

Press Release

Adani Transmission Ltd.

5 Sep 2018

Brickwork Ratings takes the note of the fact of completion of acquisition of Reliance Infrastructure's Power Generation, Transmission & Distribution Business in Mumbai by Adani Transmission Ltd. (ATL).

Particulars

Facility	Amt Rated (Rs. Cr)		Rating Based on Current Review	Previous Rating (August 2018)
	Previous	Present		
Bid Bond Bank Guarantees (Tenor upto 1 year)	300	300	BWR A1+	BWR A1+
Cash Credit (Sub-limit)	(100)	(100)	BWR AA+ (Rating Watch with Developing Implications)	BWR AA+ (Rating Watch with Developing Implications)
Performance Bank Guarantee (Max tenor upto 3 years)	(200)	(200)		
Letter of Credit / Buyer's Credit (Max tenor upto 3 years)	(100)	(100)	BWR AA+ (Rating Watch with Developing Implications)	BWR AA+ (Rating Watch with Developing Implications)
Total	300	300	300 (Rupees Three Hundred Crore Only)	

1. Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Material Event:

Adani Transmission Ltd. (ATL) completed the acquisition of Reliance Infrastructure's Power Generation, Transmission & Distribution Business in Mumbai. The integrated business includes the Power Generation units based at Dahanu, Power Transmission Network across Mumbai & Maharashtra and the Retail Power Distribution network in Mumbai suburbs. The acquisition shall be housed in Adani Electricity Mumbai Ltd (AEML), a newly formed entity & a subsidiary of ATL. With this acquisition, ATL will have 35 Grid substations with approximately 19300 MVA of transformation capacity across the country, by the end of 2018

Analytical Approach

Assets of Reliance Infra are acquired at the total purchase consideration of Rs.12,101 Cr to be payable by ATL in a mix of debt and equity of Rs.8500 and Rs.3601 respectively. Financial closure of entire debt portion is achieved. Other updates and details to analyse the impact of this transaction on consolidated ATL profile are awaited from the company. As such, outlook continues to be “Ratings Watch with Developing Implications” and will be reviewed based on the updates and information received from the company.

For other details, kindly refer [rating rationale dated August 1, 2018](#).

About Adani Transmission Ltd.:

Adani Transmission Ltd. (“ATL”), incorporated in 2013, is the flagship company of Adani Group in the power transmission sector. It is held 74.92% by Promoter and promoter group of which ~57.28% is being held by Mr. Gautam Adani. Its shares are listed in BSE/NSE. Mr. Gautam Adani is the Chairman and Mr. Anil Sardana is the Managing Director and Chief Executive Officer.

ATL is one of the largest private sector transmission companies in India and operates in the business of establishing, commissioning, operating and maintaining electric power transmission systems. It has operational projects in the states of Gujarat, Maharashtra, Rajasthan and Haryana with more than 8600 ckm (Circuit Kilometers) of electric transmission lines with a total transformation capacity of 14000 MVA. Currently the company is developing eight new transmission lines. The transmission networks are consistently operating at more than 99.5% availability.

Company's Financial Performance:

Rs. Cr	Consolidated		Standalone	
	FY18	FY17	FY18	FY17
Total Income	4055	2898	1610	1608
Operating Profit	2937	2005	770	824
Net Profit	1143	416	-25	4
Total Debt	10109	8787	7478	7798
Networth	5736	2627	3853	2121
Gearing (x)	1.8	3.3	1.9	3.7
Current Ratio (x)	0.8	0.7	0.7	0.9

Consolidated revenue and net profit of ATL is mainly contributed by two main subsidiaries – Adani Transmission India Ltd. and Maharashtra Eastern Grid Power Transmission Company Ltd.

Operating revenue on standalone basis majorly includes trading revenue. More than 80% of the total consolidated and standalone debt is long term debt including term loans from banks and NCDs.

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

Sl. No.	Instrument/Facility	Current Rating (Year 2018)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	Date in 2017	Date in 2016	Date in 2015
1.	Non Fund Based Working Capital	Short Term	300	BWR A1+	BWR A1+	-	-

2.	Fund Based – Cash Credit - Sublimit	Long Term	(100)	BWR AA+ (Rating Watch with Developing Implications)	BWR AA+ (Stable)		
3.	Non Fund Based – Performance Bank Guarantee	Long Term	(200)	BWR AA+ (Rating Watch with Developing Implications)			
4.	Letter of Credit / Buyer’s Credit	Long term	(100)	BWR AA+ (Rating Watch with Developing Implications)			
	Total		300.00				

Status of non-cooperation with previous CRA (if applicable): Reason and comments N/A

Any other information: N/A

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)



For any other criteria obtain hyperlinks from website

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For print and digital media

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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 Investors queries can be sent to 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 ₹ 13,22,500 Cr. In addition, BWR has rated over 7000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹62,000 Cr have been rated.

BWR has rated over 30 PSUs/Public Sector banks, as well as many major private players. BWR has a major presence in ULB rating of nearly 102 cities

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