

RATING RATIONALE

5 Oct 2020

RattanIndia Power Ltd. (RIPL)

Brickwork Ratings reaffirms the rating for the Bank Loan Facilities of aggregating to Rs.7617.99 Crs of RattanIndia Power Ltd. based on best available information, as the issuer did not cooperate.

Particulars

Facilities/ Instrument**	Amount (Rs. Crs)		Tenure	Rating*	
	Previous	Present		Previous (Aug 2019)	Present
Fund Based – Term Loans	5847.99	5847.99	Long Term	BWR D 'Issuer Not Cooperating'	BWR D 'Issuer Not Cooperating' (Reaffirmed)
Fund Based – CC	900.00	900.00			
Fund Based – Short Term	155.00	155.00	Short Term	BWR D 'Issuer Not Cooperating'	BWR D 'Issuer Not Cooperating' (Reaffirmed)
NFB – BG	715.00	715.00			
Total	7617.99	7617.99	INR Seven Thousand Six Hundred and Seventeen Crores and Ninety-Nine Lacs Only		

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

* Issuer did not cooperate, based on best available information.

** Details of Bank Loan facilities/NCD/Bonds/Commercial Paper is provided in Annexures-I

RATING ACTION / OUTLOOK/ NATURE OF NON-COOPERATION

The rating was due for a review in Aug 2020, BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the Company has not provided the same. In the absence of adequate information from the issuer/Company, BWR is unable to assess the Company's financial performance and its ability to service its debt and maintain a valid rating. The company has not provided adequate information to perform the review of the rating. Hence, on account of inadequate information, lack of management cooperation and taking into account available information in public domain, Brickwork Ratings has reaffirmed the rating of the said bank loan facilities reaffirmed at **BWR D continue with 'ISSUER NOT COOPERATING' category.**

As per information available in public domain and declaration by RattanIndia Power Ltd. in its annual report for FY20, the company (Consolidated) operating revenues stood at Rs.1773.88 Crs from Rs.1923.62 Crs in FY19. Its EBITDA stood at Rs.519.19 Crs as against

Rs.551.31 Crs during FY19. However, it has come out of losses to a profit of Rs.165.16 Crs during FY20 as compared to loss of Rs.3327.97 Crs during FY19. Furthermore, during FY20, pursuant to the binding settlement through a resolution plan, the company issued securities including equity share of Rs.805.72 Crs to existing lenders, Rs.805.72 Crs to Aditya Birla ARC Ltd. and Rs.375.40 Crs debt in the form of CCDs of RR Infralands was converted into equity, resulting total equity conversion of Rs.1986.84 Crs, by which its net-worth turned positive to Rs.425.81 Crs as of FY20 as compared to negative of Rs.762.16 Crs as of FY19.

As per company, it has concluded OTS with original lenders (12, incl. PFC-Lead lender), to the Amravati project, where entire debt of Rs.4050 Crs (from Rs.6574 Crs) will be assigned (post restructuring) to new set of lenders (including Goldman Sachs and Varde Partners (through Aditya Birla ARC)).

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

COMPANY/COUNCIL PROFILE

RattanIndia Power Ltd. (RIPL or “the company”), incorporated in October 2007, operates Amravati Thermal Power Project at Amravati district, Maharashtra. The total capacity of the plant is 2,700 MW comprising of two phases of 1,350 MW each. Phase I of the project with installed generation capacity of 1350 MW (5*270 MW) was completed in March 2015. Phase II of the project is currently stalled due to uncertainties associated with the PPA. Brickwork Ratings has also rated RattanIndia Power Ltd.’s Phase II (Amravati) project at BWR D (Sep’20), which is treated as a separate rating on account of the ring-fenced cash-flow mechanism prescribed by the lenders for the said project.

The Company has commissioned a capacity of 2,700 MW (Amravati and Nasik Phase I each of 1350 MW). Amravati plant is supplying power to MSEDCL through a 25-year long term PPA for supply of 507 MW power. It had achieved a PLF of 26.95% as against availability of 90.44% as of FY20, as compared to 34.45% (PLF) and 73.57% (PAF) for FY19. PAF was affected due to shutdown of Unit-I from Se’19 to Jan’20 on account of fault in TG machine and more than normal rain in Maharashtra resulted in lower despatch from MSEDCL. Total units generated was 2904.83 MU as of FY20 down from 3717.12 MU in FY19.

KEY FINANCIAL INDICATORS (in INR Crs) (As available with BWR)

During FY20, RIPL’s (Consol.) operating revenues stood at Rs.1773.88 Crs from Rs.1923.62 Crs in FY19. Its EBITDA stood at Rs.519.19 Crs as compared to Rs.551.31 Crs in FY19. However, it has come out of losses to a profit of Rs.165.16 Crs during FY20 as compared to loss of Rs.3327.97 Crs during FY19. Its total debt stood at Rs.12510.01 Crs as of FY20 as compared to Rs.13870.72 Crs as of FY19. Its Net-worth turned positive to Rs.425.81 Crs as of FY20 from negative of Rs.762.16 Crs as of FY19, on account of conversion debt into equity of Rs.1986.84 Crs during FY20.

