



Rating Rationale

Adhunik Alloys & Power Limited

28th June 2017

Brickwork Ratings has reviewed the Rating for the bank loan facilities of ₹ 709.14 Cr of Adhunik Alloys & Power Limited (AAPL or the ‘Company’) based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument stands revised to BWR D.

Particulars

Facility Rated	Amount (₹ Crs)	Amount (₹ Crs)	Tenure	Ratings [^]	
	Previous	Present		Previous (28-03-2017)	Present
Fund Based	591.14	591.14	Long Term	BWR BB- (Outlook:Stable)	BWR D
Non – Fund Based	118.00	118.00	Short Term	BWR A4	
Total	709.14	709.14	(Rupees Seven Hundred Nine Crore and Fourteen Lakh Only)		

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

Rating downgraded

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the feedback received from the Company’s Banker regarding the conduct of the Company’s accounts maintained with the respective Bank.

The rating factors the irregularities in servicing of debt obligations.

Nature of Non-co-operation:

The rating was due for a review in March 2017. BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer/Company, BWR is unable to assess the issuer’s/Company’s financial performance and 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 and generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

About the Company

AAPL, incorporated on 27th July, 2003, belongs to Adhunik group located at Kandra, Saraikela, Jamshedpur (Jharkhand) and promoted by Agarwal family. The Company is engaged in production of Sponge Iron & Steel Billets supported by captive power plant of 30 MW and also has a private railway siding. The Company had set up DRI Units (350 TPD x 2) for manufacturing of sponge iron in 2005. In the year 2007, the Company planned a project to further expand its facilities by backward & forward integration and set up captive power plant, Coal Washery, Steel Melting Shop (SMS) & private railway siding.

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Instrument /Facility	Current Rating (2017)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Cr)	Rating	Rating Assigned in 28-3-16	2015	2014
1	Fund Based	Long Term	591.14	BWR D	BWR BB- (Outlook:Stable)	-	-
2	Non-Fund Based	Short Term	118.00		BWR A4	-	-

Hyperlink/Reference to applicable Criteria / Policies

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-cooperation](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.