



Rating Rationale

Diamond Power Infrastructure Limited

26 June 2019

Brickwork Ratings has reaffirmed the rating of Bank Loan Facilities and NCDs of Diamond Power Infrastructure Ltd. (DIPL or “the Company”) based on the best available information as the Company did not cooperate.

Particular

Facility	Previous Limits (In Crs)	Present Limits (In Crs)	Tenure	Previous Rating	Rating Based on current review
Fund Based					
Bank Loans	2189.13	2189.13	Long Term	BWR D (Pronounced BWR D)	BWR D (Pronounced BWR D) Issuer Not Cooperating
NCDs	105.97	105.97			
Non-Fund Based					
Bank Loans	563.81	563.81	Short Term	BWR D (Pronounced BWR D) Issuer Not Cooperating	BWR D (Pronounced BWR) Issuer Not Cooperating
Total Bank Loan	Rs. 2858.91 (INR Two Thousand Eight Hundred Fifty Eight Crore and Ninety One Lakhs Only)				

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings



Nature of Non-co-operation:

The rating of the Company was due for review in June 2019. BWR took up with the issuer to provide required information for review of ratings. Despite the best efforts of BWR to get at least the required information for review, the entity has not provided the same. In absence of adequate information, BWR is unable to assess the Issuer's / Company's performance and its ability to service its debt and maintain a valid rating.

Limitations of the Rating:

Information availability risk is the key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

About the Company

Diamond Power and Infrastructure Limited (DPIL), Vadodara was an integrated solution provider in power T&D space in India. The company had presence across the value chain in T&D space with offerings like conductors, cables (LT, MVC, HT & EHV), transmission towers and EPC services. It had one manufacturing unit located in Vadodara. The company had more than 100 distributors located across 16 Indian states. It sold its products under "DIACABS" brand.

In 2010-11, the company underwent an expansion and ventured towards an integrated product portfolio. The expansion got delayed due to land acquisition and various other factors. The adverse economic scenario of the country and more particularly in the power sector, coupled with delay in the expansion project led to serious financial dent in the company. The lenders in the year 2015, had approved financial restructuring package for revival of the company including completion of the project with cost overrun.

Post restructuring the company has not been able to fulfil the repayment obligations and performance has not been satisfactory. Considering the financial stress of the company, on 29 June 2016 the lenders invoked the Strategic Debt Restructuring (SDR), which inter alia includes conversion of debt into equity, under the extant RBI guidelines. The SDR process has failed and the lead banker BOI has moved to NCLT for the start of bankruptcy proceedings. On 8th Jun'2018, NCLT hearing is pending, whether to admit the case for the



start of bankruptcy proceedings. Honble NCLT, Ahmedabad Bench, vide order no. 137/7/NCLT/AHM/2018 dated 24.08.2018 has initiated Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor Diamond Power Infrastructure Limited.

Company’s Financial Performance as the information available:

The company has not published any financials after December 2017.

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2019)			Rating History		
		Type (Long Term/Short Term)	Amt (Rs Crs)	Rating	June 2018	May 2017	April 2016
1.	Fund Based – Bank Loans	Long Term	2189.13	D Issuer Non Cooperation	D Issuer Non Cooperation	D Issuer Non Cooperation	BB- (Negative)
2.	NCD	Long Term	105.97	D Issuer Non Cooperation			BB- (Negative)
3.	Non-Fund Based Bank Loans	Long Term	563.81	D Issuer Non Cooperation			A4
	Total		2858.91 (Two Thousand Eight Hundred Fifty Eight Crore and Ninety One Lakhs Only)				

* Issuer did not cooperate; Based on best available information

Status of non-cooperation with previous CRA: Not Applicable.

Any other information : NA

Hyperlink/Reference to applicable Criteria / Policies



- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Banks and Financial Institutions](#)
- [What Constitutes Non-cooperation](#)

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.



DISCLAIMER

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