

Rating Rationale

6 July 2022

Diamond Power Infrastructure Limited

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** (July 2021)	Present Rating**
Fund Based					
Bank Loans	2189.13	2189.13	Long Term	BWR D ISSUER NOT COOPERATING*	BWR D ISSUER NOT COOPERATING* (Reaffirmation)
NCDs	105.97	105.97			
Non-Fund Based					
Bank Loans	563.81	563.81	Short Term	BWR D ISSUER NOT COOPERATING*	BWR D ISSUER NOT COOPERATING* (Reaffirmation)
Total Bank Loan	Rs. 2858.91 (INR Two Thousand Eight Hundred Fifty Eight Crore and Ninety One Lakhs Only)				

*Issuer did not cooperate; based on best available information

**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 on 1st July 2022. BWR took up with the issuer to provide required information for review of ratings through emails dated June 29, 2022, July 1, 2022 and July 4, 2022. 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 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.

Updates: 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.

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.

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 including withdrawn / suspended ratings

Sl. No.	Instrument/Facility	Current Rating (Year 2022)			Rating History		
		Type (Long Term/Short Term)	Amt (Rs Crs)	Rating	1 July 2021	30 June 2020	26 June 2019
1.	Fund Based – Bank Loans	Long Term	2189.13	BWR D ISSUER NOT COOPERATING* (Reaffirmation)	BWR D ISSUER NOT COOPERATING*	BWR D ISSUER NOT COOPERATING*	BWR D ISSUER NOT COOPERATING*
2.	NCD**	Long Term	105.97				
3.	Non-Fund Based Bank Loans	Long Term	563.81				
	Total		2858.91 (Two Thousand Eight Hundred Fifty Eight Crore and Ninety One Lakhs Only)				

* Issuer did not cooperate; based on best available information

**The ISIN Number of NCD is not available.



COMPLEXITY LEVELS OF THE INSTRUMENTS - Simple

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [What Constitutes Non-cooperation](#)
- [BWR's Criteria on Default Recognition](#)
- [BWR's Criteria for rating Power Transmission Companies](#)

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Annexure I - Bank Loan Details

Name of the Banks	CC	WC-NFB	TL	WCTL	FITL	Total
Allahabad Bank	108.13	123.37		49.46	7.25	288.21
Axis Bank	54.07	81.92	112.67	31.82	7.94	288.42
Bank of Baroda	144.18	146.66		79.8	11.7	382.34
Bank of India	180.22	229.37	175.63	61.02	15.24	661.48
Corporation Bank			114.26		6.27	120.53
Dena Bank	76.98	36.48	71.69		3.93	189.08
ICICI Bank	24.03	107.85	85.23	70.11	22.81	310.03
Indian Overseas Bank	48.3	26.51				74.81
State Bank of Hyderabad	48.06	67.88		16.79	2.46	135.19
State Bank of Mysore	36.04	25.97	72.71		3.99	138.71
IFCI Limited			50		7.35	57.35
Exim Bank of India			101.25		5.55	106.8
Total	720.01	846.01	783.44	309	94.49	2752.95



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