

Energy Development Company Limited

February 09, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	4.00	CARE B-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable
Short Term Bank Facilities	7.00	CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated August 04, 2023, placed the rating(s) of Energy Development Company Limited (EDCL) under the 'issuer non-cooperating' category as EDCL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. EDCL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated February 05, 2024, February 06, 2024, February 07, 2024.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

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 assigned to the bank facilities of EDCL have been revised on account of non-availability of requisite information. The ratings also factored auditor's observation w.r.t Income tax assessment order as well demand notice issued to the company.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [August 04, 2023](#)

Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on Default Recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the company

EDCL was incorporated in 1995 and is engaged in power generation from renewable sources (hydro and wind), contract management in the construction sector (construction of bridges, roads, power plants, operation & maintenance of power plants etc.) and providing consultancy services in setting up hydro power plants (engineering, designing, project management services, etc).

The company currently operates with 15MW of hydro power plant in Harangi, Karnataka and 3MW of wind power plant in Hassan and Cshitradurga, Karnataka. Further, the company in its subsidiaries Ayyappa Hydro Power Ltd (AHPL) and EDCL Power Projects Ltd (EPPL) has operational hydro power capacity of 15 MW and 7 MW respectively in Kerala.

Brief Financials (Rs. crore)	March 31, 2022 (A)	March 31, 2023 (A)	9MFY24 (UA)
Total operating income	12.94	12.82	9.41
PBILDT	4.32	4.43	3.86
PAT	3.00	0.65	0.67
Overall gearing (times)	0.13	0.15	-
Interest coverage (times)	1.65	1.74	2.88

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	4.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	7.00	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Cash Credit	LT	4.00	CARE B-; Stable; ISSUER NOT COOPERATING*	1)CARE B+; Stable; ISSUER NOT COOPERATING* (04-Aug-23)	1)CARE B+; Stable (21-Jun-22)	1)CARE B+; Stable (04-Aug-21)	1)CARE B+; Stable (22-Sep-20)
2	Non-fund-based - ST-BG/LC	ST	7.00	CARE A4; ISSUER NOT COOPERATING*	1)CARE A4; ISSUER NOT COOPERATING* (04-Aug-23)	1)CARE A4 (21-Jun-22)	1)CARE A4 (04-Aug-21)	1)CARE A4 (22-Sep-20)

*Issuer did not cooperate; Based on best available information

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

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

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

Contact us

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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

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