

KSK Energy Ventures Limited

September 08, 2020

Ratings:

Facilities / Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	100.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Long Term / Short Term Bank Facilities	500.00	CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Short Term Bank Facilities	230.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Total Facilities	830.00 (Rs. Eight Hundred Thirty Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers:

CARE had, vide its press release dated July 02, 2019, placed the rating(s) of KSK Energy Ventures Limited (KEVL) under the 'issuer non-cooperating' category as KEVL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. KEVL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 30, 2020, July 31, 2020, August 31, 2020 & September 02, 2020. 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.

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 company takes into account the stretched liquidity position of the company and admission of the same in to NCLT.

Detailed description of the key rating drivers

On account non-cooperation of the company the information presented in the press release is dated. Further, at the time of last rating on July 02, 2019 the following were the rating strengths and weaknesses:

(Updated information taken from Bombay Stock Exchange (BSE) as the company is listed)

Key Rating Weaknesses

Subdued operational & financial performance of power generating units of the KSK group, resulting in stretched liquidity position: KEVL is the holding company for all the power SPVs of the KSK group and hence the financial performance of KEVL is mainly dependent on the performance of major power generating units of its SPVs. During FY19, the majority of operational SPVs have been facing operational issues due to low PLF level & absence of PPA. Also, KEVL has lost control of few SPVs due to orders admitted by National Company Law Tribunal (NCLT).

Key Rating Strengths

KSK group, promoted by Mr. K. A. Sastry and Mr S. Kishore, has been engaged in the business of power generation for more than two decades and has set up a large number of renewable and non-renewable power projects across India. The promoters have been actively involved in the day-to-day business with Mr. Sastry heading the operations and execution divisions and Mr Kishore taking care of the business development and capital formation segment of the group. The promoters have been infusing funds continuously to support the business operation

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

*Issuer did not cooperate; Based on best available information

Analytical approach: Standalone.

Applicable Criteria:

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

[CARE's Policy on Default Recognition](#)

[Rating Methodology - Infrastructure Sector Ratings](#)

[Rating Methodology - Private Power Producers](#)

[Criteria for short term instruments](#)

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

About the Company

Incorporated in 2001, KSK Energy Ventures Limited (KEVL) is engaged in developing, operating and maintaining power projects. KEVL is the holding company of power projects being developed by the KSK group under KSK Electricity Financing India Private Limited (KEFIPL). The company also provides project management services to various group Special Purpose Vehicles (SPVs)/companies setting up power plants.

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

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	5.11	0.00
PBILDT	1.94	-2.97
PAT	-731.95	-2818.27
Overall gearing (times)	0.55	4.09
Interest coverage (times)	0.83	NM

A: Audited; NM: Not Meaningful

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	100.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-BG/LC	-	-	-	300.00	CARE D / CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-Bank Guarantees	-	-	-	200.00	CARE D / CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC	-	-	-	100.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantees	-	-	-	130.00	CARE D; 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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	100.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (02-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (26-Mar-18)
2.	Non-fund-based - LT/ ST-BG/LC	LT/ST	300.00	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (02-Jul-19)	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (26-Mar-18)
3.	Non-fund-based - LT/ ST-Bank Guarantees	LT/ST	200.00	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (02-Jul-19)	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (26-Mar-18)
4.	Non-fund-based - ST-BG/LC	ST	100.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (02-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (26-Mar-18)
5.	Non-fund-based - ST-Bank Guarantees	ST	130.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (02-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (26-Mar-18)

*Issuer did not cooperate; Based on best available information

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

Annexure-4: Complexity level of various instruments rated for this company/firm

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Non-fund-based - LT/ ST-Bank Guarantees	Simple
3.	Non-fund-based - LT/ ST-BG/LC	Simple
4.	Non-fund-based - ST-Bank Guarantees	Simple
5.	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. 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.

Contact us

Media Contact

Mr. Mradul Mishra

Contact no. – +91-22-6837 4424

Email ID – mradul.mishra@careratings.com

Analyst Contact

Group Head Name – Mr. Prasanna Krishnan

Group Head Contact no.- 040-67937421

Group Head Email ID- prasanna.krishnan@careratings.com

Relationship Contact

Name: Mr. Ramesh Bob

Contact no. : 9052000521

Email ID: ramesh.bob@careratings.com

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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