

Press Release

Karnataka Power Corporation Limited

August 24, 2021

Rating Downgraded



Total Instruments Rated*	Rs. 200.00 crore
Long Term Rating	ACUITE BB+ (Downgraded) Issuer Not Co-operating [#]

* Refer Annexure for details

[#] The issuer did not co-operate; based on best available information.

Rating Rationale

Acuité has downgraded its long term rating to '**ACUITE BB+**' (read as **ACUITE Double B plus**) from '**ACUITE BBB-**' (read as **ACUITE Triple B Minus**) to the Rs. 200.00 Cr bank facilities of Karnataka Power Corporation Limited (KPCL). This rating is now an indicative rating and is based on best available information.

The rating is being withdrawn based on the request received from the company and the NOC received from the banker as per Acuité's policy.

Karnataka Power Corporation Limited (KPCL), incorporated in 1970 is the state-owned power generation company of Karnataka. It is engaged in developing and operating power generation stations including thermal, hydro, solar and wind. This includes 3 thermal plants, 16 hydel stations, 5 mini hydel stations, 6 solar PV plants and 1 wind energy farm. The total installed capacity for KPCL is 8,738.305 MW.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Infrastructure Sector - <https://www.acuite.in/view-rating-criteria-51.htm>
- Entities in Service Sector - <https://www.acuite.in/view-rating-criteria-50.htm>
- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Position:

No information provided by the issuer/ available for Acuité to comment upon.

Rating Sensitivities

No information provided by the issuer/ available for Acuité to comment upon.

About the Rated Entity - Key Financials

No information provided by the issuer/ available for Acuité to comment upon.

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

Not Applicable

Any other information

Not Applicable

Rating History (Upto last three years)

Date	Name of Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
04 June 2020	Cash Credit	Long Term	200.00	ACUITE BBB-/Stable (Assigned)

*Annexure – Details of instruments rated

Lender Name	Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
State Bank of India	Cash Credit	Not Applicable	Not Available	Not Applicable	200.00	ACUITE BB+ (Downgraded from ACUITE BBB-/Stable) Issuer Not Co-operating [#]

*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuité Ratings & Research:

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 8,811 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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