

## Abhinav Steels and Power Limited

November 10, 2020

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities	-	-	Withdrawn
Short-term Bank Facilities	-	-	Withdrawn
<b>Total Facilities</b>	-		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the ratings assigned to the Bank facilities of Abhinav Steels and Power Limited (ASPL) with immediate effect, as the Central Bank of India has filed an application under section 7 of the Insolvency and Bankruptcy Code 2016, to trigger the corporate Insolvency resolution process in respect of ASPL on account of huge amount outstanding and consistent defaults. The NCLT has accepted the application and Resolution Professional has been appointed in the matter.

**Analytical approach:** Not Applicable

**Applicable Criteria**

[Policy on Withdrawal of ratings](#)

### About the Company

ASPL was initially promoted as Abhinav Steels Private Limited in 1987 by Mr. Phoolchand Yadav of the Yadav family along with Mr. Girdhari Lal Yadav (first cousin of Mr. Phoolchand Yadav) for manufacturing of rolled steel products at Jaunpur (U.P.). The company is engaged in the manufacturing of long steel products such as angles, channels and TMT bars and caters to the construction and infrastructure industry. ASPL has its manufacturing facilities located in Jaunpur (U.P.) with a capacity of 75,600 Metric Tonne Per Annum (TPA) for ingots and 81,000 (MTPA) for rolled products as on March 31, 2015. Further, ASPL also has 40 MW coal based captive power plant.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	60.86	64.52
PBILDT	5.31	-9.40
PAT	-35.50	-90.15
Overall gearing (times)	-3.64	-1.82
Interest coverage (times)	0.16	-0.18

*A: Audited*

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

**Any other information:** Not Applicable

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

**Covenants of rated instrument / facility:** 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	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC	-	-	-	0.00	Withdrawn

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (13-Aug-19)	1)CARE D; ISSUER NOT COOPERATING* (22-Jun-18)	1)CARE D; ISSUER NOT COOPERATING* (05-Apr-17)
2.	Fund-based - LT-Cash Credit	LT	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (13-Aug-19)	1)CARE D; ISSUER NOT COOPERATING* (22-Jun-18)	1)CARE D; ISSUER NOT COOPERATING* (05-Apr-17)
3.	Non-fund-based - ST-BG/LC	ST	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (13-Aug-19)	1)CARE D; ISSUER NOT COOPERATING* (22-Jun-18)	1)CARE D; ISSUER NOT COOPERATING* (05-Apr-17)

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities – None****Annexure 4: Complexity level of various instruments rated for this company**

Sr. No.	Name of the 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

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

## Contact us

### Media Contact

Mradul Mishra

Contact no. – +91-22-6837 4424

Email ID – [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

### Analyst Contact

Group Head Name: Ajay Dhaka

Group Head Contact no. - +91-11-45333218

Group Head Email ID- [ajay.dhaka@careratings.com](mailto:ajay.dhaka@careratings.com)

### Relationship Contact

Ms. Swati Agarwal

Contact no. : +91-11-45333200

Email ID: [swati.agarwal@careratings.com](mailto:swati.agarwal@careratings.com)

### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

### Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**