

Press Release

Patel Engineering Limited

December 17, 2020



Rating Downgraded

| | |
|-------------------------------------|---|
| Total Bank Facilities Rated* | Rs.6215.00 Cr. |
| Long Term Rating | ACUITE BB- / Outlook: Negative (Downgraded from ACUITE BBB/Negative) |
| Short Term Rating | ACUITE A4+ (Downgraded from A3+) |

* Refer Annexure for details

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE BB-**' (**read as ACUITE double B minus**) from '**ACUITE BBB**' (**read as ACUITE triple B**) and the short term rating to '**ACUITE A4+**' (**read as ACUITE A four plus**) from '**ACUITE A3+**' (**read as ACUITE A three plus**) on the Rs.6215.00 Crore bank facilities of Patel Engineering Limited (PEL). The outlook continues to be '**Negative**'.

Key Reason for Downward Revision in Rating

The downward revision in the rating reflects the ongoing challenges faced by PEL in maintaining adequate liquidity buffers commensurate with its near term debt repayment obligations. The company's operations have been severely impacted on account of the ongoing Covid-19 pandemic; this has led to a significant decline in the operating cash flows for the company in the current year leading to severe liquidity pressure. The continuation of Negative outlook reflects Acuité's expectation of sustained liquidity pressures over the near to medium term. Acuité has also relied on the dispensation provided by the regulators (Circular No.: SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/ 160).

The company has witnessed significant moderation in its operating performance of during FY2021 marked by H1 FY2021 operating income of Rs.622.42 Cr. as against Rs.1193.78 Cr. for H1 FY2020. Further, PEL has incurred net losses of Rs.87.29 Cr. for H1 FY2021 against net profit of Rs.100.17 Cr for H1FY2020. The moderation in the operating performance is expected to continue over the near to medium and is mainly due to the impact of COVID-19.

About the Company

Incorporated in 1949, Patel Engineering Limited (PEL) has been engaged in the construction of dams, bridges, tunnels, roads, piling works, industrial structures and other kinds of heavy civil engineering works in areas like hydro, irrigation & water supply, urban infrastructure and transport. PEL has also forayed into development of power, road and real estate projects in the past. The company has a consistent track record in executing complex domestic and international projects. PEL has completed over 84 dams, 33 hydroelectric projects, and 200 km of tunneling projects. As on March 31, 2020 PEL has an unexecuted order book position from engineering and construction (EPC) business of Rs.13,184.65 Cr.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of the PEL to arrive at this rating.

Key Rating Drivers

Strengths

- **Established track record of operations and experienced management**

PEL has been engaged in EPC/infrastructure development for more than six decades with a national presence and major operations spread all over India. Mr. Rupen Patel, Managing Director of PEL, has an experience of more than two decades in the construction industry. His father, Mr. Pravin Patel (Ex-Chairman), has a wide experience of more than four decades in EPC industry, town planning and architecture. The management is ably supported by a well-qualified and experienced team of professionals. Some of the landmark projects of PEL include 1880 MW Koyna Hydro Electric project, 900MW Srisailam Left Bank Hydro Power Station, Kalwakurty Lift Irrigation Project, Construction of high altitude roads.

(Karzok to Chumar), construction of Dam for Shillong Water Supply and the Tuirial Hydroelectric Project in Mizoram among others. The extensive experience of the promoters in the industry has helped the company build its market presence.

The track record of the company in moderate to large infrastructure contracts is reflected through its healthy order book position of Rs.13,184.65 Cr. as on March 31, 2020, thereby providing a strong revenue visibility. The order book of PEL is also well diversified among segments like hydropower/ tunneling, irrigation, transportation & urban infrastructure.

Acuité believes that PEL will continue to benefit from its experience in the infrastructure sector and its diversified order book over the medium term.

- **Reputed clientele**

Over the years, PEL has gained necessary pre-qualification criteria for heavy infrastructure sectors by successfully completing large ticket, technologically advanced and technically complex projects. On account of its established presence in the industry, PEL has been able to build esteemed client profile spanning both Private as well as Government agencies. Some of the key customers include North Eastern Electric Power Corporation Limited (NEEPCO), National Thermal Power Corporation Limited (NTPC), National Hydro Power Corporation (NHPC), National Highway Authority of India (NHAI), Karnataka State Highways Improvement Project (Government of Karnataka), Satluj Jai Vidyut Nigam Ltd (SJVN, Mini Ratna) and IRCON among others. Further, it has entered into joint venture partnerships with several esteemed companies around the globe including Age Construction and Trading Inc, a Turkish Co., KNR Constructions Ltd among others. Joint capabilities of its partners enhance credibility and capability to execute complex and special projects.

