

May 29, 2023

## Nabha Power Limited: Ratings withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debenture Programme (NCD issued)	2,600.00	2,600.00	[ICRA]AAA(CE)(Stable); withdrawn
Commercial Paper (CP)	2,300.00	2,300.00	[ICRA]A1+; withdrawn
Working Capital Demand Loan (WC DL)	250.00	250.00	[ICRA]A1+; withdrawn
<b>Total</b>	<b>5,150.00</b>	<b>5,150.00</b>	

Rating Without Explicit Credit Enhancement	[ICRA]A+
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\*Instrument details are provided in Annexure-1

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement.

### Rationale

The rating assigned to the debt programme of **Nabha Power Limited** has been withdrawn based on the company's request and confirmation from the Debenture Trustee, Issuing and Paying Agent and lender that there is no amount outstanding against the rated NCDs, CP and bank debt, and in accordance with ICRA's withdrawal policy.

The key rating drivers, liquidity position, rating sensitivities, and key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here.](#)

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating methodology for Thermal Power Producers</a> <a href="#">Approach for rating debt instruments backed by third-party explicit support</a> <a href="#">Implicit support from parent or group</a> <a href="#">Policy on Withdrawal of Credit Ratings</a>
Parent/Group Support	Parent: Larsen & Toubro Limited For arriving at the NCD rating, ICRA has taken into account the unconditional and irrevocable corporate guarantee by L&T. For arriving at the CP rating, ICRA factors in the likelihood and the willingness of NPL's parent, L&T, extending financial support to NPL out of its need to protect its reputation from the consequences of a Group entity's distress; there also exists a consistent track record of L&T having extended timely financial support to NPL in the past, whenever needed
Consolidation/Standalone	standalone

## About the company

NPL was established as a special purpose vehicle (SPV) by erstwhile Punjab State Electricity Board (PSEB) to develop a 1,400-MW (2 x 700 MW) coal-fired thermal power plant at Nalash village, Rajpura, Punjab. Pursuant to an RFQ (request for quote)/RFP (request for proposal) floated by PSEB in line with the Case-2 competitive bidding guidelines of the Government of India (GoI), L&T Power Development Limited (L&T PDL) was awarded the project by PSEB. Accordingly, the ownership of NPL was transferred to L&T PDL on January 18, 2010 and a long-term PPA (for 25 years) was signed with PSEB on the same date. The tariff in the PPA comprises fixed capacity charge (payable based on the plant availability) and energy charges based on the net quoted heat rate, actual cost of coal (includes cost of purchasing, transporting and unloading the coal) and the gross calorific value of the coal. The Unit-1 (700 MW) of the project is operational since February 2014 and Unit-2 (700 MW) has been operational since July 2014. The boiler and turbine generator (BTG) package has been supplied by L&T- MHI (JV between L&T and Mitsubishi Heavy Industries). The company has signed a FSA with a subsidiary of Coal India Limited, viz. South Eastern Coalfields Limited, for 5.55 MTPA.

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Current rating (FY2024)		Chronology of rating history for the past 3 years						
			Amount outstanding as on Apr 30, 2023 (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023		Date & rating in FY2022			Date & rating in FY2021	
				May 29, 2023	Nov 22, 2022	May 31, 2022	Apr 05, 2022	Dec 21, 2021	May 19, 2021	Jan 29, 2021	Nov 09, 2020
1	Non-Convertible Debenture Programme (NCD issued)	2,600.00	-	[ICRA] AAA (CE) (Stable); withdrawn	[ICRA] AAA (CE) (Stable)	[ICRA] AAA (CE) (Stable)	[ICRA] AAA (CE) (Stable)	[ICRA] AAA (CE) (Stable)	[ICRA] AAA (CE) (Stable)	[ICRA] AAA (CE) (Stable)	[ICRA] AAA (CE) (Stable)
2	Non-Convertible Debenture Programme (NCD issued)	-	-	-	-	[ICRA] AAA (CE) (Stable) (withdrawn)	[ICRA] AAA (CE) (Stable)	[ICRA] AAA (CE) (Stable)	[ICRA] AAA (CE) (Stable)	[ICRA] AAA (CE) (Stable)	[ICRA] AAA (CE) (Stable)
3	Non-Convertible Debenture Programme (proposed)	-	-	-	Provisional [ICRA] AAA (CE) (Stable) (withdrawn)	Provisional [ICRA] AAA (CE) (Stable)	Provisional [ICRA] AAA (CE) (Stable)	Provisional [ICRA] AAA (CE) (Stable)	Provisional [ICRA] AAA (CE) (Stable)	-	-
4	Commercial Paper (CP)	2,300.00	-	[ICRA]A1+; withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
5	Fund-based – Working Capital	250.00	-	[ICRA]A1+; withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	-	-	-	-

	Demand Loan
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### Complexity level of the rated instrument

Instrument	Complexity Indicator
Non-Convertible Debentures	Simple
Commercial Paper	Very Simple
WCDL	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	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
INE445L08409	NCD	23-Apr-20	7.80%	23-Apr-23	500.00	[ICRA]AAA(CE)(Stable); Withdrawn
INE445L08417	NCD	28-May-20	7.20%	28-Apr-23	100.00	[ICRA]AAA(CE)(Stable); Withdrawn
INE445L08425	NCD	11-Jun-20	7.15%	11-Jun-22	300.00	[ICRA]AAA(CE)(Stable); Withdrawn
INE445L07021	NCD	16-Jun-20	7.35%	16-Jun-23	500.00	[ICRA]AAA(CE)(Stable); Withdrawn
INE445L08433	NCD	15-Apr-21	5.40%	15-May-23	1200.00	[ICRA]AAA(CE)(Stable); Withdrawn
INE445L14CG2	CP	21-Apr-22	4.98%	27-Jun-22	250.00	[ICRA]A1+; Withdrawn
INE445L14CG2	CP	21-Apr-22	4.98%	27-Jun-22	250.00	[ICRA]A1+; Withdrawn
Yet to be placed	CP	NA	NA	7-365 days	1800.00	[ICRA]A1+; Withdrawn
NA	Working capital demand loan	Dec-21	NA	Jun-22	250.00	[ICRA]A1+; Withdrawn

Source: Company

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

**Annexure II: List of entities considered for consolidated analysis**

Not Applicable

## ANALYST CONTACTS

**Sabyasachi Majumdar**

+91 124 4545304

[sabyasachi@icraindia.com](mailto:sabyasachi@icraindia.com)

**Girishkumar Kadam**

+91 22 6114 3441

[girishkumar@icraindia.com](mailto:girishkumar@icraindia.com)

**Vikram V**

+91 40 4547 4829

[vikram.v@icraindia.com](mailto:vikram.v@icraindia.com)

**Pooja Goyal**

+91 22 6169 3349

[pooja.goyal@icraindia.com](mailto:pooja.goyal@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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## ICRA Limited



### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



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