

West Bengal State Electricity Distribution Company Limited

July 19, 2021

Rating

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Secured Redeemable Bond Issue – Series I Tranche I	-	-	Reaffirmed at CARE B; Stable (Single B; Outlook: Stable) and withdrawn
Secured Redeemable Bond Issue – Series I Tranche II	-	-	Reaffirmed at CARE B; Stable (Single B; Outlook: Stable) and withdrawn
Secured Redeemable Bond Issue – Series II	-	-	Reaffirmed at CARE B; Stable (Single B; Outlook: Stable) and withdrawn
Total Long-Term Instruments	-		

Details of instrument in Annexure-1; for classification of instruments/facilities please refer to Annexure-3

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the outstanding ratings of 'CARE B; Stable' [Single B; Outlook: Stable] assigned to the Non-Convertible Debenture of West Bengal State Electricity Distribution Company Limited (WBSEDCL) with immediate effect. The above action has been taken at the request of WBSEDCL. It may be noted that CARE has rated the above-mentioned instruments continuously for 50% of the tenure of the instruments. Further, WBSEDCL has given an undertaking to CARE that a rating is available on the aforementioned instruments.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

Incorporated in 2007, WBSEDCL, wholly owned by the GoWB, is engaged in the power distribution and trading business in the State of West Bengal. The company has been formed as a part of the unbundling of West Bengal State Electricity Board (WBSEB). WBSEDCL is dedicated towards the distribution business while the power generation business is carried by West Bengal Power Development Corporation Limited (WBPDC) and transmission activity vests with West Bengal State Electricity Transmission Company Limited (WBSETCL; rated CARE BBB+; Stable/CARE A2).

WBSEDCL has the power distribution licensee for nearly the entire state of West Bengal except for certain areas which are catered by the private distribution licensees. Besides power distribution, WBSEDCL also has hydel power generation capacity of 176.55 MW of erstwhile WBSEB and 50MW solar power plant.

As per WBERC's tariff order dated July 04, 2018 the average tariff for FY18 is Rs.6.89/unit (no change from Rs.6.89/unit for FY17). The company is charging MVCA of 23p/unit since July 2016. Tariff orders from FY19 onwards have not yet been received.

Brief Financials (Rs. Crore)	FY19 (A)	FY20 (A)	FY21 (U/A)
Total Operating Income	22737	25883	22938
PBILDT	2258	2378	2467
PAT	-45.22	589.76	-208.58
Overall gearing (times)	4.94	5.36	6.70
Interest coverage (times)	1.56	1.86	1.55

A: Audited; U/A: Unaudited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Complexity level of various instruments rated for this company: Annexure 3

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

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
Bonds-Secured Redeemable Bonds	INE411L07031	August 05, 2011	10.85%	04-Aug-2026	0.00	Withdrawn
Bonds-Secured Redeemable Bonds	INE411L07023	October 26, 2010	9.34%	25-Oct-2025	0.00	Withdrawn
Bonds-Secured Redeemable Bonds	INE411L07015	August 17, 2010	9.34%	16-Aug-2025	0.00	Withdrawn

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.	Bonds-Secured Redeemable Bonds	LT	-	-	-	1)CARE B; Stable (02-Mar-21)	1)CARE B; Stable (20-Mar-20) 2)CARE BBB-; Negative (16-Jul-19) 3)CARE BBB+; Negative (05-Apr-19)	1)CARE BBB+; Stable (07-Apr-18)
2.	Bonds-Secured Redeemable Bonds	LT	-	-	-	1)CARE B; Stable (02-Mar-21)	1)CARE B; Stable (20-Mar-20) 2)CARE BBB-; Negative (16-Jul-19) 3)CARE BBB+; Negative (05-Apr-19)	1)CARE BBB+; Stable (07-Apr-18)
3.	Bonds-Secured Redeemable Bonds	LT	-	-	-	1)CARE B; Stable (02-Mar-21)	1)CARE B; Stable (20-Mar-20) 2)CARE BBB-; Negative (16-Jul-19) 3)CARE BBB+; Negative (05-Apr-19)	1)CARE BBB+; Stable (07-Apr-18)
4.	Fund-based - LT-Cash Credit	LT	-	-	-	-	-	1)Withdrawn (20-Sep-18) 2)CARE BBB+; Stable; ISSUER NOT COOPERATING* (07-Apr-18)
5.	Non-fund-based - ST-BG/LC	ST	-	-	-	-	-	1)Withdrawn (20-Sep-18) 2)CARE A2; ISSUER NOT COOPERATING* (07-Apr-18)

Annexure 3: Complexity level of various instruments rated for this Company

Sr. No.	Name of the Instrument	Complexity Level
1.	Bonds-Secured Redeemable Bonds	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.

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About CARE Ratings:

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