

Press Release

Karnataka Power Transmission Corporation Limited

May 03, 2022



Rating Downgraded, Downgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	500.00	ACUITE A- Downgraded & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	500.00	ACUITE A- Downgraded Issuer not co-operating*	-
Bank Ratings Loan	800.00	-	ACUITE A2+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	1300.00	-	-
Total Withdrawn Quantum (Rs. Cr)	500.00	-	-

#Refer Annexure for details.

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

Rating Rationale

Acuite has downgraded & Withdrawn its long-term rating of '**ACUITE A-**' (read as **ACUITE A Minus**) from '**ACUITE A**' (read as **ACUITE A**) on the Rs. 500 crore bank facilities of Karnataka Power Transmission Corporation Limited.

Also, Acuite has downgraded its long-term rating of '**ACUITE A-**' (read as **ACUITE A Minus**) from '**ACUITE A**' (read as **ACUITE A**) and the short-term rating of '**ACUITE A2+**' (read as **ACUITE A Two Plus**) from '**ACUITE A1**' (read as **ACUITE A one**) on the Rs. 1300 crore bank facilities of Karnataka Power Transmission Corporation Limited.

The rating withdrawal is in accordance with the Acuite's policy on withdrawal of rating. This rating is flagged as issuer not cooperating and is downgraded on account of information risk. The rating is being withdrawn on account of request received from the company and NOC received from the banker.

About the Company

Karnataka Power Transmission Corporation Limited (KPTCL) was incorporated on July 28, 1999 is wholly owned by Government of Karnataka (GoK). KPTCL was formed by carving out the Transmission and Distribution functions of the erstwhile Karnataka Electricity Board (KEB). KPTCL is engaged in transmission to 5 major power distributors of Karnataka State. All power purchase agreements entered into with KPTCL by the central power utilities, state utilities, and private generators, were transferred to the five independent ESCOMS namely Bangalore

Electricity Supply Company (BESCOM), Mangalore Electricity Supply Company (MESCOM), Hubli Electricity Supply Company (HESCOM), Gulbarga Electricity Supply Company (GESCOM) and Chamundeswari Electricity Supply Corporation Ltd (CESCOM). These companies are in charge of distribution of power within their jurisdiction.

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 the due date.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

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.

Rating Sensitivities

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

Material Covenants

None.

Liquidity Position

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

Outlook

Not Applicable.

Key Financials:

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA

None.

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>

Note on Complexity Levels of the Rated Instrument

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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
02 Feb 2021	Proposed Bank Facility	Long Term	500.00	ACUITE A Stable (Assigned)
	Proposed Bank Facility	Short Term	500.00	ACUITE A1 (Assigned)
	Term Loan	Long Term	500.00	ACUITE A Stable (Assigned)
	Working Capital Demand Loan	Short Term	300.00	ACUITE A1 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	500.00	ACUITE A- Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Short Term Loan	Not Applicable	Not Applicable	Not Applicable	500.00	ACUITE A2+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	500.00	ACUITE A- Downgraded & Withdrawn Issuer not co-operating*
Bank of India	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	300.00	ACUITE A2+ Downgraded Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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