

**Diamond Power Infrastructure Limited**

**Brickwork Ratings reaffirms the ratings for the bank loan facilities of Rs. 2752.94 Crs and Non-Convertible Debenture having outstanding of Rs. 105.97 Crs of Diamond Power Infrastructure Limited, based on the best available information, as the issuer did not cooperate**

**Particulars:**

| Facility/<br>Instruments <sup>^</sup> | Amount(Rs. Crs.) |                | Tenure   | Rating#  |   |
|---------------------------------------|------------------|----------------|--|--|---|
|                                       | Previous         | Present        |  | Previous<br>(31 July 2023)   | Present   |
| Fund Based                            |                  |                |  |  |   |
| Bank Loans                            | 2189.13          | <b>2189.13</b> | Long Term  | BWR D<br>Continues to be in<br>ISSUER NOT<br>COOPERATING*<br>category/Reaffirmed | <b>BWR D<br/>Continues to be in<br/>ISSUER NOT<br/>COOPERATING*<br/>category/Reaffirmed</b> |
| NCDs<br>(Unlisted)**                  | 105.97           | <b>105.97</b>  |  |  |   |
| Non Fund Based                        |                  |                |  |  |   |
| Bank Loans                            | 563.81           | <b>563.81</b>  | Short Term   | BWR D<br>Continues to be in<br>ISSUER NOT<br>COOPERATING*<br>category/Reaffirmed | <b>BWR D<br/>Continues to be in<br/>ISSUER NOT<br/>COOPERATING*<br/>category/Reaffirmed</b> |
| <b>Total</b>                          | 2858.91          | <b>2858.91</b> | <b>INR Two Thousand Eight Hundred Fifty Eight Crores<br/>and Ninety One Lakhs Only</b> |  |   |

#Please refer to BWR website [www.brickworkratings.com](http://www.brickworkratings.com) for a definition of the ratings assigned

<sup>^</sup>Bank Loan facility and Instrument details are furnished in Annexure-I

\*Issuer did not cooperate; based on best available information.

\*\*NCDs were subscribed by existing bankers as FITL was converted to NCDs. As such, there are no ISINs for the rated NCDs available. Date of Issue, Date of Maturity, Coupon Details were also not available since the beginning.

**RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION**

Brickwork Ratings (BWR) has consistently taken up with Diamond Power Infrastructure Limited ('DPIL' or 'the company') through emails and telephone calls to provide the requisite information for the review of the ratings. Despite the best efforts of BWR to get at least the minimum required information for a review, the company continues to be non-cooperative. Due to the continued lack of management cooperation and in the absence of adequate information from the company, BWR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating.



Hence, based on best available information, continued lack of management cooperation and in terms of extant regulatory requirements, BWR has reaffirmed the BLR and NCD ratings at BWR D and continued in the ISSUER NOT COOPERATING\* category.

\*Issuer did not cooperate; based on best available information.

### LIMITATIONS OF THE RATING

Information availability risk is a 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. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

### ABOUT THE ENTITY

| Macro Economic Indicator | Sector | Industry | Basic Industry       |
|--------------------------|--------|----------|----------------------|
| Utilities                | Power  | Power    | Power - Transmission |

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 the “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 in the power sector, coupled with delay in the expansion project led to serious financial dent in the company. The lenders had approved a 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 fulfill the repayment obligations and performance has not been satisfactory. The lead banker BOI has moved to NCLT for the start of bankruptcy proceedings. Hon'ble NCLT, Ahmedabad Bench has initiated Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor Diamond Power Infrastructure Limited.

On 5th February 2022, Committee of Creditors of Diamond Power Infrastructure Limited vide e-voting ending on 5th February, 2022, resolved to approve the Resolution Plan submitted by GSEC Limited in consortium with Shri Rakesh Shah with 89.46% voting majority. The Resolution Professional had filed an application seeking for approval of the Resolution Plan as approved by the COC before the Hon'ble National Company Law Tribunal, Ahmedabad Bench.

As per publicly available information, on 22nd June 2022, Hon'ble National Company Law Tribunal, Ahmedabad Bench approved the resolution plan. The Resolution Applicant – M/S. GSEC Ltd. In consortium with Mr. Rakesh Shah has proposed to pay a sum of Rs.501 Cr against



the total admitted claim of Rs. 3308.88 Cr. The period of implementation of the Resolution Plan is 60 months from the date of order of approving the plan.

