactory capital structure as on March 31, 2021.

Detailed description of the key rating drivers
At the time of last rating on December 23, 2020 the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies, stock exchange etc.):

Key Rating Weaknesses
Weakened credit profile of major companies of the group
The credit profile of major companies of the group has deteriorated the liquidity position and financial flexibility of the group. Also, one of the companies belonging to promoter family has approached NCLT for restructuring of its bank loans. With the weakened credit profile of the promoter group, the likelihood of receipt of funds from group is uncertain going ahead.

Exposure in Group Companies
IPCL has investment in subsidiary companies in the form of investment (Equity, CCPS & FCCD) and loans & advances amounting to the tune of Rs.155.0 crore as on March 31, 2020 (Rs.161.8 crore as on March 31, 2019) accounting for 44.4% (~47.9% in FY19) of its Adjusted Networth (Networth adjusted for investment in group entity Power Trust and revaluation reserve) as on March 31, 2020. IPCL had given corporate guarantee on September 23, 2016 in favor of the lenders of Meenakshi Energy Limited (MEL) for a loan amounting to Rs.2,800 crore as on March 31, 2020 (Rs.2,800 crore as on March 31, 2019) subject to WBERC approval. WBERC had declined the approval vide their letter dated November 10, 2017. Accordingly, the lenders of MEL were informed that the Corporate Guarantee given earlier is void. As on March 31, 2020, MEL cease to be the subsidiary of IPCL post corporate insolvency resolution process initiated in respect of MEL and invocation of pledged shares by the lenders. Hence, the auditor has removed the corporate guarantee from the contingent liability in the books of IPCL as on March 31, 2020.
On May 02, 2018, the 95.07% equity stake of IPCL in MEL, which was fully pledged with SBI CAP Trustee Company Limited (SBI CAP) on behalf of the lenders, was invoked by the lenders and the said shares have been thereafter transferred to the lenders. IPCL has contested in the court of law the validity of corporate guarantee and the matter is pending with Hon'ble XIV Additional Chief Judge cum Commercial court Hyderabad and is sub-judice. MEL doesn't have any power off take arrangement in place and the power plant (300MW) is currently non-operational and is under insolvency in NCLT.
IPCL has an outstanding exposure of Rs.19.70 crore to IPCL (Bodhgaya) as on March 31, 2020 in the form of loans and advances as against Rs.22.30 crore as on March 31, 2019. However, IPCL Bodhgaya power distribution franchisee agreement dated December 31, 2013 in Gaya has been terminated by South Bihar Power Distribution Company Limited vide notice dated July 04, 2018 and the said matter is currently sub-judice. The company has been admitted to NCLT and ceased to be a subsidiary of IPCL.
Recoverability of investments and loans and advances from both the entities is uncertain.

Exposure to regulatory risks
Majority of IPCL's power is being supplied to high-tension (HT) consumers. With the Open Access Regulations in place, IPCL may face significant demand uncertainty in this aspect as the possibility of existing consumers approaching its competitors for direct sale of power cannot be ruled out in future. However, that entails additional cost on account of wheeling charges for transmission lines in IPCL's area and necessary approvals from Regulatory Authority. Further, to reduce the possibility of such migration, IPCL continues its measures towards consumer satisfaction like lower power procurement cost, timely grievance redressal, reliable and good quality power, timely billing & collection and loss reduction initiatives, etc.
The company's licensee business demonstrated positive growth in FY20. IPCL has sold 845.14 mn units of power in its license area in West Bengal during FY20 compared to 787.48 mn units in FY19.

Uncertainty with respect to recovery of receivables from Power Trust
IPCL had invested in Hiranmaye Energy Ltd (erstwhile India Power Corporation [Haldia] Ltd) in the form of Fully & Compulsorily Convertible Debentures (FCCD) of Rs.490.5 crore of face value Rs.10 each which have been transferred to Power Trust at book value in March 2017 and thereafter the company ceased to be a subsidiary w.e.f. March 31, 2017 and had become an associate. Further during FY18, IPCL had transferred the remaining investment in the form of Compulsorily Convertible Preference Shares (CCPS) of Rs.306.82 crore) to Power Trust. The receivables against the above transactions (FCCD & CCPS transfer) stood at Rs.489.5 crore as on March 31, 2018 from Power Trust. Till FY20, IPCL received Rs.288.89 crore from Power Trust, thereby reducing the receivable to Rs.200.6 crore as on March 31, 2020. In FY21, till November 30, 2020, no fund has been received by IPCL in respect to this receivable. Further, there is increased uncertainty of receivables from Power Trust as well as the

timing of the same in the context of reduced financial flexibility of promoter group given the long pending execution of share sale of IPCL held by Power Trust.

