

# **Exhibit-9**

## **Certificate Of** **Credit Rating.**

**CARE/ARO/RR/2020-21/1282**

**Mr Faruk Patel**  
**Managing Director**  
**KPI Global Infrastructure Limited**  
1<sup>st</sup> floor, Survey No. 65/1, Plot No-97, T.P. 27,  
K. P. House,  
Opp. Ishwar Farm Junction BRTS,  
Nr. Bliss IVF Circle, Canal Road,  
Surat, Gujarat 395007

December 8, 2020

Dear Sir,

**Credit rating for Bank Facilities of Rs.127.33 crore**

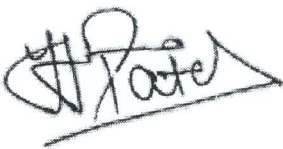
Please refer to our letter dated November 25, 2020, on the above subject.

1. The rationale for the ratings is attached as **Annexure - I**.
2. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by December 9, 2020, we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,



**[Ujjwal Patel]**  
**Sr. Manager**  
Encl: As above



## Annexure - I

### Rating Rationale

#### KPI Global Infrastructure Limited

#### Ratings

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Rating Action
Long-term Bank Facilities	111.83 (Reduced from 116.37)	CARE BBB; Stable (Triple B; Outlook: Stable)	Reaffirmed
Long-term / Short-term Bank Facilities	2.50 (Reduced from 14.50)	CARE BBB; Stable / CARE A3+ (Triple B; Outlook: Stable / A Three Plus)	Reaffirmed
Long-term / Short-term Bank Facilities*	13.00 (Enhanced from 3.00)	CARE BBB; Stable / CARE A3+ (Triple B; Outlook: Stable / A Three Plus)	Revised from CARE BBB; Stable (Triple B; Outlook: Stable)
Total Facilities	127.33 (Rs. One hundred twenty seven crore and thirty three lakh only)		

Details of instruments/facilities in Annexure-1

\*Reclassified bank facilities from Long-term to Long-term / Short-term

#### Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities of KPI Global Infrastructure Limited (KPIL) continue to remain underpinned by experienced promoter group, favorable location of the solar power plant along with established infrastructure for power evacuation resulting in satisfactory capacity utilisation factor (CUF), low off-take and counterparty credit risk on account of long-term Power Purchase Agreements (PPA) with reputed corporates and timely receipt of monthly payments.

The ratings also derive strength from healthy growth in its total operating income (TOI) during FY20 (refers to the period April 01 to March 31) and H1FY21 (refers to the period April 01 to September 30) with healthy profitability, moderate debt coverage indicators, adequate liquidity position and favorable policy framework for solar power generation business on the back of various government-led reforms & incentives to encourage investments in this segment. The

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.



ratings also take cognizance of ring fencing and defined waterfall mechanism of cash flows from its 25-MW solar power plant through setting up a Trust & Retention Account (TRA) along with partial creation of Debt Service Reserve Account (DSRA) in the form of fixed deposits.

The ratings, however, continue to remain constrained on account of limited operational track record of its recently commissioned 25-MW power plant, risks pertaining to terms and continuity of PPAs, susceptibility of its profitability to fluctuation in the interest rates and variation in climatic conditions & technological risk associated with the solar power plants. The ratings are further constrained on account of implementation and stabilization risk associated with its upcoming solar capacity of 40 MW (20 MW in KPIL and 20 MW in its wholly-owned subsidiaries), leveraged capital structure which is envisaged to deteriorate even further due to ongoing debt-funded capex along with working capital intensive nature of operations in its captive power plant (CPP) segment.

CARE also takes cognizance of the company availing the moratorium granted by its lenders as a COVID-19 relief measure (as permitted by the Reserve Bank of India) on debt repayment of its bank facilities (except for project debt of its 25-MW solar power plant).

#### **Key Rating Sensitivities**

##### **Positive Factors:**

- Achievement of CUF level of more than 20% on a sustained basis.
- Successful commissioning and stabilization of the upcoming 40-MW project without any significant time or cost overrun.
- Sustained increase in its CPP sales to beyond Rs.50 crore with healthy profitability.