- **Moderate financial risk profile**

PEL has moderate financial risk profile marked by healthy net worth, moderate gearing and debt protection measures. PEL's net worth stood healthy at Rs.2569.83 Cr. as on 31 March 2020 as against Rs.2,303.78 Cr. as on 31 March 2019 mainly on account of equity infusion by the promoters. Acuité believes that the net worth of the company will remain in the range of Rs.2,600 Cr. to Rs.2,900 Cr. over the medium term backed by its healthy order book position providing revenue visibility and stable operating margins in the EPC segment.

The gearing levels improved to 0.74 times as on 31 March 2020 against 0.96 times as on 31 March 2019. However, the company has followed an aggressive leverage policy with its peak gearing at 2.78 times as on March 31, 2016. The improvement in debt levels has been post implementation of SDR (through part carve out of debt i.e ~ Rs.2,125 Cr.) and S4A schemes of RBI (under prevailing RBI guideline during that time). As part of the restructuring scheme under S4A, existing promoters had infused Rs.150.00 Cr equity in the company.

The moderate profitability albeit reduced EBITDA has resulted in moderate debt protection metrics, with an interest coverage ratio of 1.36 times in FY2020 and NCA/TD of 0.05 times as on March 31, 2020. The TOL/TNW ratio stood at 1.94 times as on March 31, 2020 on account of high mobilisation advances and trade payables. In FY2020, PEL generated net cash accruals of Rs.95.79 Cr. as against debt repayment obligation of Rs.31.58 Cr. Post restructuring, the debt in the company has been divided into PART-A Debt (outstanding balance as on 31 March 2020) Rs.1,311 Cr. (Fund Based) and unsustainable PART-B debt (outstanding balance as on 31 March 2020) of Rs.498.80 Cr. Under the scheme, the Part B debt is converted into Optionally Convertible Debentures (OCDs) (repayable from the sixth year) issued to the said lenders with balance Part A debt to be serviced as per the existing terms.

Acuité believes that the debt protection metrics are expected to be under pressure over the near term mainly due to moderation in the operating performance leading to higher reliance on the working capital limits.

Weaknesses

- **Working capital intensive operations**

Operations of PEL are highly working capital intensive marked by significantly high Gross Current Assets (GCA) of 758 days in FY2020 as against 833 days in FY2019. The inventory holding period stood at 465 days for FY2020 against 588 days in FY2019 which is majorly on account of arbitration claims pending awards which are a part of PEL's work in progress. Stretched receivable cycle of 151 days in FY2020 and 150 days in FY2019 reflects arbitration claims (representing ~45 per cent by value) which have been awarded to the company and have not yet been realised.

Further, more than 90 per cent of the contracts won and executed by PEL are from central and state

Government agencies. The company has witnessed working capital stretch in the past due to delayed payments from clients, which in turn had slowed down project execution in certain cases. PEL's Fund-based working capital limits have remained highly utilized at more than 95 percent for the past 12 months ended November 2020.

Acuité believes that the efficient working capital management will be crucial to the company in order to maintain a stable credit profile.

• **Moderation in the operating performance**

PEL registered operating income of Rs.2333.06 Cr. for FY2020 as against Rs.2069.89 Cr. for FY2019. However, the EBITDA deteriorated to Rs.117.43 Cr. for FY2020 from Rs.287.06 Cr. for FY2019 mainly due to reversal of WIP to two of its projects amounting to around Rs.164 Cr., which was a non-cash expense. Further, in H1FY2021, the company reported operating income of Rs.622.42 Cr. and net losses of Rs.87.29 Cr. This was mainly on account of slower traction in its ongoing projects due to Covid-19 lockdown restrictions. The moderation in the operating performance is expected to continue in the next quarters.

Acuité believes that ability of the company to improve its operating performance while maintaining its profitability ratios will be a key rating sensitivity.

• **Competitive and fragmented industry**

PEL is engaged as an EPC contractor. This particular sector is marked by the presence of several mid to large sized players. The company faces intense pricing competition from the other players in the sectors. The risk becomes more pronounced as tendering is based on minimum amount of bidding on contracts and susceptibility to inherent cyclical in the sector. Acuité believes that PEL is well positioned on account of its longstanding relationship with well-established international players in the infrastructure industry and the long track-record of its promoters spanning nearing six decades. Further, PEL is also exposed to regulatory risks, which can affect its ability to complete projects in a timely manner and to secure new projects from time to time. PEL had in the past experienced delays in commencement as well as execution of projects on account of delays in regulatory and environmental approvals. This may, in turn, result in significant cost escalations leading to lower than expected operating profitability.