Increase in AT&C losses in FY20 and H1FY21

The company has been continuously carrying out up-gradation of the T&D infrastructure on an ongoing basis. AT&C losses increased from 4.18% in FY19 to 6.19% in FY20 on account of increase in receivables as on March 31, 2020 compared to March 31, 2019. The increase in receivables was on account of lockdown imposed in the end of March 2020, due to which few clients (which generally make the payment at the end of the month) deferred their payment of March 2020 to April 2020.

In H1FY21, the AT&C losses have increased to 6.32% mainly due to two reasons. Firstly, the company sold increased power to LT customers during lockdown (since most of the industries were closed) where T&D losses tend to be higher. Secondly, due to lockdown and pandemic situation, the billing and collection got delayed. Also, few customers requested for payment of demand charges/energy dues for Q1FY21 in 6 monthly instalments which have been granted to them leading to delayed collections.

Risk of uncertain weather conditions for wind power assets

IPCL also operates 43.2 MW of wind power capacity (Gujarat – 24.8 MW, Karnataka – 10.4 MW and Rajasthan – 8 MW) on an operating lease basis. Profitability from wind segment operation is exposed to uncertain weather conditions.

Moderate financial performance in FY20 with improvement witnessed in FY21

IPCL's revenue from sale of power witnessed a y-o-y increase of 3.10% in FY20 despite decline in average tariff from Rs.5.58/unit in FY19 to Rs.5.36/unit in FY20 due to increase in the sale of power units (from 787.48 MU in FY19 to 845.14 MU in FY20) for the regulated (HT/LT) business. The tariff has been reduced in FY20 on account of discounts provided by the company (in the form of reduced tariff) to its new consumers in order to increase its customer base. However, the total operating income witnessed a decline due to reduction in revenue from windmill segment on account of sale of 52 MW windmill units in Rajasthan in Q2FY19.

Despite decline in rental expenses due to impact of IND AS 116 (as per which the rental expenses shall now be converted into financial lease obligations and booked as interest and depreciation in the books going ahead), PBILDT margin witnessed a decline from 16.26% in FY19 to 13.47% in FY20 on account of reduction in average tariff in FY20 along with reduction in write back of sundry liabilities which the company was recording as income since last 2 years (Rs.31.1 crore in FY18, Rs.41.9 crore in FY19 and Rs.1.71 crore in FY20). PAT margin also witnessed a slight decline from 3.29% in FY19 to 3.13% in FY20 on account of reduction in operating margins.

Interest coverage ratio of the company witnessed an improvement from 1.17x in FY19 to 1.46x in FY20 on account of significant reduction in interest cost due to prepayment of loans done by the company in January 2019. Further, the company booked a regulatory income (fuel and power purchase cost adjustment and other incentive adjustments based on tariff regulations) of Rs.23.36 crore in FY20 (Rs.19.33 crore in FY19) which has been adjusted from GCA for our analysis since the same has not been recovered in cash during that year. The company earned a GCA of Rs.20.87 crore in FY20 against debt repayment obligation of Rs.54.12 crore. The shortfall in cash accruals was met out of fund infused by promoters in the form of unsecured loans amounting to Rs.37 crore in FY20.

In H1FY21, the total operating income of the company witnessed a de-growth of around 5.69% y-o-y on account of covid-19 pandemic resulting in lockdown in the country during Q1FY21 which led to reduction in power off-take by consumers. However, as per WBERC norms and order released by WBERC dated May 06, 2020 allowing licensees in West Bengal region to raise fixed charges/demand charges from its customers for April & May 2020 billing, the company was able to recover fixed charges/demand charges from its customers which led to improvement in PBILDT margin. Further, the reduction in average power purchase cost also led to improvement in PBILDT margin. PAT margin of the company witnessed deterioration on account of the company booking regulatory expense in H1FY21 vis-à-vis regulatory income in H1FY20. Interest coverage ratio improved from 0.98x in H1FY20 to 1.78x in H1FY21 on account of improved PBILDT. The company booked a regulatory expense (fuel and power purchase cost adjustment and other incentive adjustments based on tariff regulations) of Rs.4.84 crore in H1FY21 (regulatory income of Rs.14.19 crore in H1FY20) which has been adjusted from GCA for our analysis since the same has not been recovered in cash during that year. Hence, GCA stood at Rs.26.99 crore vis-à-vis debt repayment obligation of Rs.11.85 crore in H1FY21.