##### **Negative Factors:**

- Delays in receipt of payments from off takers on a sustained basis leading to increase in working capital cycle.
- Reduction in CUF levels below 16% on sustained basis.
- Deterioration in credit risk profile of the off-takers.
- Any major debt-funded capex resulting in deterioration of overall gearing to more than 2x.



- Non-compliance of sanction covenants including maintenance of various reserves and DSRA (equivalent to 2 quarters of debt servicing).

**Detailed description of the key rating drivers**

***Experienced promoter group***

KPIL is a part of the Surat-based KP group, which has diversified operations in Renewable Energy (Solar & Wind) segment. Since inception, the group has executed more than 100 MW of solar power plants under engineering, procurement and construction (EPC) mode. Mr Faruk Patel, Chairman & Managing director of KPIL, has an experience of more than 18 years in diversified sectors including solar and wind energy space. The Chief Operating Officer (COO) of the company, Mr Shaheedul Hasan holds a bachelor’s degree in Engineering and an experience of 28 years in the telecom and solar power industry.

The group has diversified operations in the Renewable Energy (Solar & Wind) segment through its other group entities KP Buildcon Private Limited and KP Energy Limited (rated ‘CARE BBB-; Negative/CARE A3’), which are engaged in the construction of solar power projects on EPC basis and execution of wind-based renewable power projects, respectively. Existing infrastructure and experience of the promoter group helps KPIL in setting up as well as operate solar power projects.

***Favorable geographical presence of the solar power plant along with established power evacuation infrastructure***

The entire solar power capacity of 40 MW is located at Sudi & Tanchha village, Bharuch, Gujarat. The site has good irradiation levels and easy availability of water for maintenance requirements. Furthermore, the project is erected on black cotton soil land, which results in comparatively lower dust, which in turn reduces annual maintenance cost and betters CUF levels.

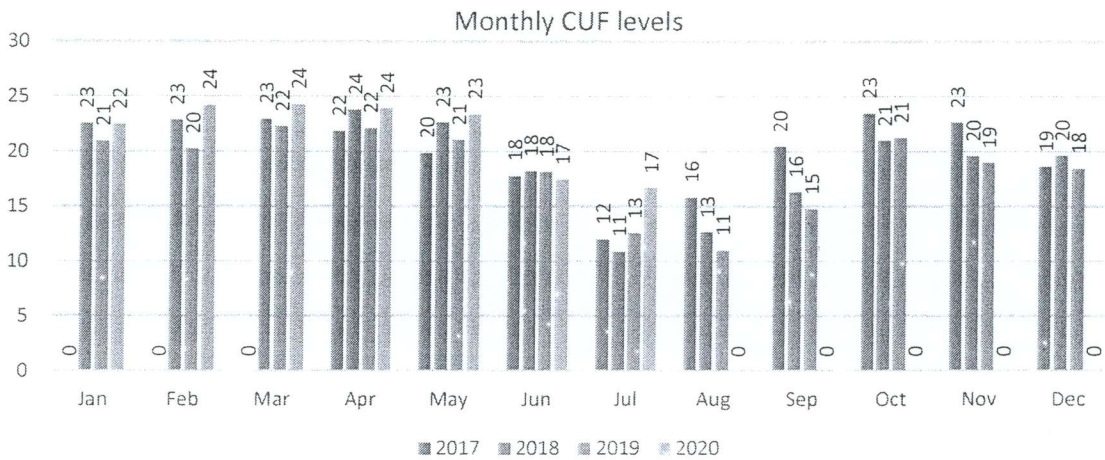
KPIL has set up a 13.25 km long 220 KV double conductor transmission line which is capable of transmitting up to 100 MW of power. The infrastructure is utilized to transmit power generated from capacity erected under both IPP as well as CPP segment. As on September 30, 2020, KPIL has obtained evacuation approval from GETCO for transmitting power up to 74 MW through



the said transmission line. KPIL has also signed the connectivity agreement and O&M agreement with GETCO for a period of 25 years for the 220 KV transmission line.

