

IMP Powers Limited

May 30, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	284.76	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	98.30	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	383.06 (Rs. Three Hundred Eighty-Three Crore and Six Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated April 06, 2021, placed the rating(s) of IMP Powers Limited (IPL) under the 'issuer non-cooperating' category as IMP Powers Limited had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. IPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, dated May 13, 2022, May 23, 2022 and May 24, 2022. 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 consider numerous instances of delays in debt servicing due to poor liquidity position.

Detailed description of the key rating drivers Key Rating Weaknesses

Key Rating Weaknesses

On-going delay in debt servicing

As per the interaction with the banker there are on -going delays in debt servicing and the account is classified as NPA due to stretched liquidity.

Liquidity: Poor

IPL has poor liquidity position denoted by continued delay in repayment, elongated operating cycle and negative gross cash accruals.

Analytical approach: Standalone

Applicable Criteria

[Policy on default recognition](#)

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Outlook to Credit Ratings](#)

[Criteria for short term instruments](#)

[Rating Methodology - Manufacturing Companies](#)

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

About the Company

Incorporated in 1961 and promoted by Mr. Ramnivas R. Dhoot, IMP Powers Ltd. (IPL) is engaged in the manufacturing of an entire range of transformers. The company has its manufacturing facility at Silvassa, for manufacturing of transformers ranging from 1 MVA to 315 MVA, up to 400 kV Class with an installed capacity of 16,000 MVA (Mega Volt-Ampere) as on March 31, 2020. IPL incorporated a subsidiary company 'IMP Energy Limited' (IEL) in August 2012. IEL is engaged in complete EPC work of small hydro power (SHP) business. The Company sets up small hydro power plants of up to 5 MW capacity and does the entire EPC work.

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

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22(UA)
Total operating income	264.55	94.22	49.30
PBILDT	14.59	-16.66	-35.04
PAT	-14.24	-72.17	-28.47
Overall gearing (times)	1.68	9.36	NA
Interest coverage (times)	0.47	-0.43	NA

A: Audited; UA: Unaudited

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

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 for this company: Annexure 4

Annexure-1: Details of Instruments / 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
Term Loan-Long Term		-	-	March, 2023	34.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	58.30	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	103.64	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT-Bank Guarantee		-	-	-	147.12	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	40.00	CARE D; ISSUER NOT COOPERATING*

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 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
1	Term Loan-Long Term	LT	34.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (06-Apr-21)	1)CARE D (28-Aug-20) 2)CARE D; ISSUER NOT COOPERATING * (03-Apr-20)	1)CARE D (19-Feb-20) 2)CARE BB+; Stable (27-Aug-19)
2	Non-fund-based - ST-Letter of credit	ST	58.30	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (06-Apr-21)	1)CARE D (28-Aug-20) 2)CARE D; ISSUER NOT COOPERATING * (03-Apr-20)	1)CARE D (19-Feb-20) 2)CARE A4+ (27-Aug-19)
3	Fund-based - LT-Cash Credit	LT	103.64	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (06-Apr-21)	1)CARE D (28-Aug-20) 2)CARE D; ISSUER NOT COOPERATING * (03-Apr-20)	1)CARE D (19-Feb-20) 2)CARE BB+; Stable (27-Aug-19)
4	Non-fund-based - LT-Bank Guarantee	LT	147.12	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (06-Apr-21)	1)CARE D (28-Aug-20) 2)CARE D; ISSUER NOT COOPERATING * (03-Apr-20)	1)CARE D (19-Feb-20) 2)CARE BB+; Stable (27-Aug-19)
5	Non-fund-based - ST-Letter of credit	ST	40.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (06-Apr-21)	1)CARE D (28-Aug-20) 2)CARE D; ISSUER NOT COOPERATING * (03-Apr-20)	1)CARE D (19-Feb-20) 2)CARE A4+ (27-Aug-19)

* Long Term / Short Term

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 instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT-Bank Guarantee	Simple
3	Non-fund-based - ST-Letter of credit	Simple
4	Term Loan-Long Term	Simple

Annexure 5: Bank Lender Details for this Company

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

Note on complexity levels of the rated instrument: CARE Ratings Ltd. 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.

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About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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