The company earned PAT of Rs.26.66 crore on total operating income of Rs. 499.75 crores in FY21.

Competition from other players in the command area

IPCL is facing competition from DVC and West Bengal State Electricity Distribution Company Limited (WBSEDCL) in its command area. Further, in order to meet its power requirements, IPCL also purchases some power from DVC and WBSEDCL. However, IPCL is now gradually moving towards open access which has led to decline in its cost of supply. Reduction in cost of supply would improve IPCL's competitive position going ahead.

Impact of Covid-19

The pandemic Covid-19 had impacted the business operations of IPCL. The consumers of IPCL are majorly industries, mines and commercial establishments which have been affected due to lockdown resulting in substantial reduction in power off-take by consumers. In April 2020, there was an impact of around 70% on the demand of power where the company was able to bill around Rs.16 crore to its consumers. However, the demand increased in May 2020 due to relaxations in lockdown where the billing increased to around Rs.29.25 crore. Further, during unlock-1 in June 2020, the demand for power increased again with the billing increasing to Rs.41.46 crore, almost reaching the pre-covid levels. However, as per West Bengal Electricity Regulatory Commission (WBERC) norms and recent order released by WBERC dated May 06, 2020 allowing licensees in West Bengal region to raise fixed charges/demand charges from its customers, the company was able to recover fixed charges/demand charges from its customers which ensured cash flows for meeting fixed/regular expenses to maintain its operations and improvement in financial performance of the entity in Q1FY21.

Key Rating Strengths

Experienced promoters

IPCL was promoted by the Kolkata-based Kanoria family having various business interests and mainly engaged in construction equipment and infrastructure financing. IPCL was incorporated in 1919 to supply power in its licensed area comprising of industrial belts of Asansol, West Bengal.

Tie-up of PPAs at competitive rates leading to reduction in cost of supply

IPCL is a relatively small sized player engaged in the transmission and distribution of power with transmission & distribution network of 250 MVA. The peak demand met by the company in FY20 was 193 MVA. The average cost of power purchase has witnessed a decline from Rs.4.12/unit in FY19 to Rs.3.87/unit in FY20 and further to Rs.3.49/unit in Q1FY21. The reduction in average power purchase cost is on account of purchase of energy from Tata Power and sourcing from open access where the cost of power is low. IPCL entered into a long term PPA with DVC in July 2019 for 12 years for supply of 16 MW energy at a tariff to be determined by CERC from time to time (current tariff being Rs.4.32/Kwh) on a take or pay arrangement. The company had also entered into short term PPA with Tata Power for purchase of 85MW power at a rate of Rs.3.85/unit from November 2019 to October 2020 which led to decline in average cost of purchase. Further, IPCL has signed PPA with SECI for purchase of 100 MW power at a fixed rate of Rs.2.69/unit plus trading margin of Rs.0.07 per unit beginning from January 2021 for a period of 25 years. This is expected to result in further reduction in power purchase cost going ahead.
During the lockdown in Q1FY21, the company purchased power from open access on daily payment basis at a rate of around Rs.3.10/unit to Rs.3.20/unit.

Cost plus based tariff structure supported by MVCA for pass-through of increase in power purchase cost

Under the WBERC Tariff Regulations 2011, a fixed return on equity approved gross fixed assets is allowed to IPCL (i.e. 15.5% on generation and 16.5% on distribution). Last tariff order for IPCL has been approved for FY18. APR has been approved till FY14.
The company has Regulatory deferral account debit balance amounting to Rs.151 crore as on March 31, 2020 in relation to the incentives, gains and adjustments based on tariff regulations against which the company also has fuel and power purchase credit balance amounting to Rs.59 crore.

