

June 07, 2024

Lakadia Vadodara Transmission Project Limited: Rating withdrawn for previous bank loan limits; rating outstanding for existing bank loan limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term loan	1,417.00	0.00	[ICRA]A (Positive); withdrawn
Term loan	1,840.00	1,840.00	[ICRA]AA- (Stable); outstanding
Total	3,257.00	1,840.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the Long-term Rating assigned to previous bank loan limits aggregating Rs. 1,417.00 crore of Lakadia Vadodara Transmission Project Limited (LVTPL) at the request of the company and based on the No Dues certificates received from its previous lenders. The rating on existing bank loan limits of Rs. 1,840.00 crore remain outstanding at [ICRA]AA- (Stable). ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, the liquidity position and rating sensitivities : [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology – Power Transmission Companies Policy on withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the standalone financial profile of the company

About the company

LVTPL was incorporated in 2019 as a special purpose vehicle to establish a 765 kV D/C transmission line from Lakadia to Vadodara. The project also involves the installation of 300 MVar switchable line reactors and two 765 kV bays at Lakadia and Vadodara substations in Gujarat. LVTPL was transferred to Sterlite Grid 18 Limited (SGL18), (which is held by SPTL and AMPCII No.2 SARL) after it was awarded the project. The project is implemented on a build, own, operate and maintain (BOOM) basis and has a transmission service agreement (TSA) with long-term transmission customers for 35 years. The project achieved COD on January 28, 2023.

Key financial indicators

Audited	FY2022	FY2023
Operating Income (Rs. crore)	NM	0.0
PAT (Rs. crore)	NM	-42.4
OPBDITA/OI (%)	NM	-
PAT/OI (%)	NM	-
Total Outside Liabilities/Tangible Net Worth (times)	NM	40.1
Total Debt/OPBDITA (times)	NM	NM
Interest Coverage (times)	NM	NM

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; NM – Not meaningful as company was in project phase
Source: Company data, ICRA Research; All ratios as per ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Type	Current rating (FY2025)			Chronology of rating history for the past 3 years				
			Amount rated (Rs. crore)	Amount outstanding as on Jun 30, 2023 (Rs. crore)	Date & rating	Date & rating in FY2024			Date & rating in FY2023	Date & rating in FY2022
					Jun 7, 2024	Dec 28, 2023	Oct 4, 2023	Jul 24, 2023	Jul 05, 2022	Jun 18, 2021
1	Term loan	Long Term	1417.00	1417.00	[ICRA]A (Positive); withdrawn	[ICRA]A (Positive)	[ICRA]A (Positive)	[ICRA]A (Positive)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Positive)
2	Non-fund based – Letter of credit [#]	Short term	-	-	-	-	-	[ICRA]A (Positive)/ [ICRA]A2+; withdrawn	[ICRA]BBB- (Stable)/ [ICRA]A3	[ICRA]BBB- (Positive)/ [ICRA]A3
3	Term loan	Long Term	1840.00	-	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	Provisional [ICRA]AA- (Stable)	-	-	-

[#]Sublimit of term loan

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term fund based – Term loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
-	Term loan I	Jun 2020	-	Sep 2042	1000.00	[ICRA]A (Positive); withdrawn
-	Term loan II	Sep 2019	-	Sep 2036	217.00	[ICRA]A (Positive); withdrawn
-	Term loan III	May 2021	-	Sep 2036	200.00	[ICRA]A (Positive); withdrawn
-	Term loan IV	Dec 2023	-	Mar 2041	1140.00	[ICRA]AA- (Stable)
-	Term loan V	Dec 2023	-	Mar 2041	700.00	[ICRA]AA- (Stable)

Source: Company data

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not applicable

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