



Press Release

Chaitanya Energy Private Limited

October 21st, 2023

Ratings:

Facilities/ Instruments	Amount (Rs. crore)	Current Ratings*	Rating Action	Complexity Indicator
Long Term Fund based facility	55.36	IVR BB+/Negative; ISSUER NOT COOPERATING* [IVR Double B plus with Negative Outlook; Issuer Not Cooperating*]	Revised and moved under ISSUER NOT COOPERATING category	Simple
Short Term Fund based facility	85.00	IVR A4+; ISSUER NOT COOPERATING* (IVR A four plus; Issuer Not Cooperating*)	Revised and moved under ISSUER NOT COOPERATING category	Simple
Total	140.36			

**Issuer not cooperating; Based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

The aforesaid rating revision to the bank facilities of Chaitanya Energy Private limited reflects lack of adequate information available about the performance of the company and the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company, despite the downgrade.

Non-Cooperation by Issuer:

Infomerics has been regularly following up with the company to provide the required information as well as mandate/fees for surveillance exercise & NDS to monitor its assigned rating to the bank facilities. However, despite repeated requests by Infomerics, the company's



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management has not submitted all the essential details/information and fees for surveillance exercise.

In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has classified the bank facilities of Chaitanya energy Private limited aggregating to Rs 53.50 crore under the 'ISSUER NOT COOPERATING' category. The long term rating is now denoted as IVR BB+/Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with negative outlook; ISSUER NOT COOPERATING*) and short term rating is now denoted as IVR A4+; ISSUER NOT COOPERATING* (IVR A Four plus; ISSUER NOT COOPERATING*).

**Issuer Not Co-operating; based on best available information*

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for infrastructure companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria for assigning rating outlook](#)

About the Company

Chaitanya Energy Private Limited was incorporated in the year 1989 by Mr. Akula Nagaraju and later reconstituted as a private limited company in the year 2017. Company is involved into construction of power substations, installation of additional power transformers, distribution transformers, laying of overhead lines, capacity augmentation of existing sub stations, construction of power lines and providing service connection to BPL consumer spread all over the Telangana Region. Backed by a class 1 contractor status with the state government, the company caters to all four zonal power distribution companies.

Financials (Standalone):

For the year ended / As on	31-03-2022	31-03-2023
	(Audited)	(Provisional)
Total Operating Income	47.13	112.17
EBITDA	11.24	25.24
PAT	2.65	11.18
Total Debt	64.02	72.98
Tangible Net worth	23.00	34.17



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EBIDTA Margin (%)	23.85	22.50
PAT Margin (%)	5.60	9.94
Overall Gearing Ratio (x)	2.78	2.14

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (Aug 02, 2022)	Date(s) & Rating(s) assigned in 2021-22 (May 06, 2021)	Date(s) & Rating(s) assigned in 2019-20
1.	Term Loan	Long Term	5.36	IVR BB+ / Negative Outlook	IVR BBB- / Stable Outlook	IVR BBB- / Stable Outlook	-
2.	Cash Credit	Long Term	50.00	IVR BB+ / Negative Outlook	IVR BBB- / Stable Outlook	IVR BBB- / Stable Outlook	-
3.	Bank Guarantee	Short Term	85.00	IVR A4+	IVR A3	IVR A3	-

**Issuer did not cooperate; based on best available information.*

Name and Contact Details of the Group Head:

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt



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instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	Dec 2026	5.36	IVR BB+/Negative
Cash Credit	-	-	-	50.00	IVR BB+/Negative
Bank Guarantee	-	-	-	85.00	IVR A4+

** Issuer did not cooperate; based on best available information*

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.