

## Adhunik Power & Natural Resources Limited

August 03, 2022

### Rating

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	90.0 (Reduced from 2,499.70)	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term Bank Facilities	-	-	Withdrawn
Short Term Bank Facilities	-	-	Withdrawn
<b>Total Bank Facilities</b>	<b>90.00</b> <b>(₹ Ninety Crore Only)</b>		

Details of instruments/facilities in Annexure-1.

### Detailed rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated March 20, 2018, placed the rating(s) of Adhunik Power & Natural Resources Limited (APNRL) under the 'issuer non-cooperating' category as APNRL had failed to provide information for monitoring of the rating. APNRL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and letter/emails dated July 22, 2022 and July 25, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

At the request of Adhunik Power & Natural Resources Limited and based on Audited Report for FY21, CARE has withdrawn the ratings of bank facilities of APNRL as all the bank facilities have been taken over by another lender, except facilities of Life Insurance Corporation of India (LICI), with new terms and conditions and no longer with existing lenders rated by CARE. Also, facilities of Bank of Baroda have been repaid based on One Time Settlement (OTS).

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

### Detailed description of the key rating drivers

At the time of last rating on January 27, 2022 the following were the rating strengths and weaknesses (updated for the information available from Registrar of companies):

#### Key Rating Weaknesses

##### On-going delays in debt servicing

APNRL's debt servicing track record is characterized by delays in servicing of its debt obligations. The increase in raw material prices on account of de-allocation of coal mines led to negative cash accruals. Further the company continues to have elongated operating cycle of the company as characterised through its extended debtor's collection period which has resulted in a stretched liquidity position of the company.

**Analytical approach:** Standalone

#### Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non-financial Sector](#)

[Thermal Power](#)

[Policy on Withdrawal of Ratings](#)

#### About the company

Incorporated on May 3, 2005 and promoted by the Kolkata-based Adhunik group, APNRL (erstwhile known as Adhunik Thermal Energy Ltd.), operates a 540 MW coal-based thermal power plant in Kandra, Saraikela district of Jharkhand. The plant has been set up at a cost of Rs.3,376.7 crore (i.e.; Rs.6.25 crore per MW), being financed at a debt-equity ratio of 2.74:1. The plant had been commissioned in two phases - Phase I (270 MW) was commissioned in Jan 2013; and Phase II (270 MW) got commissioned in May 2013. Adhunik group is engaged in manufacturing of steel with interests in coal, manganese & iron ore mining. The company has gone under Strategic Debt Restructuring (SDR) in December 2015.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

\*Issuer did not cooperate; Based on best available information

Brief Financials (₹ crore)	March 31, 2020 (A)	March 31, 2021 (A)	March 31, 2022 (A)	Q1FY23 (U/A)
Total operating income	1,168.66	1,177.85	NA	NA
PBILDT	224.50	220.43	NA	NA
PAT	-388.95	-151.01	NA	NA
Overall gearing (times)	-3.66	-4.76	NA	NA
Interest coverage (times)	0.43	0.61	NA	NA

A: Audited; U/A: Unaudited; NA: Not available

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating history for the last three years:** Please refer Annexure-2

**Covenants of the rated instruments/facilities:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

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

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	March 2033	90.0	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC	-	-	-	-	0.00	Withdrawn

\*Issuer did not cooperate; Based on best available information

#### Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	90.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (27-Jan-22)	1)CARE D; ISSUER NOT COOPERATING* (11-Dec-20)	1)CARE D; ISSUER NOT COOPERATING* (17-Sep-19)
2	Fund-based - LT-Cash Credit	LT	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Jan-22)	1)CARE D; ISSUER NOT COOPERATING* (11-Dec-20)	1)CARE D; ISSUER NOT COOPERATING* (17-Sep-19)
3	Non-fund-based - ST-BG/LC	ST	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Jan-22)	1)CARE D; ISSUER NOT COOPERATING* (11-Dec-20)	1)CARE D; ISSUER NOT COOPERATING* (17-Sep-19)

\*Issuer did not cooperate; Based on best available information

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities:** Not Applicable

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

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Simple

#### Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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#### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

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