#### **Updates: As per the Information Available in Public Domain**

On September 17, 2022, M/S GSEC Limited in consortium with Mr. Rakesh R Shah has taken over charge of the company and has reconstituted the Board of Directors of the company ('Board') and new management ('New Management') was put in place to implement the Resolution Plan as approved by the NCLT vide order dated June 20, 2022. In compliance with the approved resolution plan,

1. New management has infused Rs. 50 Crs as equity share capital. The equity shares are allotted to respective shareholders, and the company has filed applications to stock exchanges BSE and NSE for approval. The approval of authority is pending as on date.
2. The company has paid an upfront amount of Rs. 72.30 Cr. to the secured financial creditors.
3. The company has to pay Rs. 1900 Crs at the end of 30 years to secured financial creditors. Accordingly the company has issued an unsecured bond with maturity amount of Rs. 1900 Crs. at coupon rate 0.001 % per annum and necessary accounting entries were passed in given FS. These bonds are repurchased by Gomex Aviation Pvt. ltd. (SPV of RA) from respective banks through repurchase agreements. In compliance with Ind AS109, the company has to discount the bond at present NPV of Rs. 25.67 Crs and necessary accounting effect to be given in books accordingly.
4. The company has accounted term borrowing liabilities of Rs. 367.41 Crs. (after payment of 2nd Installment of Rs. 29.70 Cr) payable to secured financial creditors within a total period of 5 years.

The new board has appointed Naresh & Co. as their Statutory Auditors. The Statutory Auditors have not expressed any adverse comments on the audited FY24 and Q1FY25 financial statements of the Company..

#### **KEY FINANCIAL INDICATORS**

Please refer to the following link for the previous detailed rationale that captures the Key Financials Drivers and their Description, Liquidity Position. Rating Sensitivities, Key Financial Indicators. [View Previous Document](#)

#### **NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY:**

There is no Non Cooperation with other CRAs.

**RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)**

| S.No                  | Instrument | Current Rating (2024) |                  |   | Chronology of Rating History for the past 3 years |  |               |   |               |   |
|-----------------------|------------|-----------------------|------------------|---|---|--|---------------|---|---------------|---|
|                       |            | Type (LT/ST)          | Amount (Rs. Crs) | Rating  | Date  | 2023   | Date          | 2022  | Date          | 2021  |
| <b>Fund Based</b>     |            |                       |                  |   |   |  |               |   |               |   |
| 1                     | BLR        | LT                    | 2189.13          | BWR D<br>Continues to be in ISSUER NOT COOPERATING<br>* category /Reaffirmed      | (31 Jul 2023)                                     | BWR D<br>Continues to be in ISSUER NOT COOPERATING<br>* category /Reaffirmed | (06 Jul 2022) | BWR D<br>ISSUER NOT COOPERATING*<br>(Reaffirmation) | (01 Jul 2021) | BWR D<br>ISSUER NOT COOPERATING*<br>(Reaffirmation) |
| 2                     | NCD        | LT                    | 105.97           | BWR D<br>Continues to be in ISSUER NOT COOPERATING<br>* category /Reaffirmed      | (31 Jul 2023)                                     | BWR D<br>Continues to be in ISSUER NOT COOPERATING<br>* category /Reaffirmed | (06 Jul 2022) | BWR D<br>ISSUER NOT COOPERATING*<br>(Reaffirmation) | (01 Jul 2021) | BWR D<br>ISSUER NOT COOPERATING*<br>(Reaffirmation) |
| <b>Non Fund Based</b> |            |                       |                  |   |   |  |               |   |               |   |
| 3                     | BLR        | ST                    | 563.81           | BWR D<br>Continues to be in ISSUER NOT COOPERATING<br>* category /Reaffirmed      | (31 Jul 2023)                                     | BWR D<br>Continues to be in ISSUER NOT COOPERATING<br>* category /Reaffirmed | (06 Jul 2022) | BWR D<br>ISSUER NOT COOPERATING*<br>(Reaffirmation) | (01 Jul 2021) | BWR D<br>ISSUER NOT COOPERATING*<br>(Reaffirmation) |
| <b>Total</b>          |            |                       | <b>2858.91</b>   | <b>INR Two Thousand Eight Hundred Fifty Eight Crore and Ninety One Lakhs Only</b> |   |  |               |   |               |   |