Liquidity position: Stretched

PEL has stretched liquidity marked by highly working capital intensive nature of operations marked by GCA days of 758 days for FY2020, which has led to higher reliance on its working capital limits. The working capital limits were fully utilized for last two months ended November 2020. The company had availed COVID-19 moratorium for its interest and principal obligations from March to August 2020. The company is expected to repay amount of around Rs.65 crore for the same over the next six months by March 2021 along with its normal interest and principal obligations during that period. This coupled with lower than expected project execution in first six months of FY2021 due to nationwide lockdown restrictions because of COVID-19 is expected to have stress on the cash flows of the company in the near term. The Unencumbered cash and bank balance stood at Rs.103.15 Cr. as on March 31, 2020. The current ratio of PEL stood moderate at 1.24 times as on March 31, 2020.

Acuité believes that ability of the company to improve its operating cash flows or monetize its non-core assets to improve its liquidity position will be a key rating sensitivity.

Rating Sensitivities

- Significant and sustainable improvement in revenues while maintaining profitability margins around 12 percent.
- Further deterioration in the working capital cycle of the company leading to further stress on its operating cash flows.

Material Covenants

None

Outlook: Negative

Acuité believes that the PEL's credit profile will be under pressure on account of significant moderation in its operating performance leading to cash flow stress over the near term. The rating may be downgraded in case of continued stress on its operating cash flows impairing its liquidity profile. Conversely, the outlook may be revised to 'Stable' if the company is able to demonstrate significant and sustainable improvement in its working capital cycle, which will reduce its dependence on the external borrowing and will help in improving the liquidity position.

About the Rated Entity - Key Financials

| | Unit | FY20 (Actual) | FY19 (Actual) |
|-------------------------------|---------|---------------|---------------|
| Operating Income | Rs. Cr. | 2,333.06 | 2,069.89 |
| PAT | Rs. Cr. | 37.16 | 82.88 |
| PAT Margin | (%) | 1.59 | 4.00 |
| Total Debt/Tangible Net Worth | Times | 0.74 | 0.96 |
| PBDIT/Interest | Times | 1.36 | 1.48 |

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-51.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-------------|---------------------------------|-----------|------------------|---|
| 30-Sep-2020 | Cash Credit | Long Term | 130.00 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| | Cash Credit | Long Term | 287.50 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| | Cash Credit | Long Term | 113.93 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| | Cash Credit | Long Term | 97.36 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| | Cash Credit | Long Term | 98.26 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| | Cash Credit | Long Term | 76.30 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| | Cash Credit | Long Term | 123.54 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| | Cash Credit | Long Term | 66.81 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| | Cash Credit | Long Term | 34.32 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| | Cash Credit | Long Term | 92.11 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| | Cash Credit | Long Term | 10.00 | ACUITE BBB/Negative (Reaffirmed; Outlook |

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|----------------------------------|------------|--------|---|
| | | | Revised from Stable) |
| Term Loan | Long Term | 41.09 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| Term Loan | Long Term | 5.01 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| Term Loan | Long Term | 28.00 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| Working Capital Term Loan | Long Term | 0.00 | ACUITE BBB (Withdrawn) |
| Working Capital Term Loan | Long Term | 4.16 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| Working Capital Term Loan | Long Term | 14.46 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| Working Capital Term Loan | Long Term | 9.07 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| Working Capital Term Loan | Long Term | 6.71 | ACUITE BBB/Negative (Reaffirmed; Outlook Revised from Stable) |
| Term Loan | Long Term | 9.70 | ACUITE BBB/Negative (Assigned) |
| Bank Guarantee/ Letter of Credit | Short Term | 277.00 | ACUITE A3+ (Reaffirmed) |
| Bank Guarantee/ Letter of Credit | Short Term | 884.65 | ACUITE A3+ (Reaffirmed) |
| Bank Guarantee/ Letter of Credit | Short Term | 360.00 | ACUITE A3+ (Reaffirmed) |
| Bank Guarantee/ Letter of Credit | Short Term | 378.15 | ACUITE A3+ (Reaffirmed) |
| Bank Guarantee/ Letter of Credit | Short Term | 375.00 | ACUITE A3+ (Reaffirmed) |
| Bank Guarantee/ Letter of Credit | Short Term | 155.16 | ACUITE A3+ (Reaffirmed) |
| Bank Guarantee/ Letter of Credit | Short Term | 132.32 | ACUITE A3+ (Reaffirmed) |
| Bank Guarantee/ Letter of Credit | Short Term | 42.32 | ACUITE A3+ (Reaffirmed) |
| Bank Guarantee/ Letter of Credit | Short Term | 328.84 | ACUITE A3+ (Reaffirmed) |
| Bank Guarantee/ Letter of Credit | Short Term | 471.78 | ACUITE A3+ (Reaffirmed) |
| Bank Guarantee/ Letter of Credit | Short Term | 22.00 | ACUITE A3+ (Reaffirmed) |
| Bank Guarantee/ Letter of Credit | Short Term | 15.31 | ACUITE A3+ (Reaffirmed) |
| Bank Guarantee/ Letter of Credit | Short Term | 17.03 | ACUITE A3+ (Reaffirmed) |
| Bank Guarantee/ Letter of Credit | Short Term | 42.72 | ACUITE A3+ (Reaffirmed) |
| Bank Guarantee/ Letter of Credit | Short Term | 128.67 | ACUITE A3+ (Reaffirmed) |

