

Press Release

ARS ENERGY PRIVATE LIMITED

January 22, 2024



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Ra
Bank Loan Ratings	2.36	ACUITE C Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	107.73	ACUITE D Downgraded Issuer not co-operating*	-
Bank Loan Ratings	110.94	ACUITE D Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	106.00	-	ACUITE D Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	327.03	-	-

Rating Rationale

Acuite has downgraded the long-term rating to 'ACUITE D' (read as ACUITE D) from 'ACUITE C' (read as ACUITE C) on Rs.107.73 Cr. bank facilities of ARS Energy Pvt Ltd (AEPL).

Acuite has reaffirmed the long term rating of 'ACUITE D' (read as ACUITE D) and short-term rating of 'ACUITE D' (read as ACUITE D) on Rs.216.94 Cr. bank facilities of ARS Energy Pvt Ltd (AEPL).

Further, Acuite has also reaffirmed the long-term rating to 'ACUITE C' (read as ACUITE C) on the Rs.2.36 Cr. bank facilities of ARS Energy Pvt Ltd (AEPL).

This rating is now an indicative rating and is based on the best available information.

Rationale for rating downgrade

The rating downgrade is on account of default intimation issued by Canara Bank through a public notice.

About the Company

ARS Energy Private Limited (Previously known as ARS Metals Private Limited) is a Tamil Nadu based company incorporated in the year 1990, promoted by Mr. Ashwani Kumar Bhatia. It operates 60 megawatt (MW) thermal power plant in Gummidipoondi (Chennai), Tamil Nadu in 2013. The power generated is sold to private parties under group captive system. Further, the company is also engaged in trading of coal.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. Acuite has also been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower in the absence of information provided by the issuer/borrower). Acuité has endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon

Outlook: Not applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	140.34	236.83
PAT	Rs. Cr.	(28.57)	2.18
PAT Margin	(%)	(20.36)	0.92
Total Debt/Tangible Net Worth	Times	1.79	1.31
PBDIT/Interest	Times	0.67	1.91

Status of non-cooperation with previous CRA

Not applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Dec 2022	Term Loan	Long Term	1.99	ACUITE C (Downgraded from ACUITE BB+ Stable)
	Bank Guarantee	Short Term	2.25	ACUITE D (Downgraded from ACUITE A4+)
	Term Loan	Long Term	7.53	ACUITE C (Downgraded from ACUITE BB+ Stable)
	Letter of Credit	Short Term	56.25	ACUITE D (Downgraded from ACUITE A4+)
	Letter of Credit	Short Term	43.75	ACUITE D (Downgraded from ACUITE A4+)
	Term Loan	Long Term	8.25	ACUITE C (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	1.18	ACUITE C (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	10.16	ACUITE D (Downgraded from ACUITE BB+ Stable)
	Cash Credit	Long Term	15.63	ACUITE D (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	38.99	ACUITE D (Downgraded from ACUITE BB+ Stable)
	Bank Guarantee	Short Term	3.75	ACUITE D (Downgraded from ACUITE A4+)
	Proposed Bank Facility	Long Term	2.36	ACUITE C (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	8.07	ACUITE D (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	9.78	ACUITE C (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	35.90	ACUITE C (Downgraded from ACUITE BB+ Stable)
	Cash Credit	Long Term	9.38	ACUITE D (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	28.71	ACUITE D (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	43.10	ACUITE C (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	35.90	ACUITE BB+ Stable (Downgraded from ACUITE BBB+ Negative)
	Letter of Credit	Short Term	56.25	ACUITE A4+ (Downgraded from ACUITE A2+)
	Term Loan	Long Term	1.18	ACUITE BB+ Stable (Downgraded from ACUITE BBB+ Negative)
	Cash Credit	Long Term	9.38	ACUITE BB+ Stable (Downgraded from ACUITE BBB+ Negative)
	Cash Credit	Long Term	15.63	ACUITE BB+ Stable (Downgraded from ACUITE BBB+ Negative)
	Term Loan	Long Term	8.07	ACUITE BB+ Stable (Downgraded from ACUITE BBB+ Negative)
	Bank Guarantee	Short Term	2.25	ACUITE A4+ (Downgraded from ACUITE A2+)
	Proposed Bank Facility	Long Term	2.36	ACUITE BB+ Stable (Downgraded from ACUITE BBB+ Negative)
		Long		ACUITE BB+ Stable (Downgraded from

