

January 29, 2021

Thermax Onsite Energy Solutions Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term Unallocated facilities	100.00	100.00	[ICRA]A+ (Stable); withdrawn
Total	100.00	100.00	

*Instrument details are provided in Annexure-1

Rationale

The rating assigned to Thermax Onsite Energy Solutions Limited (TOESL) has been withdrawn at the request of the company. The rating is withdrawn in accordance with ICRA's policy on withdrawal and suspension and based on the no objection certificate provided by the lender. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key rating drivers, Liquidity position and Rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	The rating is based on the implicit support of the parent entity – Thermax Limited
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of TOESL

About the company

Incorporated in 2009, TOESL is a wholly owned subsidiary of Thermax Limited and supplies utilities namely steam, heat, chilled water (cooling), water and wastewater, power and combined heat and power through outsourced utility delivery services based on the Build-Own-Operate (BOO/T) business model. The company undertakes installation of owned equipment and peripherals at customer site, operations and maintenance activities, procurement of required inputs such as fuel(biomass), manpower and consumables at its own cost; and supplies the end-utility product to its customers on a unit consumption basis.

Key financial indicators (audited)

LTHL Consolidated	FY2019	FY2020
Operating Income (Rs. crore)	87.3	128.0
PAT (Rs. crore)	11.4	12.6
OPBDIT/OI (%)	17.1%	11.4%
RoCE (%)	33.6%	23.4%
Total Outside Liabilities/Tangible Net Worth (times)	0.6	0.8
Total Debt/OPBDIT (times)	0.2	0.8
Interest Coverage (times)	21.3	16.5
DSCR (times)	3.4	3.3

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; ROCE: PBIT/Avg (Total Debt + Tangible Net Worth + Deferred Tax Liability - Capital Work in Progress); DSCR: (PBIT + Mat Credit Entitlements - Fair Value Gains through P&L - Non-cash Extraordinary Gain/Loss)/(Interest + Repayments made during the Year)

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Jan27, 2021 (Rs. crore)	Date & Rating in	Date & Rating in FY2020	Date & Rating in FY2019	Date & Rating in FY2018
					Jan 29, 2021	Oct 22, 2019	-	-
1	Long-term unallocated facilities	Long-term	100.00	NA	[ICRA]A+ (Stable); withdrawn	[ICRA]A+ (Stable)	-	-

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [click here](https://www.icra.in)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs Crore)	Current Rating and Outlook
NA	Long-term Unallocated Facilities	NA	NA	NA	100.0	[ICRA]A+ (Stable); withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis: Not applicable

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