

IMP Powers Limited

February 19, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	374.53	CARE D (Single D)	Revised from CARE BB+; Stable (Double B Plus; Outlook: Stable)
Short term Bank Facilities	130.00	CARE D (Single D)	Revised from CARE A4+ (A Four Plus)
Total Facilities	504.53 (Rs. Five hundred Four crore and Fifty Three lakh only)		

Details of facilities in Annexure-1
Detailed Rationale & Key Rating Drivers

The revision in the ratings assigned to the bank facilities of IMP Powers Limited (IPL) takes into account ongoing delays in servicing of debt obligations due to stretched liquidity position.

Detailed description of the key rating drivers
Key Rating Weakness
Delays in debt servicing:

CARE as part of its due diligence exercise interacts with various stakeholders of the Company including lenders of the Company and as part of this exercise, has ascertained that there are delays in debt servicing by the company.

Analytical approach: Standalone

Applicable Criteria
[CARE's Policy on Default Recognition](#)
About the Company

Incorporated in 1961 and promoted by Mr. Ramnivas R. Dhoot, 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, 2019 (P.Y: 15,000 MVA). 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 upto 5 MW capacity and does the entire EPC work.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	446.56	414.26
PBILDT	41.17	37.72
PAT	5.46	1.96
Overall gearing (times)*	1.68	1.93
Interest coverage (times)	1.53	1.33

A: Audited
**including corporate guarantee given to loans of Rs. 22 crore of IMP Energy Private Limited*
#classified as per CARE standards
Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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

Annexure-1: Details of Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Term Loan-Long Term	-	-	Mar 2023	34.00	CARE D
Non-fund-based - ST-Letter of credit	-	-	-	90.00	CARE D
Fund-based - LT-Cash Credit	-	-	-	88.66	CARE D
Non-fund-based - LT-Bank Guarantees	-	-	-	251.87	CARE D
Non-fund-based - ST-Letter of credit	-	-	-	40.00	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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Term Loan-Long Term	LT	34.00	CARE D	1)CARE BB+; Stable (27-Aug-19)	1)CARE BBB-; Stable (08-Oct-18) 2)CARE BBB-; Stable (31-Aug-18)	1)CARE BB+; Stable (06-Mar-18)	1)CARE BBB- (07-Dec-16) 2)CARE BBB- (12-Apr-16)
2.	Non-fund-based - ST-Letter of credit	ST	90.00	CARE D	1)CARE A4+ (27-Aug-19)	1)CARE A3 (08-Oct-18) 2)CARE A3 (31-Aug-18)	1)CARE A4+ (06-Mar-18)	1)CARE A3 (07-Dec-16) 2)CARE A3 (12-Apr-16)
3.	Fund-based - LT-Cash Credit	LT	88.66	CARE D	1)CARE BB+; Stable (27-Aug-19)	1)CARE BBB-; Stable (08-Oct-18) 2)CARE BBB-; Stable (31-Aug-18)	1)CARE BB+; Stable (06-Mar-18)	1)CARE BBB- (07-Dec-16) 2)CARE BBB- (12-Apr-16)
4.	Non-fund-based - LT-Bank Guarantees	LT	251.87	CARE D	1)CARE BB+; Stable (27-Aug-19)	1)CARE BBB-; Stable (08-Oct-18) 2)CARE BBB-; Stable (31-Aug-18)	1)CARE BB+; Stable (06-Mar-18)	1)CARE BBB- (07-Dec-16) 2)CARE BBB- (12-Apr-16)
5.	Non-fund-based - ST-Letter of credit	ST	40.00	CARE D	1)CARE A4+ (27-Aug-19)	1)CARE A3 (08-Oct-18) 2)CARE A3 (31-Aug-18)	1)CARE A4+ (06-Mar-18)	1)CARE A3 (07-Dec-16) 2)CARE A3 (12-Apr-16)

Annexure-3: Detailed explanation of covenants of the rated facilities - NA

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:

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

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