Kalpataru Power Transmission Limited

November 30, 2018

Rating

Instruments	Amount (Rs. crore)	Rating	Rating Action
Non-Convertible Debenture Issue – IV and V	-	-	**Withdrawn**

Details of instruments in Annexure-1

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

CARE has withdrawn the outstanding rating of 'CARE AA; Stable' [Double A; Outlook: Stable] assigned to the outstanding NCD issue IV and V of KPTL with immediate effect on receipt of no-due certificate issued by the investors and confirmation of full redemption by the debenture trustee of the said NCD issues.

Analytical approach: Not Applicable

Applicable Criteria

CARE's Policy on Withdrawal of Ratings

About the Company

Promoted by Mr. Mofatraj Munot in 1981, Kalpataru Power Transmission Ltd. (KPTL; CIN: L40100GJ1981PLC004281) is one of the top three players in the domestic TDI sector. Presently, it operates in TDI segment, infrastructure segment (which includes laying oil and gas pipelines and railway construction) while the balance was contributed by others including power generation through bio-mass. KPTL's manufacturing facilities for transmission tower structures are situated at Gandhinagar in Gujarat and Raipur in Chhattisgarh with a combined installed capacity of 180,000 metric tonne per annum (MTPA) as on March 31, 2018. In addition to its TDI business, KPTL has also diversified inorganically by acquiring majority stake in JMC Projects (India) Ltd. (JMC – 67% equity holding of KPTL as on September 30, 2018; rated CARE A+; Stable/CARE A1+) engaged in diversified construction activities and Shree Shubham Logistics Ltd. (SSLL – 72% equity holding as on September 30, 2018; rated CARE BBB; Stable/CARE A3) engaged in agri-warehousing and allied activities. Further, to support the operations of SSLL, the company has diversified into funding of commodity and non-commodity working capital through acquisition of Punarvasu Financial Services Pvt. Ltd. (PFSPL; 100% stake through SSLL), a non-banking financial company, in Q3FY15.

In addition to the above, KPTL has also ventured into asset ownership in power transmission sector through its SPVs, Jhajjar KT Transco Pvt. Ltd. (JKTPL; rated CARE A-; Stable), Kalpataru Satpura Transco Pvt. Ltd. (KSTPL), Alipurduar Transmission Ltd. (ATL; rated CARE A-; Stable) and Kohima Mariani Transmission Ltd. (KMTL; rated CARE A-; Stable) and in road sector through JMC's four SPVs. Further, KPTL has invested in real estate projects through its wholly-owned subsidiaries, Energylink (India) Ltd. (EIL) and Amber Real Estate Ltd. (AREL).

Brief Financials (Rs. crore) – Standalone	FY17 (A)	FY18 (A)
Total operating income	4,943	5,789
PBILDT	658	763
PAT	269	322
Overall gearing (times)	0.28	0.28
Interest coverage (times)	3.83	4.09

A – Audited

As per the provisional results published for H1FY19, KPTL reported a total operating income of Rs.2,899 crore with PAT of Rs.172 crore as against a total operating income of Rs.2,430 crore with PAT of Rs.142 crore during H1FY18.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating History (Last three years): Please refer Annexure-2

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.*

Analyst Contact
Name: Mr. Naresh M. Golani
Tel: 079-40265618
Mobile: +91-9825139613
Email: naresh.golani@careratings.com

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CARE Ratings commenced operations in April 1993 and over nearly 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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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments

