

IMP Powers Limited

April 06, 2021

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*)	Issuer not cooperating; Based on best available information
Short term Bank Facilities	98.30		
Total	383.06 (Rs. Three hundred Eighty-three crore and Six lakh only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

IMP Powers Limited (IMP) has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE's rating on IMP's bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

The ratings take into account numerous instances of delays in debt servicing due to stretched liquidity position.

Detailed description of the key rating drivers

At the time of last rating on August 28, 2020 the following were the rating weaknesses:

Key Rating Weaknesses

Instances of delays in debt servicing, more than 100% utilisation of fund-based limits and numerous instances of LC devolvement for more than 30 days due to its stretched liquidity position. The company has term debt obligations against negative gross cash accruals. The company's interest coverage ratio stood at 0.54x for FY20. The company's operating cycle remains stretched at 215 days in FY20 owing to higher inventory period.

Analytical approach: Standalone

Applicable Criteria

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

[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)	FY19 (A)	FY20 (A)
Total operating income	414.25	266.67
PBILDT	37.77	16.69
PAT	1.97	-14.25
Overall gearing (times)	1.92	2.64
Interest coverage (times)	1.33	0.54

A: Audited

²Complete 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

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 facility: Detailed explanation of covenants of the rated facilities is given in Annexure-3

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

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	-	-	FY23	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 Guarantees	-	-	-	147.12	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit	-	-	-	40.00	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 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Term Loan-Long Term	LT	34.00	CARE D; ISSUER NOT COOPERATING*	-	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)	1)CARE BBB-; Stable (08-Oct-18) 2)CARE BBB-; Stable (31-Aug-18)
2.	Non-fund-based - ST-Letter of credit	ST	58.30	CARE D; ISSUER NOT COOPERATING*	-	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)	1)CARE A3 (08-Oct-18) 2)CARE A3 (31-Aug-18)
3.	Fund-based - LT-Cash Credit	LT	103.64	CARE D; ISSUER NOT COOPERATING*	-	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)	1)CARE BBB-; Stable (08-Oct-18) 2)CARE BBB-; Stable

								(31-Aug-18)
4.	Non-fund-based - LT-Bank Guarantees	LT	147.12	CARE D; ISSUER NOT COOPERATING*	-	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)	1)CARE BBB-; Stable (08-Oct-18) 2)CARE BBB-; Stable (31-Aug-18)
5.	Non-fund-based - ST-Letter of credit	ST	40.00	CARE D; ISSUER NOT COOPERATING*	-	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)	1)CARE A3 (08-Oct-18) 2)CARE A3 (31-Aug-18)

*Issuer did not cooperate; Based on best available information

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

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

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Non-fund-based - LT-Bank Guarantees	Simple
3.	Non-fund-based - ST-Letter of credit	Simple
4.	Term Loan-Long Term	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. 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.

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