



## Rating Rationale

Adani Power Ltd.

21 Jun 2018

**Brickwork Ratings withdraws the ratings for the Bank Loan Facilities of Rs. 6091 Crore and NCD of Rs.2555 Crore of Adani Power Pvt. Ltd.**

### Bank Loan Rating Particulars

Facility	Amount Rated (Rs in Crores)		Tenor	Rating History with BWR (Oct 2017)	Current Rating
	Previous	Present			
Bank Loan	6417.57	6091	Long Term	BWR BB (SO) (Stable)	Rating Withdrawn

^ Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

### NCD Rating Particulars

Instruments	Amount	Issue Date	Coupon	Maturity	ISIN	Present Rating
NCD (Tenor – Upto 16 month)	₹ 275 Cr	January 2017	Zero Coupon with redemption premium	30/04/2018	INE814H07174	Rating Withdrawn
NCD (Tenor – 42 Months and 18 Days)	₹ 1200 Cr	14/10/2015	Zero Coupon With redemption premium	30/04/2019	₹ 400 Crs- INE814H07042 ₹ 400 Crs-INE814H07059 ₹ 400 Crs- INE814H07067	Rating Withdrawn
NCD (Tenor – 48 Months)	₹ 330 Cr	10/05/2016	Zero Coupon With redemption premium	04/05/2020	INE814H07133	Rating Withdrawn
NCD (Tenor – 32 Months and 1 Day)	₹ 350 Cr	01/09/2016	Zero Coupon With redemption premium	01/05/2019	INE814H08016	Rating Withdrawn
NCD (Tenor – 43 Months and 1 Day)	₹ 400 Cr	14/09/2016	Zero Coupon With redemption premium	16/04/2020	INE814H08024	Rating Withdrawn



Brickwork Ratings has withdrawn the Bank Loan Rating and NCDs rating of Adani Power Ltd. (APL) at the company's request and following the scheme of arrangement between APL and Adani Power (Mundra) Ltd (APMuL) approved by National Company Law Tribunal (NCLT) as per its order dated November 3, 2017, effective from December 22, 2017 with an appointed date of March 31, 2017. As per the approved scheme of arrangement, all the assets and liabilities of APL's 4620 MW thermal power plant at Mundra have been demerged and transferred to APMuL, a 100% subsidiary of APL. Apart from the company's request, BWR has also relied on the audited FY18 financials of the listed entity APL and provisional FY18 financials of APMuL – wherein the impact of the NCLT order has been given by transfer of Brickwork rated NCDs and bank loans pertaining to the Mundra power plant from APL to APMuL as on March 31, 2018. BWR's rating withdrawal has been necessitated on account of the NCLT order and the said demerger.

**Analytical Approach:** Withdrawal of the rating of APL is based on the fact that the assets and liabilities of the 4620 MW thermal power plant at Mundra have been transferred to APMuL through a slump sale, and approved by NCLT. Please refer to the Withdrawal Policy of BWR as per link given in the end.

**About the Company:**

APL is an Adani Group company, incorporated in August 1996 & presently listed in BSE / NSE. It is a power project development company & is operating & maintaining multiple power projects in India by itself and through its subsidiaries. Adani Power along with its subsidiaries currently has an operational capacity of 10480 MW. Mr. Gautam Adani is Chairman of the company's Board.

The 4,620 MW Mundra power project's power generating capacity is spread of phases I to IV, with phases I to III having PPA with Gujarat Urja Vikas Nigam Ltd (GUVNL) and phase IV having PPA with Haryana state power utilities. In April 2017, the Supreme Court announced a



judgement regarding tariff revision in the event of change in law or *force majeure* situations. In order to streamline the organizational structure, thus converting itself to a holding company, APL decided to move the assets and liabilities relating to the Mundra power generating units to its subsidiary APMuL. The process has been completed with NCLT 's order and the appointed date is March 31, 2017.

### **APL (Phase IV Project)**

The rated bank loan is specific to bank facilities of phase IV power project in Mundra (Dist. Kutch, Gujarat), thermal power project of 1980 MW – (3 units \*660 MW each) sanctioned by consortium banks with SBI as the lead Bank. Out of 1980 MW, 1424 MW has a 25 year PPA with Dakshin Haryana Bijli Vitran Nigam Ltd., (DHBVN) & Uttar Haryana Bijli Vitran Nigam Ltd. (UHBVNL) while the remaining power generated is sold in the merchant market.

### **Brief Financials:**

Rs. Cr	Standalone		Consolidated	
	FY18	FY17	FY18	FY17
Total Income	8584	11603	21093	23034
Operating Profit	1338	1993	6174	6391
Net Profit	-24	-6054	-2119	-6174
Total Debt	9583	25339	54398	53786
Tangible Networth	9539	4673.32	885	3000
Gearing	1.0	5.4	61.5	17.9
Current Ratio	0.4	0.2	0.5	0.5

### Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/ Short Term)	Amount (Rs Crs)	Rating (June 2018)*	2017	2016	2015
1.	<b>Adani Power Ltd.</b>	<b>Long Term</b>	<b>6091</b>	<b>Withdrawn</b>	<b>BWR BB (SO) (Stable)</b>	<b>BBB (SO) (Stable)</b>	Rating details
2.	NCD	Long Term	275	Withdrawn	BWR AA- (SO) 9Stable)	-	
5	NCD	Long Term	350	Withdrawn	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable) (Dec 2016)	-
6	NCD	Long Term	400	Withdrawn	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable) (Dec 2016)	-
7	NCD	Long Term	330	Withdrawn	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable) (Dec 2016)	-
8	NCD	Long Term	1200	Withdrawn	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable) (Dec 2016)	BWR AA-(SO) (Stable) (Oct 2015)
	Total		8646				

Status of non-cooperation with previous CRA (if applicable)-Reason and comments

Any other information

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)
- [BWR Policy on Withdrawal of Ratings](#)

For any other criteria obtain hyperlinks from website



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#### **Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

#### **About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 11,99,663 Cr. In addition, BWR has rated over 6819 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹48,803 Cr have been rated.

#### **DISCLAIMER**

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