

January 28, 2025

Vidarbha Industries Power 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 loans	2654.24	2654.24	[ICRA]D; ISSUER NOT COOPERATING*; Ratings continues to “Issuer Not Cooperating Category”
Short term Fund Based-Working capital facilities	500.00	500.00	[ICRA]D; ISSUER NOT COOPERATING*; Ratings continues to “Issuer Not Cooperating Category”
Short term-non-fund-based Bank Guarantee/Letter of Credit	110.00	110.00	[ICRA]D; ISSUER NOT COOPERATING*; Ratings continues to “Issuer Not Cooperating Category”
Total	3264.24	3264.24	

* Issuer did not cooperate; based on best available information and fees.

[^]Instrument details are provided in Annexure-I

Rationale

As part of its process and in accordance with its rating agreement with Vidarbha Industries Power Limited, ICRA has been trying to seek information from the entity 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 continues to remain under “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 the Key rating drivers and their description, Liquidity position, Rating sensitivities: [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	Corporate Credit Rating Methodology Policy in respect of non-co-operation by the rated entity Rating Methodology for Thermal Power Policy on Default Recognition
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the entity

Vidarbha Industries Power Limited (VIPL) operates a domestic coal-based project with a capacity of 600 MW (2X300 MW) at the Butibori Industrial Area in Nagpur, Maharashtra. It was previously a subsidiary of Reliance Power Limited (RPL). However, in September 2024, RPL has settled all disputes with CFM Asset Reconstruction Private Limited (CFM) and 100% shares of VIPL have been pledged in favour of CFM against the release and discharge of corporate guarantee given by RPL. Hence, VIPL ceased to be subsidiary of RPL from September 2024. VIPL is currently undergoing corporate insolvency resolution process vide National Company Law Tribunal (NCLT) order dated September 30, 2024.

Key financial indicators (audited)

	FY2023	FY2024
Operating income	4.5	3.6
PAT	-618.8	-1683.4
OPBDIT/OI	-365.2%	-30514.3%
PAT/OI	-13629.5%	-47154.3%
Total outside liabilities/Tangible net worth (times)	-3.5	-1.6
Total debt/OPBDIT (times)	-256.2	-4.3
Interest coverage (times)	-0.04	-2.8

Source: ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2025)		Chronology of rating history for the past 3 years						
		Amount Rated (Rs. crore)	FY2025		FY2024		FY2023		FY2022	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long Term	2654.24	Jan 28, 2025	[ICRA]D ISSUER NOT COOPERATING	Jan 25, 2024	[ICRA]D ISSUER NOT COOPERATING	Feb 01, 2023	[ICRA]D ISSUER NOT COOPERATING	Jan 03, 2022	[ICRA]D ISSUER NOT COOPERATING
Cash credit	Short term	500.00	Jan 28, 2025	[ICRA]D ISSUER NOT COOPERATING	Jan 25, 2024	[ICRA]D ISSUER NOT COOPERATING	Feb 01, 2023	[ICRA]D ISSUER NOT COOPERATING	Jan 03, 2022	[ICRA]D ISSUER NOT COOPERATING
Non-fund based limit (B/G and L/C)	Short term	110.00	Jan 28, 2025	[ICRA]D ISSUER NOT COOPERATING	Jan 25, 2024	[ICRA]D ISSUER NOT COOPERATING	Feb 01, 2023	[ICRA]D ISSUER NOT COOPERATING	Jan 03, 2022	[ICRA]D ISSUER NOT COOPERATING

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term - Fund-based - Term loans	Simple
Short-term - Fund-based - Cash credit	Simple
Short-term - Non-fund based limits	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 are available on ICRA's website: [Click Here](https://www.icra.in)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan 1	FY2015	-	FY2030	207.42	[ICRA]D; ISSUER NOT COOPERATING
NA	Term loan 2	FY2016	-	FY2029	157.76	[ICRA]D; ISSUER NOT COOPERATING
NA	Term loan 3	FY2015	-	FY2029	951.84	[ICRA]D; ISSUER NOT COOPERATING
NA	Term loan 4	FY2016	-	FY2029	356.83	[ICRA]D; ISSUER NOT COOPERATING
NA	Term loan 5	FY2015	-	FY2029	268.15	[ICRA]D; ISSUER NOT COOPERATING
NA	Term loan 6	FY2015	-	FY2029	178.41	[ICRA]D; ISSUER NOT COOPERATING
NA	Term loan 7	FY2016	-	FY2020	193.83	[ICRA]D; ISSUER NOT COOPERATING
NA	Term loan - Unallocated	-	-	-	340.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Cash credit	-	-	-	500.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Bank guarantee/Letter of credit	-	-	-	110.00	[ICRA]D; ISSUER NOT COOPERATING

Source: Company

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

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ABOUT ICRA LIMITED

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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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