

March 28, 2024

SJVN Thermal Private Limited: Rating downgraded and moved to Non Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Fund-based – Term loan	8,448.46	8,448.46	[ICRA]BB+(Stable) ISSUER NOT COOPERATING*; rating downgraded from [ICRA]BBB+(Stable) and moved to Issuer Not-Cooperating category
Total	8,448.46	8,448.46	

*Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure-1

Rationale

The rating for SJVN Thermal Private Limited has been downgraded because of lack of adequate information regarding its performance and hence the uncertainty around its credit risk. ICRA has assessed whether the information available about the entity is commensurate with its rating and reviews the same as per its policy on non-cooperation by a rated entity available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as it may not adequately reflect the credit risk profile of the entity, despite the downgrade.

In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities : [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of non-cooperation by the rated entity Rating methodology for Power - Thermal
Parent/Group support	Parent – STPL is a wholly-owned subsidiary of SJVN Limited The assigned rating derives comfort from STPL being a 100% owned subsidiary of SJVN; ICRA expects SJVN to meet the funding requirements of STPL, as and when required (not limited to equity funding for the current budgeted cost of the Buxar project)
Consolidation/Standalone	The rating is based on the company's standalone financial profile

About the company

SJVN Thermal Private Limited (STPL), erstwhile Buxar Bijli Company Pvt Ltd. (BBCPL), was incorporated in May 2007 to develop a 1,320-MW super-critical thermal power project in Buxar, Bihar. SJVN signed an MoU with Bihar State Power Holding Company Limited (BSPHCL) and Bihar Infrastructure Company (BPIC) in January 2013 wherein the project was transferred to SJVN. SJVN took over BBCPL in July 2013 and the name of the company was changed to STPL (a wholly-owned subsidiary of SJVN Ltd) in

October 2013. The Cabinet Committee of Economic Affairs approved the investment proposal of Rs. 10,439.09 crore for the project in March 2019. The project is to be funded in debt:equity ratio of 70:30. The PPA has been signed with North Bihar Power Distribution Company Limited (NBPDC) and South Bihar Power Distribution Company Limited (SBPDC) and the subsidiaries of Bihar State Power Holding Company Limited (BSPHCL, 85% allocated to Bihar discoms, 15% available with Ministry of Power, Government of India, as unallocated quota) for a term of 25 years from the start of commercial operations with tariff based on the prevailing CERC regulations and will include capacity charge, energy charge, incentives, taxes, levies etc.

Key financial indicators (audited)

	FY2022	FY2023
Operating income	0.0	0.0
PAT	-1.1	-1.2
OPBDIT/OI	NM	NM
PAT/OI	NM	NM
Total outside liabilities/Tangible net worth (times)	0.7	2.0
Total debt/OPBDIT (times)	NM	NM
Interest coverage (times)	NM	NM

Source: Company, ICRA Research; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument		Current rating (FY2024)			Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Amount outstanding as of March 31, 2023 (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021
					Mar 28, 2024	Dec 23, 2022	Sep 08, 2021	Mar 31, 2021
1	Term Loan	Long Term	8448.46	3,907.02	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)
2	NCD	Long Term	-	-	-	-	-	[ICRA]BBB+ (Stable); withdrawn

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term – Fund based – Term Loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	16-Mar-21	-	31-Mar-39	8448.46	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis – Not applicable

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