FINANCIAL INDICATORS – ISSUER (Consolidated)

Key Parameters	Units	FY19	FY20
Result Type		Audited	Audited
Operating Income	Rs. Crs	1923.62	1773.88
EBITDA	Rs. Crs	551.31	519.19
PAT	Rs. Crs	-3327.97	165.16
Tangible Net-worth	Rs. Crs	-762.16	425.81
D: E Ratio	Times	-18.20	29.38
Current Ratio	Times	0.26	0.41

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED

The terms of the sanction of loans from all banks and financial institutions include standard covenants normally stipulated for such facilities by Banks/FIs.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]:

S. No.	Instrument	Current Rating			Rating History					
		Type (Long Term/ Short Term)	Amount Outstanding (Rs. Crs)	Rating	2019		2018		2017	
	NCD/ Bank Loan				Date	Rating	Date	Rating	Date	Rating
1.	Fund Based – Term Loan	Long Term	5847.99	BWR D ‘Issuer Not Cooperating’ (Reaffirmed)*	23 Aug 2019	BWR D ‘Issuer Not Cooperating’	02 May 2018	BWR D	20 Sep 2017	BWR BB+ (Rating Watch with developing implications)
							01 Mar 2018	BWR BB- (Negative)	25 Jul 2017	BWR BB+ (Negative)
2.	Fund Based – CC	Long Term	900.00	BWR D ‘Issuer Not Cooperating’ (Reaffirmed)*	23 Aug 2019	BWR D ‘Issuer Not Cooperating’	02 May 2018	BWR D	20 Sep 2017	BWR BB+ (Rating Watch with developing implications)
							01 Mar 2018	BWR BB- (Negative)	25 Jul 2017	BWR BB+ (Negative)
3.	Fund Based – ST Loan	Long Term	155.00	BWR D ‘Issuer Not Cooperating’ (Reaffirmed)*	23 Aug 2019	BWR D ‘Issuer Not Cooperating’	02 May 2018	BWR D	20 Sep 2017	BWR A4+ (Rating Watch with developing)

										implications)
							01 Mar 2018	BWR A4	25 Jul 2017	BWR A4+
4.	Non-Fund Based – BG	Long Term	715.00	BWR D ‘Issuer Not Cooperating’ (Reaffirmed)*	23 Aug 2019	BWR D ‘Issuer Not Cooperating’	02 May 2018	BWR D	20 Sep 2017	BWR A4+ (Rating Watch with developing implications)
							01 Mar 2018	BWR A4	25 Jul 2017	BWR A4+
	Total		7617.99	INR Seven Thousand Six Hundred and Seventeen Crores and Ninety-Nine Lacs Only						

* Issuer did not cooperate, based on best available information.

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

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

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RattanIndia Power Ltd. (RIPL)

ANNEXURE I
Details of Bank Facilities rated by BWR (As of Apr'17)

Sl. No.	Name of the Bank	Type of Facilities	Long Term (Rs. Crs)		Short Term (Rs. Crs)		Total (Rs. Crs)
			TL	CC	STL	NFB – BG	
1.	Power Finance Corporation	Bank Loan	1816.74	-	155.00	-	1971.74
2.	SBI	Bank Loan	1000.36	340.00	-	-	1340.36
3.	REC	Bank Loan	749.13	-	-	-	749.13
4.	Bank of India	Bank Loan	379.51	75.00	-	150.00	604.51
5.	PNB	Bank Loan	374.50	215.00	-	165.00	754.50
6.	UCO Bank	Bank Loan	255.83	-	-	-	255.83
7.	Canara Bank	Bank Loan	223.72	35.00	-	100.00	358.72
8.	Central Bank of India	Bank Loan	217.93	-	-	-	217.93
9.	Axis Bank	Bank Loan	207.05	65.00	-	-	272.05
10.	LIC	Bank Loan	202.90	-	-	-	202.90
11.	United Bank of India	Bank Loan	175.54	35.00	-	-	210.54
12.	Syndicate Bank	Bank Loan	150.78	-	-	-	150.78
13.	ICICI Bank	Bank Loan	94.00	-	-	-	94.00
14.	IndusInd Bank	Bank Loan	-	-	-	200.00	200.00
15.	RBL Bank	Bank Loan	-	-	-	100.00	100.00
	Proposed Loan	Bank Loan	-	135.00	-	-	135.00
TOTAL							7617.99

Total INR Seven Thousand Six Hundred and Seventeen Crores and Ninety-Nine Lacs only.



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DISCLAIMER Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.