06 Jun 2022	Term Loan	Term	28.71	ACUITE BBB+ Negative)
	Term Loan	Long Term	9.78	ACUITE BB+ Stable (Downgraded from ACUITE BBB+ Negative)
	Letter of Credit	Short Term	43.75	ACUITE A4+ (Downgraded from ACUITE A2+)
	Term Loan	Long Term	38.99	ACUITE BB+ Stable (Downgraded from ACUITE BBB+ Negative)
	Term Loan	Long Term	10.16	ACUITE BB+ Stable (Downgraded from ACUITE BBB+ Negative)
	Term Loan	Long Term	43.10	ACUITE BB+ Stable (Downgraded from ACUITE BBB+ Negative)
	Term Loan	Long Term	8.25	ACUITE BB+ Stable (Downgraded from ACUITE BBB+ Negative)
	Term Loan	Long Term	1.99	ACUITE BB+ Stable (Downgraded from ACUITE BBB+ Negative)
	Bank Guarantee	Short Term	3.75	ACUITE A4+ (Downgraded from ACUITE A2+)
	Term Loan	Long Term	7.53	ACUITE BB+ Stable (Downgraded from ACUITE BBB+ Negative)
03 Feb 2021	Term Loan	Long Term	1.42	ACUITE BBB+ Negative (Reaffirmed)
	Cash Credit	Long Term	15.62	ACUITE BBB+ Negative (Reaffirmed)
	Term Loan	Long Term	44.16	ACUITE BBB+ Negative (Reaffirmed)
	Cash Credit	Long Term	9.38	ACUITE BBB+ Negative (Reaffirmed)
	Term Loan	Long Term	35.70	ACUITE BBB+ Negative (Reaffirmed)
	Bank Guarantee	Short Term	3.75	ACUITE A2+ (Reaffirmed)
	Term Loan	Long Term	9.79	ACUITE BBB+ Negative (Reaffirmed)
	Term Loan	Long Term	49.87	ACUITE BBB+ Negative (Reaffirmed)
	Letter of Credit	Short Term	43.75	ACUITE A2+ (Reaffirmed)
	Bank Guarantee	Short Term	2.25	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	56.25	ACUITE A2+ (Reaffirmed)
	Term Loan	Long Term	55.09	ACUITE BBB+ Negative (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	2.25	ACUITE D Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	3.75	ACUITE D Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	9.38	ACUITE D Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	15.63	ACUITE D Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	56.25	ACUITE D Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	43.75	ACUITE D Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	2.36	ACUITE C Reaffirmed Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.18	ACUITE D Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	25 May 2017	9.60	09 Sep 2031	Simple	38.99	ACUITE D Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	17 Jun 2017	9.85	09 Sep 2031	Simple	28.71	ACUITE D Reaffirmed Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Term Loan	08 Jun 2017	8.65	09 Sep 2031	Simple	8.25	ACUITE D Downgraded Issuer not co-operating*
Punjab National Bank	Not Applicable	Term Loan	21 Mar 2017	9.40	09 Sep 2031	Simple	35.90	ACUITE D Downgraded Issuer not co-operating*
								ACUITE D

State Bank of India	Not Applicable	Term Loan	16 Jun 2017	11.00	09 Sep 2031	Simple	43.10	Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	10.16	ACUITE D Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	8.07	ACUITE D Reaffirmed Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.99	ACUITE D Downgraded Issuer not co-operating*
Punjab National Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	7.53	ACUITE D Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	9.78	ACUITE D Downgraded Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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