

Urjankur Shree Datta Power Company Limited

March 19, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	16.27	CARE BB; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	20.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings had, vide its press release dated February 12, 2024, continued to keep the ratings of Urjankur Shree Datta Power Company Limited (USDPL) under the 'issuer non-cooperating' category as USDPL had failed to provide information for monitoring of the ratings. USDPL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated December 28, 2024, January 07, 2025, January 17, 2025, letter dated March 06, 2025, and phone calls. 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.

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

The ratings take into account seasonality to cash flows. The ratings, however, draw comfort from strategic importance and favourable long term fuel sourcing arrangements and Power Purchase Agreement (PPA) with MSEDCL mitigating power off-take risk. Further, FY24 financial performance remains stable but there is lack of information on operational performance.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on February 12, 2024 the following were the rating strengths and weaknesses (updated for the information available Registrar of Companies)

Key weaknesses

Seasonality to cash flows remains the key risk

The seasonality in cash flows i.e. operations remain key risk for the project as plant operates only during the peak season (i.e. H2 of every financial year). Thus, cash flow generation trend remains asymmetrical and concentrated in second half of the year. Further, any lack of performance during this period can affect the credit quality of the company and increase leverage.

Key Strengths

Strategic importance and favourable long term fuel sourcing arrangements

With effect from August 11, 2017, the HSF has taken over the company post acquisition of effective stake of 66.67% from IREL. USDPL signed a Project Development Agreement with HSF, where HSF shall provide bagasse to the company at free of cost. USDPL in-turn will supply free processed steam and power to HSF for captive use during the sugar season. This provides company with an assured source of fuel during the season (Oct-Mar) every year.

Power Purchase Agreement (PPA) with MSEDCL mitigating power off-take risk

USDPL has long-term PPA with MSEDCL for 13 years from COD i.e. August 2011 for sale of power (after meeting the requirements of HSF) i.e. 22.5 MW during on-season and 32.5MW during off-season at a tariff rate of Rs.6.24/kWh. The market risk associated with prior off-take arrangements are negated after entering into long term PPA with MSEDCL, a power distribution entity. Nevertheless, the company would be exposed to counter-party risk of MSEDCL, which has a moderate credit risk profile. Timely payments from the counterparty remain key monitorable for the rating. The rating revision factors in non-cooperation from the company regarding information on the same.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

FY24 financial performance stable but lack of information on operational performance

USDPCCL's revenue declined to Rs.63.05 crore in FY24 (refers to April 1 to March 31) (Rs.69.62 crore in FY23). PBILDT margin improved to 30.66% in FY24 from 7.52% in FY23. Capital structure and debt protection metrics remained comfortable supported by absence of borrowings. However, the operational performance of the company since FY19 has not been made available to CARE for monitoring the ratings.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

About the company and industry
Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power Generation

Urjankur Shree Datta Power Company Limited (USDPCCL) was incorporated on March 19, 2008 and is based at Dattanagar, Shirol, Kolhapur. USDPCCL a Special Purpose Vehicle set up by Infrastructure Leasing and Financial Services Limited's (IL&FS) step-down subs diary i.e. IL&FS Renewable Energy Limited (IREL), which was a wholly owned subsidiary of IL&FS Energy Development Company Limited and Government of Maharashtra under the Urjankur Nidhi Trust (UNT).

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)*	9M FY25 (UA)
Total operating income	69.62	63.05	NA
PBILDT	5.23	19.33	NA
PAT	0.99	11.88	NA
Overall gearing (times)	0.00	0.00	NA
Interest coverage (times)	29.24	327.69	NA

A: Audited UA: Unaudited; NA: Not Available; Note: these are latest available financial results

* information available from Registrar of Companies

Status of non-cooperation with previous CRA: Nil

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	31-12-2019	16.27	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based/Non-fund-based-LT/ST		-	-	-	20.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for 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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	16.27	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (12-Feb-24)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (18-Nov-22)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (24-Aug-21)
2	Fund-based/Non-fund-based-LT/ST	LT/ST	20.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (12-Feb-24)	1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (18-Nov-22)	1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (24-Aug-21)

*Issuer did not cooperate; based on best available information.

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based/Non-fund-based-LT/ST	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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