**Satisfactory operational performance of existing 40 MW solar power plant**

KPIL has commissioned solar power capacity in a phased manner over 2016-2019, of which 15 MW was commissioned in January 2019, while 25 MW was commissioned in November 2019. During FY20, the plant generated satisfactory CUF of 19.10% as against CUF of 19.01% in FY19. The total units increased from 1.87 crore units to 4.61 crore units during FY20. The CUF during Q1FY21 (refers to the period April 01 to June 30) remained healthy at 21.58% as against 20.43% during Q1FY20.



Source: Data provided by the company

**Low off-take and counterparty risk along with healthy per unit revenue realisation**

KPIL has entered into multiple long-term PPAs with reputed corporates having a strong credit profile in a range of 3 years (option to renew till 15 years) to 20 years. Presence of long-term PPA with a strong counterparty ensures timely receipts of payments and cash-flow sustainability.

KPIL offers a discount of approximately 7% on the prevailing per unit price of the power charged by the DISCOMs. The revenue per unit during FY20 remained healthy at Rs.6.41 (PY: Rs.6.45/unit). The linkage of per unit price to DISCOM rates is beneficial to the customers as it saves their power cost without any capital investment. Furthermore, KPIL gets compensated by the DISCOMs at APPC (Average Pooled Purchase Cost) rate for units injected in the grid but



remain unutilized by the customers. As a result, KPIL's tariff realisation is much higher than the solar power producers selling power under the fixed tariff base. Nevertheless, as per the terms of PPA, the transmission charges and transmission losses are borne by KPIL.

***Healthy growth in its scale of operations along with stable profitability***

During FY20, KPIL's TOI reported a healthy y-o-y growth of over 72% on account of its 25-MW power plant becoming operational along with significant increase in its CPP sales. Power sales more than doubled from Rs.11.17 crore in FY19 to Rs.27.88 crore during FY20, whereas CPP sales registered a healthy y-o-y growth of over 50% to Rs.25.95 crore.

**Detailed break-up of TOI is tabulated below:**

(Rs. Crore)

Particulars	FY18	FY19	FY20
Sale of plot of land	19.62	5.71	5.45
Sale of Solar Power (IIP)	7.96	11.17	27.88
Sale of Power Plant (CPP)	3.98	17.03	25.95

The PBILDT margin during FY20 remained largely stable at 45.30% registering a marginal y-o-y increase of 78 bps. However, due to significant depreciation charge, higher interest expenses and provision of deferred tax, PAT margin, albeit declined, remained moderate at 10.91% (FY19: 25.75%). However, KPIL reported a healthy gross cash accruals (GCA) of Rs.19.48 crore during FY20 as compared with Rs.8.07 crore in FY19.

During H1FY21 (Provisional), KPIL reported a TOI of Rs.41.76 crore, registering a healthy y-o-y growth of 67% as compared with H1FY20. Furthermore, due to increase in high margin IPP power sales, the PBILDT margin during H1FY21 improved to 50.69% as compared with 38.61% during H1FY20.

***Leveraged capital structure and moderate debt coverage indicators***

KPIL's overall gearing was envisaged to deteriorate on account of ongoing debt-funded 25-MW solar power plant in FY20. However, the deterioration was much higher than envisaged to 1.42x as at FY20 end (0.40x as at FY19 end) due to increase in the working capital intensity of CPP segment which was met by working capital borrowings. Going forward, the capital structure is envisaged to deteriorate even further due to ongoing debt-funded 20-MW capex plan. Debt



coverage indicators, however, remained moderate marked by an interest coverage of 3.64x (PY: 4.33x) and total debt to GCA of 7.13x (PY: 4.95x).

***Favorable renewable energy framework with stable industry outlook***

There is great thrust from government for improving the share of solar power in India’s overall power mix which is reflected from various policy initiatives. During 2019-2020, the addition to generation capacity (conventional & renewable) was around 13.9 GW which was 58% of the target for the year as per Central Electricity Authority of India (CEA). While capacity addition by conventional power sources in 2019-20 stood at 4.8 GW, grid connected renewable sources has outpaced the target by 77% with addition of 9.1 GW. The total installed generation capacity as at the end of 2019-20 stood at 86.7 GW for renewable energy.

