

RATING RATIONALE

07 Mar 2023

Feedback Energy Distribution Co. Ltd. (FEDCO)

Brickwork Ratings reaffirms the Ratings for the Commercial Paper issue of Rs.20.00 Crs of Feedback Energy Distribution Company Ltd(FEDCO) and continues the rating in the Issuer Not Cooperating category, based on best available information, as the issuer did not cooperate.

Particulars

Facilities/ Instrument**	Amount (Rs. Cr)		Tenure	Rating*	
	Previous	Present		Previous (Feb 2022)	Present
Commercial Papers	20.00	20.00	Short Term	BWR D Issuer Not Cooperating* Reaffirmation	BWR D Continues to be in the ISSUER NOT COOPERATING* category / Reaffirmed
Total	20.00	20.00	Rupees Twenty Crores Only		

#Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

*Issuer did not cooperate; based on best available information

**Details of CPs are provided in Annexure-I

RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION

BWR reaffirms the ratings of the Commercial Papers of Feedback Energy Distribution Co. Ltd. for Rs.20 Crs. at BWR D and continues the rating in the ISSUER NOT COOPERATING* category, based on best available information as the Issuer did not Cooperate. The reaffirmation of the rating at BWR D is on account of the fact that there is no information which enables BWR to assess whether there has been any change in the financial status of the company since the last rating exercise in February, 2022.

The rating was due for a review in Feb. 2023. BWR took up with the issuer and their bankers over emails and through telephone calls, to provide the required information. Despite the best efforts of BWR to get the minimum required information for a review, neither the entity nor their banker has provided the same. In the absence of adequate information from the Company or their bankers, BWR is unable to assess the Company's financial performance or its ability to service its debt and maintain a valid rating.

LIMITATIONS OF THE RATING: Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 19	FY20
Result Type		Audited	Provisional
Operating Income	Rs. Crs	748.71	641.13
OPBDIT	Rs. Crs	82.75	95.36
PAT	Rs. Crs	8.24	-229.25
Debt:Equity	Times	4.12	28.57

KEY FINANCIAL INDICATORS – Feedback Infra Pvt. Ltd. (Consolidated) – Guarantee Provider [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY19	FY20
Result Type		Audited	Provisional
Operating Income	Rs. Crs	1239.96	1066.21
OPBDIT	Rs. Crs	137.92	181.84
PAT	Rs. Crs	7.30	-246.27
Debt:Equity	Times	2.61	34.29

COMPANY PROFILE (as available with BWR)

Incorporated in Oct' 12, Feedback Energy Distribution Co. Ltd. (FEDCO), is a 100% wholly-owned subsidiary of Feedback Infra Pvt. Ltd. (FIPL). It is in the business of power distribution franchise (DF) with scope of work including supply of power to the existing/ future consumers, carry out commercial activities, undertake operations and maintenance of LT(low tension) power distribution network, implement smart grid solutions and incur capital expenditure for network upgradation and strengthening. In Feb'13, FEDCO entered a DFA(Distribution Franchise Agreement) for 5 years with the Odisha Government (state-owned Discoms -CESU) for its four electrical divisions – Khurda, Puri, Nayagarh and Balugaon. The agreement was subsequently extended and finally discontinued from 30 Jun 2020. FEDCO currently has DFA agreement with Meghalaya and Tripura govt. for four electricity divisions in each state.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: None

Rating History for the last three years (including withdrawn/suspended ratings)

S. No.	Instrument	Current Rating (2023)			Rating History					
		Type (Long Term/ Short Term)	Amount Outstanding (Rs. Crs)	Rating	2022		2021		2020	
					Date	Rating	Date	Rating	Date	Rating
1.	CP	Short Term	-	-	-	-	-	-	22 May 2020	Withdrawal on redemption*
2.	CP	Short Term	20.00	BWR D Continues to be in the ISSUER NOT COOPERATING* category / Reaffirmation	11 Feb. 2022	BWR D ISSUER NOT COOPERATING* Reaffirmation	01 Feb 2021	BWR D Downgrade	04 May 2020	BWR A2+ Assigned
	Total		20.00	Rupees Twenty Crores Only						

*Issuer did not cooperate; based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS :SIMPLE

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

Analytical Contacts	
Madhu Sonthalia Assistant Manager-Ratings madhusonthalia@brickworkratings.com	Anuradha Gupta Director – Ratings anuradha.g@brickworkratings.com
1-860-425-2742	I media@brickworkratings.com

ANNEXURE I

INSTRUMENT (CPs) DETAILS

Instrument	Issue Date	Amount in Crs. (Outstanding)	Coupon Rate	Maturity Date	ISIN Particulars
CPs	10 Jun 2020	10.00	-	07 Mar 2021	INE384W14025
	10 Jun 2020	10.00	-	26 May 2021	INE384W14033
Total		20.00	INR Twenty Crores Only		

For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings : Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER : Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. [hereafter referred to as "Instruments"]. BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

BWR wishes to inform all persons who may come across Rating Rationales and Rating Reports provided by BWR that the ratings assigned by BWR are based on information obtained from the issuer of the instrument and other reliable sources, which in BWR's best judgement are considered reliable. The Rating Rationale / Rating Report & other rating communications are intended for the jurisdiction of India only. The reports should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in Europe and also the USA).



BWR also wishes to inform that access or use of the said documents does not create a client relationship between the user and BWR.

The ratings assigned by BWR are only an expression of BWR's opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either, purchase, hold or sell the instrument.

BWR also wishes to abundantly clarify that these ratings are not to be considered as an investment advice in any jurisdiction nor are they to be used as a basis for or as an alternative to independent financial advice and judgement obtained from the user's financial advisors. BWR shall not be liable to any losses incurred by the users of these Rating Rationales, Rating Reports or its contents. BWR reserves the right to vary, modify, suspend or withdraw the ratings at any time without assigning reasons for the same.

BWR's ratings reflect BWR's opinion on the day the ratings are published and are not reflective of factual circumstances that may have arisen on a later date. BWR is not obliged to update its opinion based on any public notification, in any form or format although BWR may disseminate its opinion and analysis when deemed fit.

Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, "BWR Party") guarantee the accuracy, completeness or adequacy of the Ratings, and no BWR Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Rating Rationales or Rating Reports. Each BWR Party disclaims all express or implied warranties, including, but not limited to, any warranties of merchantability, suitability or fitness for a particular purpose or use. In no event shall any BWR Party be liable to any one for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Rating Rationales and/or Rating Reports even if advised of the possibility of such damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.

BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, www.brickworkratings.com. More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.