Adani Power Limited

July 10, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	30,815.57 (Enhanced from 21,805.99)	CARE AA; Stable	Reaffirmed
Long-term / Short-term bank facilities	765.00	CARE AA; Stable / CARE A1+	LT rating and Stable outlook assigned and ST rating reaffirmed
Long-term / Short-term bank facilities	14,419.43 (Enhanced from 8,429.01)	CARE AA; Stable / CARE A1+	Reaffirmed
Non-convertible debentures	5,000.00	CARE AA; Stable	Reaffirmed
Non-convertible debentures	6,000.00	CARE AA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of ratings of Adani Power Limited (APL) factor in the healthy operational performance as evident from higher plant load factor (PLF) of ~71% in FY25 (FY24: ~65% against PLF of ~48% in FY23). APL is the largest private power producer in the country with operational capacity of ~18.15 GW as on date. (~17.55 GW as on March 31, 2025). The company has added ~2.9 GW thermal power projects through inorganic route since March 31, 2024. The company reported earnings before interest, taxation, depreciation, and amortisation (EBIDTA) of ~₹21,726 which is higher than the CARE Ratings Limited (CareEdge Ratings) estimate of ~₹17,500 crore for FY25. The higher EBITDA is attributable to ramp up of the recently acquired plants, continuance of strong merchant realisations, and overall buoyant power demand in the country. The company's financial risk profile is comfortable with total debt/EBITDA of 1.94x as on March 31, 2025. The rating also factors in funding of capital expenditure and acquisitions in FY25 primarily by internal accruals with limited reliance on debt which supports the company's credit profile.

The ratings further derive strength from strong revenue visibility through long-term/medium-term power purchase agreements (PPAs) aggregating ~87% operational capacity of 17.55 GW as on March 31, 2025. The untied capacity is near the mines, resulting in low fuel cost, which improves tariff competitiveness in the open market. As on March 31, 2025, ~91% domestic fuel requirement is secured through long/medium-term contracts mitigating fuel availability and price risk to some extent. The credit profile also favourably factors in the receipt of US$ 412 million (including regular billing) in June 2025 from BPDB considering Godda Plant (1,600 MW plant; selling solely to BPDB). With this, the receivable position for the company has significantly improved with overall receivables for Godda Plant set to be lower than four months as on June 30, 2025. Management articulated the cash flow would be utilised to pare down the term debt availed for Godda project which is a key credit positive.

However, ratings are constrained due to the company's aggressive capital expenditure plans, considering its stated goal of increasing operational capacity to ~30.67 GW through organic/inorganic mode in the next few years. The capex for this expansion is estimated over ₹100,000 crore, including flue-gas desulfurisation (FGD) capex, which would be funded from internal accruals and external debt. However, the capital expenditure of ~₹15,000 crore in FY25 (including cost of acquisitions) was largely funded by internal accruals with debt of only ₹2,750 crore. The management articulated majority capex to be undertaken through internal accruals considering the company's strong cash flow position and incremental income from recently acquired plants. The management articulated EBITDA of over ₹24,000 crore on a sustained basis from FY27 onwards which is expected to cover a significant portion of the company's annual capex requirement of roughly ₹18,000 to ₹20,000 crore. CareEdge Ratings, in its base case projections, does not expect total debt/EBITDA to exceed 3x over next three years. However, successful commissioning of plants without major delays/cost overruns and healthy operational performance shall be a key monitorable. Ratings are also constrained by price and demand risks associated with merchant capacity. The exposure to state distribution utilities with weak-to-moderate financial profile exposes the company to counterparty credit risk.

CareEdge Ratings observes the proposed issuance of non-convertible debentures (NCDs) will be allocated for the prepayment or repayment of existing debt, capital expenditures related to expansion projects, or general corporate purposes. The proposed issuance will have a minimum tenure of three years.
CareEdge Ratings understands matter related to regulatory and legal scrutiny by SEBI and Indictment and civil complaint filed by United States Department of Justice (DoJ) and United States Securities and Exchange Commission (SEC), respectively, is currently

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

sub-judice. Any Negative outcome from conclusion of investigations over Adani group impairing financial flexibility of APL will be a key rating monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in business risk profile as characterised by firming up of long-term PPAs at remunerative tariff for exposed capacity and significant traction in commissioning capacity under development.
- Faster-than-expected deleveraging as reflected by total external debt to EBIDTA remaining below 2.25x on a sustained basis.