Furthermore, there is great thrust from the government for improving the share of solar power in India’s overall power mix which is reflected from various policy initiatives. Further, looking at the already allotted capacity and government’s push for achieving targeted solar capacity of 100 GW by end FY22, capacity additions are likely to improve in next two to three years.

Solar projects have relatively lower execution risks, stable long-term revenue visibility with long-term off-take arrangements at a fixed tariff, minimal O&M requirements, must run status of solar power projects and upward revision in solar Renewable Purchase Obligation (RPO) achievement targets. However, there are concerns like increased difficulties in land acquisition, poor evacuation infrastructure, very high dependence on imported solar cells & modules, regulatory haze in terms of renegotiation of tariff in concluded PPAs and cancellation of concluded auctions, weak financial risk profile of few Discoms resulting in significant delays in payment and increased difficulties in debt tie-up.

Further, due to COVID-19 and its consequent lockdown, electricity consumption saw a sharp reduction in the country despite the supply of the same being outside the ambit of the lockdown as power is an essential service. Electricity demand and generation has fallen to 5-year lows during April-May 2020. The fall in demand has led to a decline in power generation; particularly from the leading source, i.e., coal-based power plants thus pulling down the capacity utilization of these power plants to record lows. Given the mandated must run status of renewable energy, generation from these sources saw an increase year on year.





Overall, positive and negative developments in the sector counterbalance each other, thereby resulting in a stable outlook.

***Implementation & stabilization risk associated with its upcoming 40 MW solar capacity expansion***

KPIL is setting up an additional 20-MW solar power plant near the existing solar power plant at an estimated project cost of Rs.76 crore, to be funded entirely through debt. KPIL has given EPC contract for entire capacity to a third party and has achieved financial closure for the project. As on November 02, 2020, KPIL had incurred total project cost of Rs.49.30 crore, which has been funded through project creditors.

As on November 02, 2020, KPIL has already completed work of 12 MW, of which commissioning certificate for 2.12 MW has been received. KGIL expects the project to be fully commissioned and operational by February 2021, as the company has signed long-term PPAs for 16 MW.

KPIL is also setting up another 20-MW solar power capacity in its two wholly-owned subsidiaries, i.e., KPIG Energia Pvt Ltd (KPIGEPL; 12 MW) & Sundrops Energia Pvt Ltd (SEPL; 8 MW). The total project cost is estimated at Rs.91.10 crore, to be funded in debt:equity ratio of 1.90:1. Project under both subsidiaries is envisaged to be commissioned by December 2021. Financial closure for KPIGEPL has been achieved, while that of SEPL is under progress. The debt availed by KPIGEPL has been guaranteed by KPIL. Of the total equity commitment of Rs.31.34 crore, Rs.10.61 crore has already been infused in FY20 from internal accruals and balance funds shall be infused in FY21-FY22.

Considering the size of the projects, completion of the project within envisaged time and cost parameters and stabilization of operations by achieving envisaged CUF level shall remain crucial.

***Risk pertaining to terms and continuity of PPA agreement***

The PPA executed by KPIL does not have a lock-in period and it can be terminated by either party by giving 6-12 months' notice. Furthermore, in case of few contracts, the PPA is to be renewed after three years. Consequently, KPIL is exposed to the risk arising out non-continuity by any of the customer in the long term.



Apart from above, KPIL has also provided minimum generation guarantee which is 20% of the expected output each year, adjusted proportionately for solar irradiation. However, the risk is partly offset by charging higher rate per unit of solar power, as compared to peers.

***Susceptibility of power generation to climatic conditions along with technological risk***

The power generation level of a solar power plant primarily depends upon factors like solar radiation levels, temperature & climatic conditions and transmissions efficiency of the plant and inverters installed, module aging and degradation, etc. While losses in photovoltaic (PV) systems, design parameters, inverter efficiency and module degradation depend on the overall manufacturing pattern and technical soundness of the modules, solar radiance levels and overall climatic conditions are beyond human control and thus have the potential to adversely affect the operational efficiency of a solar power plant. Although the modules and other equipment have been sourced from reputed suppliers, technological risk persists for the project duration. Further, the project is based on thin film photovoltaic (PV) solar cells technology, which has a relatively short performance track record in Indian conditions and consequently achievement of envisaged CUF levels remains crucial.

