

July 18, 2024

Essar Power Transmission Company Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Fund based - Term loan	1,092.0	1,092.0	[ICRA]BBB; rating watch with developing implications; withdrawn
Optionally convertible debenture	403.0	403.0	[ICRA]BBB; rating watch with developing implications; withdrawn
Total	1,495.0	1,495.0	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of Essar Power Transmission Company Limited (EPTCL), at the request of the company and based on the No Dues Certificate received from the lenders, in accordance with ICRA's policy on withdrawal of ratings.

The key rating drivers, liquidity position, key financial indicators and rating sensitivities have not been captured as the rated instruments are being withdrawn.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	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings Rating Methodology – Power Transmission
Parent/Group Support	Not Applicable
Consolidation/Standalone	The rating is based on the company's standalone financial profile

About the company

Essar Power Transmission Company Limited (EPTCL) has developed two transmission assets – Stage-I and Stage-II. Both the transmission assets are a part of the inter-state transmission system (ISTS) network.

The Stage-I transmission asset includes 127-ckm transmission line (including LILO) along with one sub-station in Gujarat which was commissioned in April 2013. The final transmission tariff order has been issued by the CERC at Rs. 79.92 crore.

The Stage-II transmission asset includes 336.5-ckm of transmission line across Madhya Pradesh and Chhattisgarh (Mahan-Sipat) with seven bays at Mahan switchyard and two bays at Bilaspur. The Stage-II transmission asset was commissioned in September 2018. The project cost and final tariff approved by the CERC for the asset are Rs. 1517.0 crore and Rs. 336.0 crore, respectively.

On May 16, 2024, it was announced by Adani Energy Solutions Ltd. (AEL) previously known as Adani Transmission Ltd. (ATL) that it has completed the acquisition of Essar Power Transmission Company Limited's (EPTCL) Stage-II transmission asset. The asset was acquired from Essar Transco Limited (ETL; 100% subsidiary of EPTCL) for an enterprise value of Rs. 1,900.0 crore.

Further, the Stage-I asset has also been acquired recently by ArcelorMittal Nippon Steel (AMNS).

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)	Date & rating in FY2025		Date & rating in FY2024		Date & rating in FY2023	Date & rating in FY2022	
			Jul 18, 2024	May 27, 2024	Dec 05, 2023	Apr 04, 2023	Jun 14, 2022	Mar 04, 2022	Nov 11, 2021
1 Term loan	Long-term	1,092.0	[ICRA]BBB; rating watch with developing implications; withdrawn	[ICRA]BBB; rating watch with developing implications	[ICRA]BBB; rating watch with developing implications	[ICRA]BBB (Negative)	[ICRA]BBB+ %	[ICRA]BBB+ (Positive)	[ICRA]BBB (Stable)
2 Optionally convertible debentures	Long-term	403.0	[ICRA]BBB; rating watch with developing implications; withdrawn	[ICRA]BBB; rating watch with developing implications	[ICRA]BBB; rating watch with developing implications	[ICRA]BBB (Negative)	[ICRA]BBB+ %	[ICRA]BBB+ (Positive)	-

%; Rating Watch with Positive Implications

Complexity level of the rated instruments

Instrument	Complexity Indicator
Term Loan	Simple
Optionally Convertible Debenture	Moderately complex

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
NA	Term loan	Jun 18, 2020	14.50%	Mar 31, 2043	1,092.0	[ICRA]BBB; rating watch with developing implications; withdrawn
INE224L07020	Optionally convertible debentures	Jun 18, 2020	3.0%	Mar 31, 2043	283.0	[ICRA]BBB; rating watch with developing implications; withdrawn
INE224L07012	Optionally convertible debentures	Jun 18, 2020	3.0%	Mar 31, 2043	120.0	[ICRA]BBB; rating watch with developing implications; 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

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