



## Rating Rationale

31 July 2023

### Diamond Power Infrastructure Limited

Brickwork Ratings Reaffirms the ratings for the Bank Loan facilities of Rs. 2752.94 Crs and NCDs of Rs. 105.97 Crs of Diamond Power Infrastructure Limited (DIPL or “theCompany”) based on the best available information, as the issuer did not cooperate.

#### Particulars

Facilities/ Instrument**	Previous (Rs. Cr)	Present (Rs. Cr)	Tenor	Previous Rating# (06 July 2022)	Present Rating#
<b>Fund Based</b>					
<b>Bank Loans</b>	2189.13	<b>2189.13</b>	<b>Long Term</b>	BWR D ISSUER NOT COOPERATING* (Reaffirmation)	<b>BWR D Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed</b>
<b>NCD (Unlisted)***</b>	105.97	<b>105.97</b>			
<b>Non Fund Based</b>					
<b>Bank Loans</b>	563.81	<b>563.81</b>	<b>Short Term</b>	BWR D ISSUER NOT COOPERATING* (Reaffirmation)	<b>BWR D Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed</b>
<b>Total</b>	2858.91	<b>2858.91</b>	<b>(Rupees Two Thousand Eight Hundred Fifty Eight Crore and Ninety One Lakhs Only)</b>		

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

\*Issuer did not Cooperate; Based on best available information

\*\*Details at Annexure I and Annexure II.

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

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

The ratings for bank loan facilities and NCDs of Diamond Power Infrastructure Limited were due for review in July 2023. BWR has been trying to seek information from the company so as to monitor its performance, but despite repeated requests by BWR, the company’s management has remained non - cooperative. The current rating action has been taken by BWR basis the best available information on the issuers’ performance. Despite the best efforts of BWR to get at least the minimum required information for a review, the company had not provided the same. Further, the company has not been submitting the monthly “No Default Statement” (NDS) regularly as required by regulatory guidelines. Due to the lack of management cooperation and



the absence of adequate information, BWR was unable to assess the Company's financial performance and its ability to service its debt and maintain a valid rating. Hence, based on the best available information, BWR has reaffirmed and continued the ratings in the ISSUER NOT COOPERATING\* category.

### **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 the 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 the information required for a review of the rating.

### **COMPANY'S PROFILE**

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 fulfil 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, have 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 approved resolution plan,

1. New management has infused Rs. 50 Crs as equity share capital. the equity shares are allotted to respective shareholders, company has filled application to stock exchanges BSE and NSE for approval. The approval of authority is pending as on date.
2. The company has paid 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 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, 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 total period of 5 years.

The new board has appointed A Yadav & Associates LLP as their Statutory Auditors. The Statutory Auditors have not expressed an opinion on the audited FY23 financial statements of the Company because the statutory auditors do not have nor been able to obtain sufficient appropriate recognizable audit evidence to provide a basis for an audit opinion on the FY23 financial statements.

**KEY FINANCIAL INDICATORS:**

Key Parameters <sup>1</sup>	Units	FY22(A)	FY23(A)
Total Operating Income	Rs. Crs	0.05	15.46
EBITDA	Rs. Crs	-2.78	-23.65
PAT	Rs. Crs	-25.40	-42.88
Tangible Net worth	Rs. Crs	-621.57	-979.89
Total Debt/Tangible Net worth	Times	-3.86	-0.37
Current Ratio	Times	5.90	3.36

<sup>1</sup>as per BWR calculations



**Non-Cooperation with Previous Credit Rating Agency If Any: NA**

**Rating History for the Previous Three Years [Including Withdrawal & Suspended]**

Sl. No.	Instrument/ Facility	Type	Amt (Rs Crs)	Current Rating	Rating History		
				2023	2022	2021	2020
<b>Fund Based</b>							
1	Bank Loans	Long Term	2189.13	BWR D Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	BWR D Issuer Not Cooperating* (Reaffirmation) (06 July)	BWR D Issuer Not Cooperating* (Reaffirmation) (01 July)	BWR D Issuer Not Cooperating* (Reaffirmation) (30 June)
2	NCD (Unlisted) **	Long Term	105.97				
<b>Non-Fund Based</b>							
3	Bank Loans	Short Term	563.81	BWR D Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	BWR D Issuer Not Cooperating* (Reaffirmation) (06 July)	BWR D Issuer Not Cooperating* (Reaffirmation) (06 July)	BWR D Issuer Not Cooperating* (Reaffirmation) (06 July)
	<b>Total</b>		<b>2858.91 (Rupees Two Thousand Eight Hundred Fifty Eight Crore and Ninety One Lakhs Only)</b>				

\*Issuer did not Cooperate; Based on best available information

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

**NA: Not Available**

**Any other information: NIL**

**COMPLEXITY LEVELS OF THE INSTRUMENTS - Simple**

For more information, visit

[www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non Cooperation](#)
- [Default Recognition and Default Curing Period](#)
- [Power Transmission Projects](#)

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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	Additional TL	Corporate RTL	WCTL - I/(LC Devolved Post COD)	FITL-I (WCT L-I)	FITL-I (WCT L-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:**

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

## **Annexure III**

### **List of Consolidated Entities: NA**

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