***Interest rate fluctuation risk***

The interest rate for the project debt is floating in nature thereby exposing the company to fluctuations in the interest rates. Any adverse movement of interest rate could hamper the company's financial profile and eventually its debt servicing capabilities.

***Liquidity: Adequate***

The liquidity position of KPIL is adequate marked by free cash and bank balance of Rs.10.28 crore as on March 31, 2020, and generation of healthy GCA of Rs.19.48 crore during FY20. Average utilisation of its fund-based working capital limits for the trailing 12 months ended August 2020 remained moderate at 82%. KPIL is required to create a DSRA of equivalent to two quarters of debt and interest servicing (approximately Rs.7.50 crore) for the 25-MW project out of project surplus. As on November 6, 2020, KPIL had created DSRA of Rs.1.98 crore in the form of fixed deposit.



The working capital cycle during FY20 elongated to 255 days (PY: 208 days) primarily on account of increase in the receivables and inventory levels. Owing to COVID-19, receivables from CPP customers could not be realized in March 2020, while increase in inventory levels is due to the ongoing 20-MW IPP solar plant, which has been classified under WIP.

Going forward, liquidity is envisaged to remain adequate considering defined cash flow mechanism in place through TRA and cash accruals of around Rs.32-42 crore as against equity commitments of Rs.7-14 crore and fixed debt repayment obligations of Rs.10-18 crore.

**Analytical approach:** Standalone

### **Applicable Criteria**

Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings

CARE's Policy on Default Recognition

Criteria for Short Term Instruments

Rating Methodology - Infrastructure Sector Ratings

Rating Methodology: Solar Power Projects

Rating Methodology - Power Generation Projects

Financial ratios - Non- Financial Sector

Liquidity Analysis of Non-Financial Sector Entities

### **About the Company**

Incorporated on February 01, 2018, KPIL is engaged in the generation of solar power, both as an IPP and CPP under the brand name of 'Solarism' at Sudi & Tanchha village, Amod, Bharuch, Gujarat.

In 2016, KPIL commissioned its first solar power plant (Unit I) of 5 MW on a leased land and in 2017, KPIL commissioned another solar power plant of 10 MW on owned land. Furthermore, KPIL additional solar capacity of 25 MW in November 2019 at the same location. Currently, KPIL is undertaking commissioning of solar power plants of 20 MW and another 20 MW in its subsidiaries at the same project location.



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KPIL also develops, transfer, operate and maintain grid connected solar power projects for CPP customers and generate revenue by selling these projects to third parties for their captive use requirements. By the end of September 2020, KPIL has successfully completed CPP project of 8.45-MW capacity of solar power plant and has entered into LOI's for additional 6.64 MW.

**Financial Performance – KPI Global Infrastructure Limited (Standalone)**

<i>For the period ended / as on March 31,</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
	<i>(12m, A)</i>	<i>(12m, A)</i>	<i>(12m, A)</i>
<i>(Rs. Cr)</i>			
<b><u>Working Results</u></b>			
Net Sales	31.56	34.51	59.28
Total Operating Income	31.58	34.58	59.56
PBILDT	18.20	15.39	26.98
Interest	2.57	3.55	7.42
Depreciation	8.08	4.47	7.48
PBT	7.56	13.15	11.99
PAT	7.39	8.90	6.50
Gross Cash Accruals	14.76	8.07	19.48
<b><u>Financial Position</u></b>			
Equity Share capital	12.94	18.07	18.07
Tangible Net worth	49.26	99.00	98.01
Total capital employed	100.56	150.07	241.89
<b><u>Key Ratios</u></b>			
<b><u>Growth</u></b>			
Growth in Total Operating Income (%)	21.38	9.49	72.25
Growth in PAT (%)	37.26	20.40	-27.04
<b><u>Profitability</u></b>			
PBILDT/Total Op. income (%)	57.61	44.52	45.30
PAT/ Total Op. income (%)	23.41	25.75	10.91
ROCE (%)	12.02	5.94	9.94
<b><u>Solvency</u></b>			
Debt Equity ratio (times)	0.90	0.35	1.27
Overall gearing ratio (times)	0.90	0.37	1.42
Interest Coverage (times)	7.07	4.33	3.64
Term debt/Gross cash accruals(years)	2.99	4.76	6.38
Total debt/Gross cash accruals(years)	2.99	4.95	7.13
<b><u>Liquidity</u></b>			
Current ratio	1.98	2.89	1.19
Quick ratio	1.84	2.05	0.68
<b><u>Turnover</u></b>			
Avg. Collection Period (days)	81	138	127
Avg. Inventory (days)	62	163	283
Avg. Creditors (days)	70	94	155
Op. cycle (days)	73	208	255

