

Rating Rationale

RattanIndia Power Ltd - Phase II (Amravati)

2 May 2018

Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹. 242.50 Crores of RattanIndia Power Ltd - Phase II (Amravati).

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (Mar 2017)	Present
Fund based	162.50	162.50	Long Term	BWR BB- (Pronounced as BWR Double B Minus) Outlook: Negative Downgraded	BWR D (Pronounced as BWR D) Downgraded
Non Fund Based	80.00	80.00	Short Term	BWR A4 (Pronounced as BWR A Four) Downgraded	
Total	242.50	242.50	INR Two Hundred Forty Two Crores and Fifty Lakhs Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Complete details of Bank facilities is provided in Annexure-I

Ratings:Downgraded

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied on financials results upto Q3FY18 of RattanIndia Power Ltd (RPL or ‘the Company’) and publicly available information and information/clarifications provided by the Company’s management.

The rating revision is on account of irregularities in servicing the debt obligations and non submission of “No Default Statement” on a monthly basis.

About the Company



RattanIndia Power Limited (“RPL” 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 each of 1,350 MW. 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.

The company started incurring EBITDA losses from Q1FY17 onwards on account of low power off-take by Maharashtra State Electricity Distribution Company Ltd (MSEDCL) resulting in very low PLF in 3 out of 4 quarters of FY17 and the Company’s inability to achieve the projected numbers provided at the time of implementation of 5/25 scheme in 2017. Hence the company approached the lenders for restructuring of loans under S4A scheme and the reference date was fixed as 24 Aug 2017 for asset classification. In the meantime, RBI through its latest circular dated 12th Feb 2018 decided to substitute the existing schemes for resolution of stressed assets meant that the S4A Scheme cannot be implemented.

For further details, kindly refer to our rating rationale published on 1st March 2018.

Link:https://www.brickworkratings.com/Admin/PressRelease/RattanIndia-Power-Amravati-BI_242.50Cr-1Mar2018.pdf

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Facility	Current Rating (Apr 2018)			Rating History		
		Type	Amount (Rs Crs)	Rating	Mar 2018	Sep 2017	2016
1	Fund Based: Term Loan	Long Term	162.50	BWR D Downgraded	BWR BB- Outlook: Negative Downgraded	BWR BB+ Outlook: Stable Assigned	NA
2	Non-Fund Based: Bank Guarantee	Short Term	80.00		BWR A4 Downgraded	BWR A4+ Assigned	NA
Total			242.50	INR Two Hundred Forty Two Crores and Fifty Lakhs Only			

Hyperlink/Reference to applicable Criteria

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

- [Infrastructure Sector](#)
- [Short Term Debt](#)

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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, has also been 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 Nationalized 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, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

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.