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|-------------|----------------------------------|------------|------------|-------------------------------|
| 06-Aug-2019 | Bank Guarantee/ Letter of Credit | Short Term | 296.93 | ACUITE A3+ (Reaffirmed) |
| | Bank Guarantee/ Letter of Credit | Short Term | 214.90 | ACUITE A3+ (Reaffirmed) |
| | Bank Guarantee/ Letter of Credit | Short Term | 108.30 | ACUITE A3+ (Reaffirmed) |
| | Bank Guarantee/ Letter of Credit | Short Term | 312.42 | ACUITE A3+ (Assigned) |
| | Proposed Bank Facility | Short Term | 403.17 | ACUITE A3+ (Reaffirmed) |
| | Cash Credit | Long Term | INR 130.00 | ACUITE BBB/ Stable (Upgraded) |
| | Cash Credit | Long Term | INR 65.00 | ACUITE BBB/ Stable (Upgraded) |
| | Cash Credit | Long Term | INR 113.93 | ACUITE BBB/ Stable (Upgraded) |
| | Cash Credit | Long Term | INR 97.36 | ACUITE BBB/ Stable (Upgraded) |
| | Cash Credit | Long Term | INR 98.26 | ACUITE BBB/ Stable (Upgraded) |
| | Cash Credit | Long Term | INR 76.30 | ACUITE BBB/ Stable (Upgraded) |
| | Cash Credit | Long Term | INR 222.50 | ACUITE BBB/ Stable (Upgraded) |
| | Cash Credit | Long Term | INR 123.54 | ACUITE BBB/ Stable (Upgraded) |
| | Cash Credit | Long Term | INR 66.81 | ACUITE BBB/ Stable (Upgraded) |
| | Cash Credit | Long Term | INR 34.32 | ACUITE BBB/ Stable (Upgraded) |
| | Cash Credit | Long Term | INR 92.11 | ACUITE BBB/ Stable (Upgraded) |
| | Cash Credit | Long Term | INR 10.00 | ACUITE BBB/ Stable (Upgraded) |
| | Term Loan | Long Term | INR 98.39 | ACUITE BBB/ Stable (Upgraded) |
| | Term Loan | Long Term | INR 12.01 | ACUITE BBB/ Stable (Upgraded) |
| | Term Loan | Long Term | - | ACUITE BBB (Withdrawn) |
| | Term Loan | Long Term | - | ACUITE BBB (Withdrawn) |
| | Term Loan | Long Term | INR 28.00 | ACUITE BBB/ Stable (Assigned) |
| | Working Capital Term Loan | Long Term | - | ACUITE BBB (Withdrawn) |
| | Working Capital Term Loan | Long Term | INR 12.32 | ACUITE BBB/ Stable (Upgraded) |
| | Working Capital Term Loan | Long Term | INR 16.15 | ACUITE BBB/ Stable (Upgraded) |
| | Working Capital Term Loan | Long Term | - | ACUITE BBB (Withdrawn) |
| | Working Capital Term Loan | Long Term | INR 20.53 | ACUITE BBB/ Stable (Upgraded) |