Negative factors

- Weakening operating performance with actual PAF remaining below normative levels on a sustained basis for tied capacity or lower PLF for open capacity.
- Delay in payments from counterparties, resulting in receivables staying above 120 days on a sustained basis.
- Dilution in leverage philosophy, resulting in total external debt to EBIDTA remaining above 3.0x on a sustained basis.
- Adverse regulatory action on APL or adverse outcome on the overall group constraining its financial flexibility.

Analytical approach: Consolidated, considering that APL (merged entities) has strong linkages with subsidiaries considering similar operations. Entities consolidated to APL are listed in **Annexure-6.**

Outlook: Stable

The 'stable' outlook reflects APL's ability to sustain its healthy operational performance, presence of long-term/medium-term PPAs, healthy realisation on merchant sales, and a steady level of receivables in the near-to-medium term.

Detailed description of key rating drivers:

Key strengths

Parentage of experienced Adani Group
Adani Group has evolved as a diversified conglomerate with strong interests in the energy sector. Adani Group has operations ranging from coal mining, coal import, port operations and logistics to coal-based thermal and renewable power generation, transmission and distribution and city gas distribution through listed group companies. Its long track record across the entire value chain of power provides significant synergetic benefits. As on March 31, 2025, promoters held 74.96% equity stake in APL, which is the holding company of Adani Group's coal-based thermal power generation business.

Long-term PPAs in place for off-take of majority power with diverse off-takers
Presence of long term/medium term PPAs for 87% operational capacity of 17.5 GW as on March 31, 2025, leads to revenue visibility. For the company's under-construction capacity, the company has secured PPAs for 4.52 GW. None of the counterparties hold over 25% share in the overall power sale mix for operational capacity.

Since March 31, 2024, APL has acquired four power plants with installed capacity of 2,900 MW including Moxie Power Generation Limited (erstwhile Coastal Energen Private Limited [CEPL]), Korba Power Limited (erstwhile Lanco Amarkantak Private Limited [LAPL]), Dahanu and Vidarbha, respectively, for an enterprise value of ₹3,445 crore, ₹4,101 crore, ₹815 crore and ₹4,000 crore, respectively, leading to a combined operational capacity of 18.15 GW as on date. The acquisitions were funded by term loan of ₹1,800 crore for LAPL and balance from internal accruals.

Sustained availability of domestic coal under all FSAs
APL has total domestic coal linkage for ~91% as on March 31, 2025, of its domestic coal requirement through long-term/medium-term fuel supply agreements (FSAs). Historically, there had been lower-than-committed supply of domestic coal by CIL under these FSAs due to mine related or logistics-related issues, which resulted in reliance on costlier imported coal. In the last 2-3 years, there has been significant improvement in domestic coal supplies by CIL to APL improving fuel security. The company has tied-up for domestic coal supply under SHAKTI policy for supply of power under its PPAs. The company is also developing four

captive mines in Madhya Pradesh and Maharashtra, which will have a peak combined capacity of ~14 metric tonne per annum (MMTPA). The company plans to obtain fuel from prospective mines assuring fuel supply.

Strong operating performance

The company's operational plants demonstrated above normative plant availability in the last few years. On a consolidated basis, the PLF improved to 71% in FY25 (PY: 65%). The company has relatively comfortable position under its domestic coal-based plants in merit order dispatch in respective states, and hence, receives higher scheduling.

Comfortable financial risk profile

APL has comfortable financial risk profile characterised by stable gross cash accruals (GCA) and acceptable leverage aided by comfortable coverage metrics. Owing to stable PAF ensuring fixed cost recovery under contracted capacity and healthy PLF aided by high power demand, the company's cash accrual is expected to remain stable. Overall gearing improved to 0.77x as on March 31, 2025 (FY24: 0.93x, FY23: 1.68x). Interest cover stood at 6.52x in FY25 (FY24: 5.37x FY23:2.84x).

