



Rating Rationale

Karma Energy Ltd.

16 Mar 2020

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹.4.34 Crore of Karma Energy Ltd. based on best available information, as the issuer did not cooperate. Accordingly the ratings for the said instrument are downgraded as under:

Particulars

Facility	Amount (₹ Crores)		Tenure	Rating *	
	Previous	Present **		Previous (Jan 2018)	Present
Fund Based	4.34	4.34	Long Term	BWR BBB-/Stable	BWR BB+/Stable Issuer Not Cooperating Downgraded
Total	4.34	4.34	INR Four Crores and Thirty Four Lakhs only		

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

** As per the information provided in Jan 2018,

Issuer did not cooperate; based on best available information,

RATING ACTION: Rating Downgraded and Migrated to Issuer Not Cooperating

In view of the non availability of the information and lack of management cooperation, Brickwork Ratings has downgraded the rating for bank loan facilities amounting to Rs.4.34 crores of Karma Energy Ltd.

Nature of Non Cooperation:

The rating was due for a review in Jan 2019. BWR took up with the issuer to provide required information over e-mails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer/Company, BWR is unable to assess the issuer's/Company's financial performance and its ability to service its debt and maintain a valid rating.

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.

Karma Energy Ltd.

Particulars	Units	2019 (Audited)	2018 (Audited)
Total Operating Income	₹ Cr	31.06	33.80
PAT	₹ Cr	(4.25)	(1.12)
Tangible Networth	₹ Cr	63.69	47.73
Total Debt : TNW	Times	0.76	0.78

About the Company (Jan 2018)

Karma Energy Ltd. (KEL) was incorporated on 15th March 2007 at Mumbai as Karma Wind Power Pvt. Ltd. The company belongs to the Weizmann Group.

The principal business activity of the company is - power generation from renewable energy sources. Energy is generated from windmills and transmitted through Govt owned grids and/or state utilities.

Revenue is generated from the sale of wind power to state utilities. Additional revenue is also generated from sale of RECs (Renewable Energy Certificates).

Rating History for the last three years (including withdrawn/suspended ratings)

Instrument /Facility	Current Rating (Mar 2020)			Rating History		
	Type	Amount (₹ Cr)	Rating^	Jan 2018	Dec 2016	Jan 2016
Fund Based Term Loans	Long Term	4.34	BWR BB+/Stable Issuer Not Cooperating Downgraded	BWR BBB-/Stable Reaffirmed	BWR BBB-/Stable Reaffirmed	BWR BBB-/Stable Reaffirmed
Total		4.34	₹ Four Crores and Thirty Four Lakhs Only			

^Issuer did not cooperate; based on best available information

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [What Constitutes Non-Cooperation](#)
- [Approach to Financial](#)



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