A: Audited;



Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Details of rated facilities: Please refer Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

#### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	October-2032	111.83	CARE BBB; Stable
Non-fund-based - LT/ST-Letter of credit	-	-	-	2.00	CARE BBB; Stable / CARE A3+
Non-fund-based - LT/ST-Bank Guarantees	-	-	-	0.50	CARE BBB; Stable / CARE A3+
Fund-based - LT/ ST-Cash Credit	-	-	-	13.00	CARE BBB; Stable / CARE A3+

#### Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	111.83	CARE BBB; Stable	-	1)CARE BBB; Stable (26-Feb-20) 2)CARE BBB-; Stable (30-Apr-19) 3)CARE BBB-; Stable / CARE A3 (16-Apr-19)	-	-
2.	Non-fund-based - LT/ ST-Letter of credit	LT/ST	2.00	CARE BBB; Stable / CARE A3+	-	1)CARE BBB; Stable / CARE A3+ (26-Feb-20) 2)CARE BBB-; Stable / CARE A3 (30-Apr-19)	-	-
3.	Non-fund-based - LT/ ST-Bank Guarantees	LT/ST	0.50	CARE BBB; Stable / CARE A3+	-	1)CARE BBB; Stable / CARE A3+	-	-



						(26-Feb-20) 2)CARE BBB-; Stable / CARE A3 (30-Apr-19)		
4.	Fund-based - LT/ ST-Cash Credit	LT/ST	13.00	CARE BBB; Stable / CARE A3+	-	1)CARE BBB; Stable (26-Feb-20)	-	-

### Annexure-3: Details of Rated Facilities

#### 1. Long-term Facilities

##### 1.A. Term Loans

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)	Debt Repayment Terms	Remarks
1.	Power Finance Corporation	80.33	Repayable in monthly instalments of Rs.0.57 crore	Outstanding as on October 31, 2020
2.	Power Finance Corporation	31.50	Repayable in 84 structure monthly instalments	Sanctioned amount
	<b>Total</b>	<b>111.83</b>		

**Total Long-term Facilities : Rs.111.83 crore**

#### 2. Long-term / Short-term Facilities

##### 2.A. Fund-based Limits

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)	Remarks
1.	State Bank of India	13.00	Main limit: Cash credit. Sublimit: Bank Guarantee of Rs.2 crore
	<b>Total</b>	<b>13.00</b>	

##### 2.B. Non-fund-based Limits

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)	Remarks
1.	State Bank of India	2.00	Main Limit: Letter of Credit. Fully interchangeable with Bank Guarantee
	<b>Total</b>	<b>2.00</b>	

##### 2.C. Non-fund-based Limits

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)	Remarks
1.	State Bank of India	0.50	Main limit: Bank Guarantee. Fully interchangeable with letter of credit



Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)	Remarks
	Total	0.50	

Total Long-term / Short-term Facilities : Rs.15.50 crore

Total Facilities (1.A+2.A+2.B+2.C) : Rs.127.33 crore

**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple
2.	Fund-based - LT/ ST-Cash Credit	Simple
3.	Non-fund-based - LT/ ST-Bank Guarantees	Simple
4.	Non-fund-based - LT/ ST-Letter of credit	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.



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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

**(This follows our brief rationale for the company published on December 1, 2020)**

#### Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