Post the amalgamation of six entities, APL has replaced project debt of consolidated assets with a single corporate loan to harmonise terms and conditions, align loan amortisation with PPA cash flows and enhance financial flexibility. As per the sanctioned terms of the debt facility, the company maintains debt service reserve account (DSRA) equivalent to next six months' debt obligation, and liquidity reserve equivalent to 1.25x of scheduled debt obligations. Additionally, it maintains six months' forward unfunded capex requirement as reserve.

Key weaknesses

Exposure to risk on lower merchant power tariff and demand

As on March 31, 2025, ~13% total installed power generation capacity of 17.55 GW lacks long-term/medium term PPAs on a consolidated basis, exposing it to merchant power tariffs and power demand risk. Tariffs in merchant route have been high in the last 2-3 years considering satisfactory power demand and sustainability of this in the medium term shall be a key monitorable.

Exposure to counterparty credit risk, despite having payment security in place

The company has exposure to counterparty credit risk as a significant share of the total capacity is tied up with state discoms of Madhya Pradesh, Rajasthan, Maharashtra, Haryana, and Karnataka among others, which have moderate financial and operational risk profiles. However, debtor position has improved in the recent past considering several measures by GOI including liquidation of receivables under LPS scheme and favorable orders from regulatory authorities.

The company also has exposure with BPDB through PPA of Godda plant and receivable have been delayed in the past. However, this is mitigated by lower cost of power from Godda Plant compared to alternate sources for BPDB and payment security mechanism per PPA (presence of letter of credit [LCs] and sovereign guarantee from Government of Bangladesh). Liquidation of overdue receivables of US$ 412 million (including regular billing) in June 2025 has also improved the entity's receivable position.

Aggressive expansion plans expose implementation risk

APL plans to increase its operational capacity to ~30.67 GW by FY30-FY31 through a series of organic and inorganic acquisitions for an estimated capex of over ₹100,000 crore (trillion) including FGD capex, which would be funded from internal accruals and debt. The capacity expansion plans expose the company to execution and funding risk.

However, the company has already given the contract to Bharat Heavy Electric Limited (BHEL) for the supply of key equipment and supervise erection and commissioning under the projects which provides assurance towards supply of critical equipment for the entire upcoming capacity. Signing of PPA for ~4.52 GW under-construction capacity also mitigates the off-take risk to some extent. CareEdge Ratings notes APL has a strong track record of executing and turning around projects acquired through inorganic route.

Liquidity: Strong

The company's liquidity profile is characterised by stable GCA against its debt obligation and cash and cash equivalents (including undrawn working capital limits) of ₹8,793 crore as on March 31, 2025. The company currently maintains two quarters of debt servicing and additional liquidity buffer of 1.25x of next one year's debt obligation for the term loan of ~Rs.19,700 Crore as liquidity reserve account.

Environment, social, and governance (ESG) risks

Environmental	In its endeavour for climate readiness, APL is aligning its business model with latest technologies in climate efficient manner. Specific GHG emissions maintained at 0.85 tCO2e/MWh. Water intensity performance of APL is 2.21m3/MWh for FY25, which is 36% lower than the statutory limit for hinterland plants (3.50 m3/MWh). APL scored 68/100 in Corporate Sustainability Assessment (CSA) for 2025 by S&P Global – better than world electric utility average score of 42/100. It also has a B Score for fulfilling climate change and water security commitments from Carbon Disclosure Project (CDP) for 2025..
Social	APL is committed to its diverse range of programmes and projects undertaken in core areas of education, health, sustainable livelihoods, skill development, and community infrastructure such as Uthan and Saksham.
Governance	About ~50% of APL's board comprises independent directors. The company has a dedicated grievance redressal mechanism for its stakeholders and fully independent audit committee. APL formed the Corporate Responsibility Committee, which comprises 100% independent members to provide assurance for all ESG commitments.

