

December 20, 2019

GMR Energy Limited: Continues to remain under Non-Cooperating category

Summary of rating action:

Instruments	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term / Short-term Non-fund based	610	610	[ICRA]B (Stable)/[ICRA]A4; ISSUER NOT COOPERATING*; Continues to remain under the 'Issuer Not Cooperating' category
Total	610	610	

*Issuer did not cooperate; based on the best available information

Rationale

The ratings for the Rs.610.00-crore bank facilities of GMR Energy Limited (GEL) remains under the "Issuer Not Cooperating" category. The ratings are denoted as [ICRA]B / [ICRA]A4; ISSUER NOT COOPERATING. ICRA had earlier moved the rating of GEL to the 'ISSUER NOT COOPERATING' category due to non-submission of monthly 'No Default Statement' ("NDS") by the entity. ICRA has been trying to seek information from the entity to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis dated information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	Not applicable
Consolidation / Standalone	Consolidated

About the company

GMR Energy was originally incorporated as Tanir Bavi Power Company Limited (TBPL) and promoted by foreign investors in October 1996. Subsequent to TBPL's acquisition by GMR Infrastructure Limited (GIL), the name of the company was changed to GMR Energy Limited in 2003. GMR Energy earlier owned and operated a barge-mounted, naphtha-based combined cycle plant of capacity 235 MW near Mangalore in the state of Karnataka. The plant commenced commissioning in June 2001 and sold electricity to two of the Karnataka State electricity distribution companies - namely Bangalore Electricity Supply Company Ltd and Mangalore Electricity Supply Company Ltd as per the terms of a PPA, which expired in June 2008. Since the expiry of the PPA, GMR Energy has been operating the plant on www.icra.in

merchant mode. In FY2011, GMR Energy transitioned to gas-based operations at a cost of approx. Rs.605 crore and the plant was relocated to Kakinada in Andhra Pradesh. With the induction of Tenaga, the company has a portfolio of coal-based, gas-based and renewable (hydro & solar) power projects, with a total capacity of 4,630 MW. The portfolio comprises an operating capacity of 2,300 MW (1,650MW of coal-based, 623MW of gas-based and 25MW of solar capacity). Apart from this, projects with an aggregate generation capacity of 2,330 MW are under various stages of completion/ development in India and Nepal.

The previous detailed rating rationale is available on the following link: [Click here](#)

Key Financial Indicators: Not applicable

Rating history for last three years:

Current Rating (FY2020)				Chronology of Rating History for the past 3 years			
Instrument	Type	Amount Rated (Rs. crore)	Amount outstanding (Rs. Crore)	Date & Rating in FY2020	Date & Rating in FY2019	Date & Rating in FY2018	Date & Rating in FY2017
				20-December 2019	September 27, 2018	February 15, 2018	March 15, 2017
1 Bank Guarantee	Long Term/Short Term	610.00	610.00	[ICRA]B (Stable)/[ICRA] A4; Issuer Not Cooperating	[ICRA]B (Stable)/[ICRA] A4; Issuer Not Cooperating	[ICRA]B (Stable)/[ICRA] A4; Issuer Not Cooperating	[ICRA]B (Stable)/[ICRA] A4
2 Term Loan	Long Term	-	-	-	-	-	[ICRA]D Withdrawn
3 Non-Fund based limits	Short Term	-	-	-	-	-	[ICRA]D Withdrawn

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About ICRA Limited:

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