

August 27, 2024

Lanco Solar Energy Private Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short Term-Non-Fund Based-Others	425.00	425.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Cash Credit	150.00	150.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	575.00	575.00	

*Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has kept the Long-Term and short-Term ratings for the Bank Facility of Lanco Solar Energy Private Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]D; ISSUER NOT COOPERATING/[ICRA]D; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Lanco Solar Energy Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities : [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Policy on default recognition Rating Methodology- Power Solar Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Lanco Solar Energy Private Limited (LSEPL) is a 100% subsidiary of Lanco Infratech Limited. LSEPL was established in June 2009 and is engaged in providing design & engineering, procurement of equipment's and complete construction of solar power projects. The company has so far executed turnkey EPC contracts for ~250.0 MW solar power projects located majorly in Rajasthan, Gujarat and Maharashtra.

Key financial indicators:

Standalone	FY 2022	FY 2023
Operating Income (Rs. crore)	18.50	12.89
PAT (Rs. crore)	- 4.40	- 11.55
OPBDITA/OI (%)	-17.64%	-83.95%
PAT/OI (%)	-23.78%	-89.56%
Total Outside Liabilities/Tangible Net Worth (times)	- 1.99	- 1.93
Total Debt/OPBDITA (times)	- 60.90	- 18.36
Interest Coverage (times)	-4.20	- 26.58

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortization

Source: MCA

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2025)		Chronology of Rating History for the past 3 years			
		Amount Rated (Rs. Crore)	Date & Rating in	Date & Rating in	Date & Rating in	Date & Rating in	
			27 Aug 2024	23 Jun 2023	26 May 2022	21 Apr 2021	
1 Non-Fund Based-Others	Short Term	425.00	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	
2 Fund Based-Cash Credit	Long Term	150.00	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Non-Fund Based-Others	Very Simple
Fund Based-Cash Credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Non-Fund Based-Others	-	-	-	425.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Fund Based-Cash Credit	-	-	-	150.00	[ICRA]D; ISSUER NOT COOPERATING

Source: Lanco Solar Energy Private Limited

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

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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