**COMPLEXITY LEVELS OF THE INSTRUMENTS - Simple**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com / download / ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf). Investors' queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Default Recognition and Post Default Curing Period](#)
- [Power Transmission Projects](#)
- [Policy on Issuer Non-Cooperation](#)

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## Diamond Power Infrastructure Limited

### ANNEXURE I

#### Details of Bank Loan Facilities rated by BWR

| Name of The Lender                               | Term Loan     |               |                  |               |               |                                   |                  |                   |              |              | Working Capital |               | Total           |
|--|---------------|---------------|------------------|---------------|---------------|-----------------------------------|------------------|-------------------|--------------|--------------|-----------------|---------------|-----------------|
|  | Existing      |               | Additional Loans |               |               | FITL                              |                  |                   |              |              | WC - FB         | WC - NFB      |                 |
|  | TL            | TL-ECB        | Undisbursed TL   | Addition 1 TL | Corporate RTL | WCTL - I / (LC Devolved Postcode) | FITL-I (WCTL -I) | FITL-I (WCTL -II) | FITL-I (TL)  | FITL-II      |                 |               |                 |
| Indian Bank (Erstwhile Allahabad Bank)           | -             | -             | -                | -             | -             | 49.46                             | 7.25             | -                 | -            | -            | 108.13          | 123.37        | 288.21          |
| Axis Bank  | 8.08          | 59.70         | -                | 31.33         | 13.56         | 31.82                             | 4.67             | -                 | -            | 3.27         | 54.07           | 81.92         | 288.42          |
| Bank of Baroda                                   | 46.89         | -             | 3.11             | 21.69         | -             | 79.80                             | 11.70            | -                 | -            | 3.93         | 221.16          | 183.14        | 571.42          |
| Bank of India                                    | 75.03         | 49.60         | 4.97             | 34.76         | 11.27         | 61.02                             | 8.95             | -                 | -            | 6.29         | 180.22          | 229.37        | 661.49          |
| Union Bank of India (Erstwhile Corporation Bank) | 64.24         | -             | 15.76            | 34.26         | -             | -                                 | -                | -                 | -            | 6.27         | -               | -             | 120.53          |
| ICICI Bank Limited                               | 85.23         | -             | -                | -             | -             | 70.11                             | 10.28            | -                 | 12.53        | -            | 24.03           | 107.85        | 310.03          |
| Indian Overseas Bank                             | -             | -             | -                | -             | -             | -                                 | -                | -                 | -            | -            | 48.30           | 26.51         | 74.81           |
| State Bank of India                              | 48.24         | -             | 1.76             | 22.71         | -             | 16.79                             | 2.46             | -                 | -            | 3.99         | 84.10           | 93.85         | 273.89          |
| IFCI Limited                                     | 50.00         | -             | -                | -             | -             | -                                 | -                | -                 | 7.35         | -            | -               | -             | 57.35           |
| EXIM Bank of India (EXIM)                        | 65.64         | -             | 4.36             | 31.25         | -             | -                                 | -                | -                 | -            | 5.55         | -               | -             | 106.80          |
| <b>Total</b>                                     | <b>443.35</b> | <b>109.30</b> | <b>29.96</b>     | <b>176.00</b> | <b>24.83</b>  | <b>309.00</b>                     | <b>45.32</b>     | <b>-</b>          | <b>19.88</b> | <b>29.30</b> | <b>720.00</b>   | <b>846.00</b> | <b>2,752.94</b> |

## ANNEXURE II

### Details of (NCDs) rated by BWR

| Instrument | Issue Date | Amount (Rs. Crs.) | Coupon Rate | Maturity Date | ISIN Particulars | Complexity of the instrument |
|------------|------------|-------------------|-------------|---------------|------------------|------------------------------|
| NCD        | NA         | 105.97            | NA          | NA            | NA               | Simple                       |

**Total (INR One Hundred Five Crores and Ninety Seven Lakhs Only)**

**Note:** NCDs were subscribed by existing bankers as FITL was converted to NCDs. As such, ISINs and other details are not available.

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