

Adani Power Ltd.

July 10, 2018

Rating

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Non-Convertible Debenture issue \$	-	-	Withdrawn
Total	-		

\$ backed by credit enhancement in the form of security of first and exclusive pledge of promoter's unencumbered shares of Adani Ports & SEZ Ltd. (APSEZ, rated CARE AA+; Stable), Adani Transmission Ltd. (ATL) and Adani Enterprises Ltd. (AEL, rated CARE A; Stable / CARE A1) in the ratio of 80: 10: 10, such that the value of these shares is 2 times the value of the outstanding NCDs. Issue size was Rs.750 crore and latest outstanding as on March 31, 2018 against the same is Rs.600 crore.

Details of instruments in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the rating assigned to the above-said NCD issue of Adani Power Limited (APL) with immediate effect, as the same has been transferred to another entity (viz. Adani Power (Mundra) Ltd.) as per the scheme of demerger of Mundra Power Generation Business undertaking of APL as per order of National Company Law Tribunal (NCLT).

Analytical Approach: Not Applicable

Applicable Criteria

[CARE's Policy on Withdrawal of Ratings](#)

About the Company

Adani Power Ltd. (APL) was earlier primarily engaged in the business of coal based thermal power generation. It had implemented a 4620 MW coal based power plant at Mundra in Gujarat. It also operated three coal based power plants through its wholly-owned subsidiaries. APL also operates a 40 MW solar power plant in Kutch district of Gujarat.

On June 06, 2017, APL submitted intimation to the stock exchange stating that the Board of Directors of APL had considered and approved 'the Slump Sale' of APL's Mundra power generation business undertaking to its wholly-owned subsidiary viz. Adani Power (Mundra) Ltd. (APMUL). The sale was for a lump sum consideration, without values being assigned to the individual assets and liabilities. The sale was subject to statutory and regularity approvals as stated in the scheme and also approval of National Company Law Tribunal (NCLT). On November 03, 2017, the NCLT bench at Ahmedabad approved the aforesaid scheme of arrangement between APL and APMUL. Subsequently, the NCLT order was filed with the Registrar of Companies (ROC) on December 22, 2017 post which the Mundra Power Generation business of APL has been transferred to and vested with APMUL with effective date of December 22, 2017 and appointed date of March 31, 2017. With this APMUL has become the fourth major operational subsidiary of APL.

With the above development, APL has now largely become a holding company for various thermal power generation companies of the Adani Group. Apart from this, on a standalone basis, it is vested with a 40 MW solar power plant situated in Gujarat.

Brief Financials – APL (Consolidated) (Rs. Crore)	FY16 (A)	FY17 (A)	FY18 (Prov.)
Total operating income	22,462	22,233	19,853
PBILDT (excluding CT income)	5,784	5,421	4,839
PAT	488	-6,174	-2,119
Overall gearing (times)	7.19	18.17	55.53
Interest coverage (times)	0.97	0.92	0.87

A: Audited; Prov.: Provisional

Status of non-cooperation with previous CRA: Not Applicable

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures	-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (19-Feb-16)
2.	Non-fund-based - LT/ST-BG/LC	LT/ST	39.60	CARE BB- / CARE A4 (Under Credit watch with Developing Implications)	-	1)CARE BB- / CARE A4 (Under Credit watch with Developing Implications) (14-Jul-17) 2)CARE BB- / CARE A4 (Under Credit watch with Developing Implications) (16-Jun-17) 3)CARE BBB- / CARE A3 (Under Credit watch with Negative Implications) (14-Apr-17)	1)CARE BBB-; Stable / CARE A3 (27-Jan-17) 2)CARE BBB- / CARE A3 (28-Oct-16) 3)CARE BBB- / CARE A3 (25-Aug-16) 4)CARE BBB- / CARE A3 (04-Aug-16)	1)CARE BBB / CARE A3 (19-Feb-16)
3.	Fund-based - LT-External Commercial Borrowings	LT	-	-	-	1)CARE BB- (Under Credit watch with Developing Implications) (14-Jul-17) 2)CARE BB- (Under Credit watch with Developing Implications) (16-Jun-17) 3)CARE BBB- (Under Credit watch with Negative Implications) (14-Apr-17)	1)CARE BBB-; Stable (27-Jan-17) 2)CARE BBB- (28-Oct-16) 3)CARE BBB- (25-Aug-16) 4)CARE BBB- (04-Aug-16)	1)CARE BBB (19-Feb-16)
4.	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (14-Jul-17)	1)CARE A (SO) (28-Oct-16)	1)CARE A (SO) (19-Feb-16)

5.	Fund-based/Non-fund-based-LT/ST	LT/ST	-	-	-	1)CARE BB- / CARE A4 (Under Credit watch with Developing Implications) (14-Jul-17) 2)CARE BB- / CARE A4 (Under Credit watch with Developing Implications) (16-Jun-17) 3)CARE BBB- / CARE A3 (Under Credit watch with Negative Implications) (14-Apr-17)	1)CARE BBB-; Stable / CARE A3 (27-Jan-17) 2)CARE BBB- / CARE A3 (28-Oct-16) 3)CARE BBB- / CARE A3 (25-Aug-16) 4)CARE BBB- / CARE A3 (04-Aug-16)	1)CARE BBB / CARE A3 (19-Feb-16)
6.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE BB- (Under Credit watch with Developing Implications) (14-Jul-17) 2)CARE BB- (Under Credit watch with Developing Implications) (16-Jun-17) 3)CARE BBB+ (SO) (Under Credit watch with Negative Implications) (14-Apr-17)	1)CARE BBB+ (SO); Stable (27-Jan-17) 2)CARE BBB+ (SO) (28-Oct-16) 3)CARE BBB+ (SO) (04-Aug-16) 4)CARE A- (SO) (19-Apr-16)	-
7.	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE AA- (SO); Stable (14-Jul-17)	1)CARE AA- (SO) (04-Aug-16)	1)CARE AA- (SO) (08-Jan-16)
8.	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE AA- (SO); Stable (14-Jul-17)	1)CARE AA- (SO) (04-Aug-16)	1)CARE AA- (SO) (08-Jan-16)
9.	Fund-based - LT-Term Loan	LT	277.18	CARE BB- (Under Credit watch with Developing Implications)	-	1)CARE BB- (Under Credit watch with Developing Implications) (14-Jul-17) 2)CARE BB- (Under Credit watch with Developing Implications) (16-Jun-17) 3)CARE BBB- (Under Credit	1)CARE BBB-; Stable (27-Jan-17) 2)CARE BBB- (28-Oct-16) 3)CARE BBB- (25-Aug-16) 4)CARE BBB- (04-Aug-16)	1)CARE BBB (19-Feb-16)

						watch with Negative Implications) (14-Apr-17)		
10.	Fund-based - LT- External Commercial Borrowings	LT	-	-	-	1)CARE BB- (Under Credit watch with Developing Implications) (14-Jul-17) 2)CARE BB- (Under Credit watch with Developing Implications) (16-Jun-17) 3)CARE BBB- (Under Credit watch with Negative Implications) (14-Apr-17)	1)CARE BBB-; Stable (27-Jan-17) 2)CARE BBB- (28-Oct-16) 3)CARE BBB- (25-Aug-16) 4)CARE BBB- (04-Aug-16)	-
11.	Fund-based - LT- Term Loan	LT	-	-	-	1)Withdrawn (17-Jan-18) 2)CARE BBB (SO); Stable (14-Jul-17)	-	-

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CIN - L67190MH1993PLC071691