



## Rating Rationale

### Diamond Power Infrastructure Limited

30 June 2020

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 (June 2019)             | Rating Based on current review          |
|------------------------|--|--------------------------|------------|---|---|
| <b>Fund Based</b>      |  |                          |            |   |   |
| Bank Loans             | 2189.13  | 2189.13                  | Long Term  | <b>BWR D<br/>Issuer Not Cooperating</b> | <b>BWR D<br/>Issuer Not Cooperating</b> |
| NCDs                   | 105.97   | 105.97                   |            |   |   |
| <b>Non-Fund Based</b>  |  |                          |            |   |   |
| Bank Loans             | 563.81   | 563.81                   | Short Term | <b>BWR D<br/>Issuer Not Cooperating</b> | <b>BWR D<br/>Issuer Not Cooperating</b> |
| <b>Total Bank Loan</b> | <b>Rs. 2858.91 (INR 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

### Nature of Non-co-operation:

The rating of the Company was due for review in June 2020. 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. 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.

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA**

**Rating History for the last three years**

| Sl. No. | Instrument/Facility       | Current Rating (Year 2020)  |   |                                    | Rating History                     |                                    |                                    |
|---------|---------------------------|-----------------------------|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|         |                           | Type (Long Term/Short Term) | Amt (Rs Crs)  | Rating                             | June 2019                          | June 2018                          | May 2017                           |
| 1.      | Fund Based – Bank Loans   | Long Term                   | 2189.13   | <b>D</b><br>Issuer Non Cooperation | <b>D</b><br>Issuer Non Cooperation | <b>D</b><br>Issuer Non Cooperation | <b>D</b><br>Issuer Non Cooperation |
| 2.      | NCD                       | Long Term                   | 105.97  | <b>D</b><br>Issuer Non Cooperation |                                    |                                    |                                    |
| 3.      | Non-Fund Based Bank Loans | Long Term                   | 563.81  | <b>D</b><br>Issuer Non Cooperation |                                    |                                    |                                    |
|         | Total                     |                             | <b>2858.91 (Two Thousand Eight Hundred Fifty Eight Crore and Ninety One Lakhs Only)</b> |                                    |                                    |                                    |                                    |

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

**COMPLEXITY LEVELS OF THE INSTRUMENTS**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [What Constitutes Non-cooperation](#)



| Analytical Contacts   | Investor and Media Relations   |
|---|--|
| <p><b>Forum R Parekh</b><br/>Assistant Manager - Ratings<br/>D : +91 22 6745 6621<br/>B :+91 22 2831 1426, +91 22 2831 1439<br/><a href="mailto:forum.rp@brickworkratings.com">forum.rp@brickworkratings.com</a></p> <p><b>Bal Krishna Piparaiya</b><br/>Senior Director - Ratings<br/>B :+91 22 2831 1426, +91 22 2831 1439<br/><a href="mailto:piparaiya.bk@brickworkratings.com">piparaiya.bk@brickworkratings.com</a></p> | <p>Liena Thakur<br/>Assistant Vice President - Corporate Communications<br/>+91 84339 94686<br/><a href="mailto:liena.t@brickworkratings.com">liena.t@brickworkratings.com</a></p> |

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