

July 23, 2024

SKS Power Generation (Chhattisgarh) Limited: Continues to remain under issuer 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 | 1600.00 | 1600.00 | [ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category |
| Long Term-Fund Based-Cash Credit | 330.00 | 330.00 | [ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category |
| Long Term -Non-Fund Based - Others | 535.00 | 535.00 | [ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category |
| Total | 2465.00 | 2465.00 | |

*Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Long-Term rating for the Bank facilities of SKS Power Generation (Chhattisgarh) Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]D;ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with SKS Power Generation (Chhattisgarh) Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities and Key Financial Indicator : [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|--|
| Applicable Rating Methodologies | Policy in respect of non-cooperation by the rated entity Policy on Default recognition Corporate Credit Rating Methodology Rating Methodology – Power Thermal |
| Parent/Group Support | NA |
| Consolidation/Standalone | Standalone |

About the company

SKS was originally promoted by SKS Ispat and Power Ltd for development of a 1200-MW (4 x 300 MW) thermal power project, in two phases of 600 MW (2 X 300 MW) capacity each, in the Raigarh district of Chhattisgarh (CG). The company achieved Cod of the two units under phase I in October 2017 and April 2018. Due to delayed execution and significant escalation in project cost, the company was unable to service its debt obligations in a timely manner. Consequently, in accordance with the RBI circular on resolution of stressed assets, the lenders opted for a change in management through an open bidding process.

Status of non-cooperation with previous CRA:

| CRA | Status | Date of Release |
|------|---|------------------|
| CARE | [CARE]D/[CARE]D; ISSUER NOT COOPERATING | October 27, 2023 |

Any other information: None

Rating history for past three years

| | Instrument | Type | Current Rating (FY2025) | | Chronology of Rating History for the past 3 years | | | |
|---|-------------------------|-----------|--------------------------|--------------------------------|---|--------------------------------|--------------------------|--|
| | | | Amount Rated (Rs. Crore) | Date & Rating in | Date & Rating in FY 2024 | Date & Rating in FY 2022 | Date & Rating in FY 2021 | |
| | | | | 23-Jul-2024 | 02-May-2023 | 30-Mar-2022 | 08-Jan-2021 | 12-Oct-2020 |
| 1 | Fund Based-Term Loan | Long Term | 1600.00 | [ICRA]D;ISSUER NOT COOPERATING | [ICRA]D;ISSUER NOT COOPERATING | [ICRA]D;ISSUER NOT COOPERATING | [ICRA]D | [ICRA]C+ On Watch With Developing Implications |
| 2 | Fund Based-Cash Credit | Long Term | 330.00 | [ICRA]D;ISSUER NOT COOPERATING | [ICRA]D;ISSUER NOT COOPERATING | [ICRA]D;ISSUER NOT COOPERATING | [ICRA]D | [ICRA]C+ On Watch With Developing Implications |
| 3 | Non-Fund Based - Others | Long Term | 535.00 | [ICRA]D;ISSUER NOT COOPERATING | [ICRA]D;ISSUER NOT COOPERATING | [ICRA]D;ISSUER NOT COOPERATING | [ICRA]D | [ICRA]C+ On Watch With Developing Implications |

Complexity level of the rated instrument

| Instrument | Complexity Indicator |
|-------------------------|----------------------|
| Fund Based- Term Loan | Simple |
| Fund Based-Cash Credit | Simple |
| Non-Fund Based - Others | Very 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-1: Instrument details

| ISIN No | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (RS Crore) | Current Rating and Outlook |
|---------|--------------------------------|-----------------------------|-------------|---------------|-------------------------|--------------------------------|
| NA | Fund Based- Term Loan | - | - | - | 1600.00 | [ICRA]D;ISSUER NOT COOPERATING |
| NA | Fund Based-Cash Credit | - | - | - | 330.00 | [ICRA]D;ISSUER NOT COOPERATING |
| NA | Non-Fund Based - Others | - | - | - | 535.00 | [ICRA]D;ISSUER NOT COOPERATING |

Source: SKS Power Generation (Chhattisgarh) Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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Branches



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