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|-------------|---|------------|------------|-----------------------------------|
| | Working Capital Term Loan | Long Term | INR 13.04 | ACUITE BBB/ Stable (Upgraded) |
| | Working Capital Term Loan | Long Term | INR 17.66 | ACUITE BBB/ Stable (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 277.00 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 332.70 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 360.00 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 378.15 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 375.00 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 155.16 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 132.32 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 551.95 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 42.32 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 328.84 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 471.78 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 22.00 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 15.31 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 17.03 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 42.72 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 128.67 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 296.93 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 214.90 | ACUITE A3+ (Upgraded) |
| | Letter of Credit/ Bank Guarantee | Short Term | INR 108.30 | ACUITE A3+ (Upgraded) |
| | Proposed Letter of Credit/ Bank Guarantee | Short Term | INR 615.69 | ACUITE A3+ (Upgraded) |
| 25-Jan-2019 | Cash Credit | Long Term | INR 130 | ACUITE BBB- / Stable (Reaffirmed) |
| | Cash Credit | Long Term | INR 65 | ACUITE BBB- / Stable (Reaffirmed) |
| | Cash Credit | Long Term | INR 113.93 | ACUITE BBB- / Stable (Reaffirmed) |
| | Cash Credit | Long Term | INR 97.36 | ACUITE BBB- / Stable (Reaffirmed) |
| | Cash Credit | Long Term | INR 98.26 | ACUITE BBB- / Stable (Reaffirmed) |
| | Cash Credit | Long Term | INR 76.3 | ACUITE BBB- / Stable (Reaffirmed) |

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|--|---------------------------|------------|------------|-----------------------------------|
| | Cash Credit | Long Term | INR 222.5 | ACUITE BBB- / Stable (Reaffirmed) |
| | Cash Credit | Long Term | INR 136 | ACUITE BBB- / Stable (Reaffirmed) |
| | Cash Credit | Long Term | INR 66.81 | ACUITE BBB- / Stable (Reaffirmed) |
| | Cash Credit | Long Term | INR 36.57 | ACUITE BBB- / Stable (Reaffirmed) |
| | Cash Credit | Long Term | INR 92.11 | ACUITE BBB- / Stable (Reaffirmed) |
| | Term Loan | Long Term | INR 98.39 | ACUITE BBB- / Stable (Reaffirmed) |
| | Term Loan | Long Term | INR 12.01 | ACUITE BBB- / Stable (Reaffirmed) |
| | Term Loan | Long Term | INR 6.50 | ACUITE BBB- / Stable (Reaffirmed) |
| | Term Loan | Long Term | INR 1.33 | ACUITE BBB- / Stable (Reaffirmed) |
| | Working Capital Term Loan | Long Term | INR 10.78 | ACUITE BBB- / Stable (Reaffirmed) |
| | Working Capital Term Loan | Long Term | INR 12.32 | ACUITE BBB- / Stable (Reaffirmed) |
| | Working Capital Term Loan | Long Term | INR 16.15 | ACUITE BBB- / Stable (Reaffirmed) |
| | Working Capital Term Loan | Long Term | INR 20.30 | ACUITE BBB- / Stable (Reaffirmed) |
| | Working Capital Term Loan | Long Term | INR 20.53 | ACUITE BBB- / Stable (Reaffirmed) |
| | Working Capital Term Loan | Long Term | INR 13.04 | ACUITE BBB- / Stable (Reaffirmed) |
| | Working Capital Term Loan | Long Term | INR 21.72 | ACUITE BBB- / Stable (Reaffirmed) |
| | Letter of Credit | Short Term | INR 277.00 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 401.14 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 360.00 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 226.04 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 375.00 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 155.16 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 114.92 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 551.95 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 42.32 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 328.84 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 471.78 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 21.12 | ACUITE A3 (Reaffirmed) |