Applicable criteria

Definition of Default
Consolidation & Combined Approach
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Infrastructure Sector Ratings
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

APL is the holding company of the Adani group's coal-based thermal power generation business. APL (on a consolidated basis) has a total operational thermal power generation capacity of 18.14 GW and 40 MW solar power plant. Projects are across Gujarat, Maharashtra, Rajasthan, Karnataka, Chhattisgarh, Jharkhand, Tamil Nadu, and Madhya Pradesh. It is the largest private thermal IPP in the country

Brief Financials - APL (Consolidated) (₹ crore)*	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	50,294	56,546
PBILDT	18,202	21,726
PAT	20,829	12,750
Overall gearing (times)	0.93	0.77
Interest coverage (times)	5.37	6.52

A: Audited; Note: these are latest available financial results *Per CARE Rating methodology

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instruments/facilities: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non-Convertible Debentures	Proposed	NA	NA	NA	5000.00	CARE AA; Stable
Debentures-Non-Convertible Debentures	Proposed	NA	NA	NA	6000.00	CARE AA; Stable
Fund-based - LT-Term Loan		-	-	31-03-2037	26089.57	CARE AA; Stable
Fund-based - LT/ ST-Working Capital Limits		-	-	-	14419.43	CARE AA; Stable / CARE A1+
Fund-based - LT/ ST-Working Capital Limits		-	-	-	765.00	CARE AA; Stable / CARE A1+
Non-fund-based - LT-Bank Guarantee		-	-	-	4726.00	CARE AA; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - LT/ ST-BG/LC	LT/ST	-	-	-	-	1)CARE BBB+; Stable / CARE A2 (07-Apr-23) 2)Withdrawn (07-Apr-23)	1)CARE BBB- / CARE A3 (RWP) (27-Dec-22)
2	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (07-Apr-23)	1)CARE BBB- (RWP) (27-Dec-22)
3	Fund-based - LT-Term Loan	LT	26089.57	CARE AA; Stable	-	1)CARE AA; Stable (31-Jan-25)	-	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
						2)CARE AA; Stable (07-Jan-25) 3)CARE AA; Stable (02-Sep-24)		
4	Fund-based - LT/ ST-Working Capital Limits	LT/ST	14419.43	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (31-Jan-25) 2)CARE AA; Stable / CARE A1+ (07-Jan-25) 3)CARE AA; Stable / CARE A1+ (02-Sep-24)	-	-
5	Non-fund-based - LT-Bank Guarantee	LT	4726.00	CARE AA; Stable	-	1)CARE AA; Stable (31-Jan-25) 2)CARE AA; Stable (07-Jan-25) 3)CARE AA; Stable (02-Sep-24)	-	-
6	Fund-based - LT/ ST-Working Capital Limits	LT/ST	765.00	CARE AA; Stable / CARE A1+	-	1)CARE A1+ (31-Jan-25)	-	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
						2)CARE A1+ (07-Jan-25) 3)CARE A1+ (02-Sep-24)		
7	Debentures-Non-convertible debentures	LT	5000.00	CARE AA; Stable	-	1)CARE AA; Stable (31-Jan-25) 2)CARE AA; Stable (07-Jan-25)	-	-
8	Debentures-Non-convertible debentures	LT	6000.00	CARE AA; Stable	-	1)CARE AA; Stable (31-Jan-25)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non-convertible debentures	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT/ ST-Working Capital Limits	Simple
4	Non-fund-based - LT-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1.	Mahan Energen Limited	Full	Subsidiary
2.	Adani Power Resources Limited	Full	
3.	Adani Power Dahej Limited	Full	
4.	Pench Thermal Energy (MP) Limited	Full	
5.	Kutchh Power Generation Limited	Full	
6.	Mahan Fuel Management Limited	Full	
7.	Resurgent Fuel Management	Full	
8.	Alcedo Infra Park Limited	Full	
9.	Chandenvalle Infra Park Limited	Full	
10.	Emberiza Infra Park Limited	Full	
11	Korba Power Limited (Formerly known as Lanco Amarkantak Power Limited)	Full	
12.	Moxie Power Generation Limited	Full	
13.	Anuppur Thermal Energy (MP) Private Limited	Full	
14.	Mirzapur Thermal Energy (UP) Private Limited	Full	
15.	Orissa Thermal Energy Limited (Formerly known as Padmaprabhu Commodity Trading Private Limited)	Full	
16.	Adani Power Middle East Ltd	Full	
17.	Adani Power Global Pte. Limited	Full	

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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