Full metered supply with satisfactory collection efficiency

IPCL's collection efficiency has remained satisfactory over the years. The same stood at 98.17% in FY20 vis-à-vis 99.97% in FY19. However, the same deteriorated to 93.73% in Q1FY21 due to delay in receivables from consumers on account of lockdown which was imposed in the country. Considering collection from wind mill operations, which were transferred to IPCL (as part of reverse merger) during FY14, collection efficiency was 97.99% in FY20 vis-à-vis 98.29% in FY19 which further deteriorated to 91.99% in Q1FY21.

Stable capital structure with moderate debt protection metrics in FY20

The capital structure remained stable in FY20 compared to FY19. The debt equity ratio witnessed an improvement from 0.64x as on March 31, 2019 to 0.57x as on March 31, 2020 on account of scheduled repayment of term loans and NCDs. The overall gearing ratio remained stable at 0.98x as on March 31, 2020 (1.00x as on March 31, 2019) and continued to remain at the same level as on June 30, 2020. The improvement in overall gearing was lower than that compared to debt equity ratio on account of increase in working capital utilisation of the company to fund its liquidity requirements in the absence of approval of tariff order by WBERC along with delay in collections due to Covid-19 pandemic. TDGCA of the company stood at 16.41x as on March 31, 2020 on account of cash profit earned by the company in FY20 instead of cash loss as in previous years. Further, the company has repaid its NCD obligation of Rs.20 crore which was due on November 03, 2020.
Overall gearing stood at 0.71 as on Mar 31, 2021.

Completion of the major ongoing project

The project for supply of traction power to Eastern Railways was partially implemented in September 2019 and a small span of 400 meter transmission line was to be set up for Railway which was expected to be completed by March 2020. However, due to pandemic, the progress had been stalled temporarily. The company has now completed the transmission line project and connected to Eastern Railway on May 26, 2020. The total project cost incurred amounted to ~Rs.80 crore vis-à-vis earlier envisaged cost of Rs.69 crore.

The company has also implemented Supervisory Control and Data Acquisition (SCADA) at Asansol T&D System at a project cost of around Rs.14.48 crore funded out of internal accruals (in the last 2 years). The company is undertaking the project in 2 phases, wherein the 1st phase has been completed at a cost of Rs.11 crore while second phase is under process and expected to be completed by December 2020 at an estimated project cost of Rs.3 crore. The company has received sanction of Rs.10 crore from IREDA for reimbursement of the cost of the project. Out of this, Rs.7 crore has been disbursed and Rs.3 crore shall be disbursed in Q4FY21 post completion of the site visit and other documentations.

Liquidity Analysis - Stretched

The company has a debt repayment obligation of Rs.42.41 crore in FY21 out of which the company has already repaid Rs.38.60 crore till December 21, 2020. For the balance Rs.3.81 crore, the company expects to generate sufficient cash accruals. Further, as on November 30, 2020, the company has free cash and liquid investments along with undrawn line of credit amounting to Rs.24 crore.

As on June 30, 2020, the company had outstanding unsecured loan amounting to Rs.93.83 crore which the management plans to repay by raising term loan of Rs.90 crore. On considering the repayment obligations of the aforesaid term loan, the coverage ratios moderates substantially and IPCL would have to resort to group support. With the weakening of the credit profile of major group companies, receipt of fund support from group entities is uncertain. Further, any repayment of unsecured loan by the company out of internal accruals would lead to stress on the liquidity position and shall remain key rating monitorable.

Analytical approach: Standalone factoring linkage with the group.

Applicable Criteria

Policy in respect of Non-cooperation by issuer
Criteria on assigning 'outlook' and 'credit watch' to credit ratings
Criteria for Short Term Instruments
CARE's Policy on Default Recognition
Financial ratios – Non-Financial Sector
Rating Methodology – Infrastructure Sector Ratings
Liquidity Analysis of Non-Financial Sector Entities
Rating Methodology: Consolidation
Rating Methodology: Notching by factoring linkages in Ratings

About the Company

IPCL – [erstwhile DPSC Ltd (DPSC)] is currently engaged in transmission and distribution of power across its licensed area, spread over 618 sq. km across Asansol to Ranigunj industrial belts of West Bengal. IPCL has a distribution network in three circles (Dishergarh, Seebpore and Luchipur) with connected load of about 250 MVA. IPCL was a licensee under the provisions of the Indian Electricity Act, 1910 (since repealed) and had become a deemed licensee in terms of the first provision to section 14 of the Electricity Act 2003. It is currently operating as per the provisions of the West Bengal Electricity Regulatory Commission (WBERC) Regulations, 2011.