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|-------------|---------------------------|------------|------------|---------------------------------|
| 20-Jul-2018 | Letter of Credit | Short Term | INR 15.31 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 17.03 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 42.72 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 20.63 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 296.93 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 214.90 | ACUITE A3 (Reaffirmed) |
| | Letter of Credit | Short Term | INR 108.30 | ACUITE A3 (Reaffirmed) |
| | Proposed Letter of Credit | Short Term | INR 806.00 | ACUITE A3 (Reaffirmed) |
| | Cash Credit | Long Term | INR 130.00 | ACUITE BBB- / Stable (Assigned) |
| | Cash Credit | Long Term | INR 65.00 | ACUITE BBB- / Stable (Assigned) |
| | Cash Credit | Long Term | INR 113.93 | ACUITE BBB- / Stable (Assigned) |
| | Cash Credit | Long Term | INR 97.36 | ACUITE BBB- / Stable (Assigned) |
| | Cash Credit | Long Term | INR 98.26 | ACUITE BBB- / Stable (Assigned) |
| | Cash Credit | Long Term | INR 76.30 | ACUITE BBB- / Stable (Assigned) |
| | Cash Credit | Long Term | INR 222.50 | ACUITE BBB- / Stable (Assigned) |
| | Cash Credit | Long Term | INR 136.00 | ACUITE BBB- / Stable (Assigned) |
| | Cash Credit | Long Term | INR 66.81 | ACUITE BBB- / Stable (Assigned) |
| | Cash Credit | Long Term | INR 36.57 | ACUITE BBB- / Stable (Assigned) |
| | Cash Credit | Long Term | INR 92.11 | ACUITE BBB- / Stable (Assigned) |
| | Term Loan | Long Term | INR 98.39 | ACUITE BBB- / Stable (Assigned) |
| | Term Loan | Long Term | INR 12.01 | ACUITE BBB- / Stable (Assigned) |
| | Term Loan | Long Term | INR 6.50 | ACUITE BBB- / Stable (Assigned) |
| | Term Loan | Long Term | INR 1.33 | ACUITE BBB- / Stable (Assigned) |
| | Working Capital Term Loan | Long Term | INR 10.78 | ACUITE BBB- / Stable (Assigned) |
| | Working Capital Term Loan | Long Term | INR 12.32 | ACUITE BBB- / Stable (Assigned) |
| | Working Capital Term Loan | Long Term | INR 16.15 | ACUITE BBB- / Stable (Assigned) |
| | Working Capital Term Loan | Long Term | INR 20.30 | ACUITE BBB- / Stable (Assigned) |
| | Working Capital Term Loan | Long Term | INR 20.53 | ACUITE BBB- / Stable (Assigned) |
| | Working Capital Term Loan | Long Term | INR 13.04 | ACUITE BBB- / Stable (Assigned) |
| | Working Capital Term Loan | Long Term | INR 21.72 | ACUITE BBB- / Stable (Assigned) |

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|--|---------------------------|------------|------------|----------------------|
| | Letter of Credit | Short Term | INR 277.00 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 401.14 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 360.00 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 226.04 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 375.00 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 155.16 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 114.92 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 551.95 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 42.32 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 328.84 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 471.78 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 21.12 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 15.31 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 17.03 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 42.72 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 20.63 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 296.93 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 214.9 | ACUITE A3 (Assigned) |
| | Letter of Credit | Short Term | INR 108.3 | ACUITE A3 (Assigned) |
| | Proposed Letter of Credit | Short Term | INR 806.00 | ACUITE A3 (Assigned) |

***Annexure – Details of instruments rated**

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings/Outlook |
|-------------------------------|-------------------------|--------------------|----------------------|------------------------------------|---|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 130.00 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 287.50 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 113.93 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 97.36 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 98.26 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 76.30 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 123.54 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 66.81 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 34.32 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 92.11 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 10.00 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Term Loan | Not Available | Not Applicable | Not Available | 41.09 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Term Loan | Not Available | Not Applicable | Not Available | 5.01 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Term Loan | Not Available | Not Applicable | Not Available | 28.00 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Working Capital Term Loan | Nov- 17 | Not Applicable | Mar- 21 | 4.16 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Working Capital Term Loan | Nov- 17 | Not Applicable | Feb- 22 | 14.46 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Working Capital Term Loan | Nov- 18 | Not Applicable | Nov- 22 | 9.07 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Working Capital Term Loan | Oct- 18 | Not Applicable | Oct- 23 | 6.71 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |

| | | | | | |
|-------------------------------------|----------------|----------------|----------------|--------|--|
| Term Loan | May- 2020 | Not Applicable | May- 2022 | 9.70 | ACUITE BB-/Negative (Downgraded from ACUITE BBB/Negative) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 277.00 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 884.65 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 360.00 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 378.15 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 375.00 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 155.16 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 132.32 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 42.32 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 328.84 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 471.78 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 22.00 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 15.31 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 17.03 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 42.72 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 128.67 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 296.93 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 214.90 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 108.30 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Bank Guarantee/ Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 312.42 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| Proposed Bank Facility | Not Applicable | Not Applicable | Not Applicable | 403.17 | ACUITE A4+ (Downgraded from ACUITE A3+) |

Contacts

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| Analytical | Rating Desk |
|-------------------|--------------------|

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Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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