Name of the Instrument/Bank Facilities	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-Convertible Debentures (NCD – IV)	INE220B08019	-	-	-	-	Withdrawn
Non-Convertible Debentures (NCD – V)	INE220B08027	-	-	-	-	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 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Debentures-Non Convertible Debentures (NCD – I and II)	LT	-	-	-	Withdrawn	1)Withdrawn (23-Jan-17)	1)CARE AA (16-Dec-15)
2.	Commercial Paper-Commercial Paper (Carved out)	ST	250.00	CARE A1+	-	1)CARE A1+ (07-Sep-17)	1)CARE A1+ (23-Jan-17)	1)CARE A1+ (16-Dec-15)
3.	Fund-based-Long Term	LT	775.00	CARE AA; Stable	-	1)CARE AA; Stable (07-Sep-17)	1)CARE AA; Stable (23-Jan-17)	1)CARE AA (16-Dec-15)
4.	Non-fund-based-LT/ST	LT/ST	8,500.00	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (07-Sep-17)	1)CARE AA; Stable / CARE A1+ (23-Jan-17)	1)CARE AA / CARE A1+ (16-Dec-15)
5.	Fund-based/Non-fund-based-LT/ST	LT/ST	364.85	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (07-Sep-17)	1)CARE AA; Stable / CARE A1+ (23-Jan-17)	1)CARE AA / CARE A1+ (16-Dec-15)
6.	Commercial Paper-Commercial Paper (Standalone)	ST	50.00	CARE A1+	-	1)CARE A1+ (07-Sep-17)	1)CARE A1+ (23-Jan-17)	1)CARE A1+ (16-Dec-15)
7.	Debentures-Non Convertible Debentures (NCD – IV and V)	LT	-	Withdrawn	-	1)CARE AA; Stable (07-Sep-17)	1)CARE AA; Stable (23-Jan-17)	1)CARE AA (16-Dec-15)
8.	Term Loan-Long Term	LT	137.50	CARE AA; Stable	-	1)CARE AA; Stable (07-Sep-17)	1)CARE AA; Stable (23-Jan-17)	1)CARE AA (16-Dec-15)
9.	Debentures-Non Convertible Debentures (NCD – VI)	LT	100.00	CARE AA; Stable	-	1)CARE AA; Stable (07-Sep-17)	1)CARE AA; Stable (23-Jan-17)	-
10.	Debentures-Non Convertible Debentures(NCD – VII)	LT	100.00	CARE AA; Stable	-	1)CARE AA; Stable (07-Sep-17)	-	-
11.	Debentures-Non Convertible Debentures (NCD – VIII and IX)	LT	200.00	CARE AA; Stable	-	1)CARE AA; Stable (07-Sep-17)	-	-

CONTACT

Head Office Mumbai

Ms. Meenal Sikchi
Cell: + 91 98190 09839
E-mail: meenal.sikchi@careratings.com

Mr. Ankur Sachdeva
Cell: + 91 98196 98985
E-mail: ankur.sachdeva@careratings.com

Ms. Rashmi Narvankar
Cell: + 91 99675 70636
E-mail: rashmi.narvankar@careratings.com

Mr. Saikat Roy
Cell: + 91 98209 98779
E-mail: saikat.roy@careratings.com

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Ltd.)

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD
Mr. Deepak Prajapati
32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015
Cell: +91-9099028864
Tel: +91-79-4026 5656
E-mail: deepak.prajapati@careratings.com

BENGALURU
Mr. V Pradeep Kumar
Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.
Cell: +91 98407 54521
Tel: +91-80-4115 0445, 4165 4529
Email: pradeep.kumar@careratings.com

CHANDIGARH
Mr. Anand Jha
SCF No. 54-55,
First Floor, Phase 11,
Sector 65, Mohali - 160062
Chandigarh
Cell: +91 85111-53511/99251-42264
Tel: +91- 0172-490-4000/01
Email: anand.jha@careratings.com

CHENNAI
Mr. V Pradeep Kumar
Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.
Cell: +91 98407 54521
Tel: +91-44-2849 7812 / 0811
Email: pradeep.kumar@careratings.com

COIMBATORE
Mr. V Pradeep Kumar
T-3, 3rd Floor, Manchester Square
Puliakulam Road, Coimbatore - 641 037.
Tel: +91-422-4332399 / 4502399
Email: pradeep.kumar@careratings.com

HYDERABAD
Mr. Ramesh Bob
401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.
Cell : + 91 90520 00521
Tel: +91-40-4010 2030
E-mail: ramesh.bob@careratings.com

JAIPUR
Mr. Nikhil Soni
304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.
Cell: +91 – 95490 33222
Tel: +91-141-402 0213 / 14
E-mail: nikhil.soni@careratings.com

KOLKATA
Ms. Priti Agarwal
3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.
Cell: +91-98319 67110
Tel: +91-33- 4018 1600
E-mail: priti.agarwal@careratings.com

NEW DELHI
Ms. Swati Agrawal
13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.
Cell: +91-98117 45677
Tel: +91-11-4533 3200
E-mail: swati.agrawal@careratings.com

PUNE
Mr.Pratim Banerjee
9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.
Cell: +91-98361 07331
Tel: +91-20- 4000 9000
E-mail: pratim.banerjee@careratings.com

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