IPCL has its own 12 MW captive coal-based power generation plant. However, in FY20, the 12 MW power plant was non-operational due to non-availability of coal at economical price, which would have otherwise resulted in higher cost of production. The plant has again become operational since June 2020. IPCL also operates 43.2 MW wind-based power capacities (Gujarat – 24.8 MW, Karnataka – 10.4 MW and Rajasthan – 8 MW) on an operating lease basis from SREI Infrastructure Finance Limited; which contributed around 5% of the total income from operations for FY20 (as against 7.5% in FY19).

In 2010, Kanoria family of Kolkata acquired DPSC Ltd. through its investment company, India Power Corporation Ltd (erstwhile IPCL) from Andrew Yule & Co. Ltd. In 2013, erstwhile IPCL got merged into DPSC and consequently DPSC name was changed to IPCL.

Brief Financials - Consolidated (Rs. Crore)	FY20 (A)	FY21 (A)
Total Operating Income	496.08	499.75
PBILDT	66.80	82.87
PAT	16.69	26.66
Overall gearing (times)	0.98	0.71
Interest coverage (times)	1.46	2.20

A: Audited

Status of non-cooperation with previous CRA: Not Applicable
Any other information: Not Available
Rating History (Last three years): Please refer Annexure-2
Covenants of rated instrument: Detailed explanation of covenants of the rated instruments is given in Annexure-3
Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	143.18	CARE BB+; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	22.61	CARE A4+; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	Sep 2025	82.47	CARE BB+; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE360C07054, INE360C07096, INE360C07104	November 03, 2010	12.00%	September 19, 2022	28.00	CARE BB+; ISSUER NOT COOPERATING*

**Issuer did not cooperate; Based on best available information*

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 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Cash Credit	LT	143.18	CARE BB+; ISSUER NOT COOPERATING*	-	1)CARE BB+ (CWN) (23-Dec-20) 2)CARE BBB (CWN) (13-Oct-20)	1)CARE BBB (CWN) (04-Mar-20) 2)CARE BBB (CWN) (10-Feb-20)	1)CARE BBB (CWN) (15-Oct-18) 2)CARE A- (CWN) (07-Apr-18)
2.	Non-fund-based - ST-BG/LC	ST	22.61	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A4+ (CWN) (23-Dec-20)	1)CARE A3 (CWN) (04-Mar-20) 2)CARE	1)CARE A3 (CWN) (15-Oct-18) 2)CARE A2 (CWN)

						2)CARE A3 (CWN) (13-Oct-20)	A3 (CWN) (10-Feb-20)	(07-Apr-18)
3.	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (15-Oct-18) 2)CARE A- (CWN) (07-Apr-18)
4.	Debentures-Non Convertible Debentures	LT	28.00	CARE BB+; ISSUER NOT COOPERATING*	-	1)CARE BB+ (CWN) (23-Dec-20) 2)CARE BBB (CWN) (13-Oct-20)	1)CARE BBB (CWN) (04-Mar-20) 2)CARE BBB (CWN) (10-Feb-20)	1)CARE BBB (CWN) (15-Oct-18) 2)CARE A- (CWN) (07-Apr-18)
5.	Fund-based - LT-Term Loan	LT	82.47	CARE BB+; ISSUER NOT COOPERATING*	-	1)CARE BB+ (CWN) (23-Dec-20) 2)CARE BBB (CWN) (13-Oct-20)	1)CARE BBB (CWN) (04-Mar-20) 2)CARE BBB (CWN) (10-Feb-20)	1)CARE BBB (CWN) (15-Oct-18) 2)CARE A- (CWN) (07-Apr-18)

Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instruments:

Name of the Instrument	Detailed explanation
1. NCD Issue of Rs.100 crore (current o/s Rs.20 crore as on September 30, 2020)	
A. Financial covenants	
i. Debt Equity Ratio	1.10x
ii. Security Asset cover	Minimum of 1.25 times
2. NCD Issue of Rs.20 crore (current o/s Rs.8 crore)	
A. Financial covenants	
i. Security Asset cover	Minimum of 1.75 times

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.	Fund-based - LT-Cash Credit	Simple
3.	Fund-based - LT-Term Loan	Simple
4.	Non-fund-based - ST-BG/LC	Simple

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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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.

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