



Press Release
Adam & Coal Resources Private Limited
September 07, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	3.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	110.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	113.00	-	-

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) and the short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3+**' (read as **ACUITE A three plus**) on the Rs.113 crore bank facilities of ADAM AND COAL RESOURCES PRIVATE LIMITED (ACRPL). This rating is now an indicative rating and downgraded on account of information risk.

About the Company

Incorporated in September 2004, Adam and Coal Resources Private Limited (ACRPL) is promoted by Mr. Tony Adam, the Managing Director. ACRPL is engaged in trading of steam coal and pet coke, wherein it imports coal from Singapore, Dubai, Indonesia, USA, among other countries and caters to customers located in India, primarily in the cement and the power industries. The company has a wholly-owned subsidiary, Adcoal Resources PTE Limited (ARPL), in Singapore, which is engaged in the same business.

Non-cooperation by the issuer/borrower

Acuité 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. Acuité 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 endeavored 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.

All Covenants
Not applicable

Liquidity Position

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

Outlook

Not applicable

Key Financials:

The entity has not shared the latest financial statement for Acuite to comment

Status of non-cooperation with previous CRA

ICRA vide its press release dated 23 March 2023, has mentioned the rating of ACRPL to 'ICRA B+ (Stable)/ICRA A4' (Reaffirmed & Issuer Not Cooperating).

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entity: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité 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
19 Jul 2022	Cash Credit	Long Term	3.00	ACUITE BBB Stable (Reaffirmed)
	Letter of Credit	Short Term	110.00	ACUITE A3+ (Reaffirmed)
21 May 2021	Letter of Credit	Short Term	110.00	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	3.00	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	3.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	110.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)

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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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