

July 23, 2021

India Grid Trust: Rating reaffirmed and withdrawn for matured MLDs

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debenture (NCD)	4200.00	4200.00	[ICRA]AAA (Stable); reaffirmed
Market linked Debenture (MLD)	200.00	Nil	[ICRA]AAA (Stable); reaffirmed and withdrawn
Commercial Paper (CP)	250.00	250.00	[ICRA]A1+; reaffirmed
Term Loan	500.0	500.00	[ICRA]AAA (Stable); reaffirmed
Total	5150.00	4950.00	
Issuer rating	-	-	[ICRA]AAA (Stable); reaffirmed

*Instrument details are provided in Annexure-1

Rationale

The ratings continue to favourably reflect the stability in revenue profile, driven by healthy operating performance of transmission assets under the India Grid Trust (IndiGrid/ IGT/ the trust), as reflected from the average line availability remaining above 99% since commissioning as against the normative level of 98% stipulated in the transmission service agreement (TSA). The rating further favourably factors in the low counterparty credit risk due to the significant diversification and strong payment security mechanism for the underlying inter-state power transmission assets of IndiGrid. The Central Transmission Utility (CTU) is responsible for collecting the transmission charges from the beneficiary users and disbursing the same to inter-state transmission licensees. The CTU function has been recently carved out from Power Grid Corporation of India Limited (PGCIL) to its 100% subsidiary, Central Transmission Utility of India Limited, which is likely to become a wholly owned company of the Government of India in the near term. The rating is also supported by the healthy financial risk profile of the Trust, as evident from the strong debt coverage indicators. Further, the rating draws comfort from the structural features of the debt programme of IndiGrid and its subsidiaries, including the presence of a debt service reserve account (DSRA) equivalent to one quarter debt servicing, cash trap triggers in case of debt service coverage ratio falling below 1.11x and the structured payment mechanism designed to ensure timely payment of the rated NCDs, as per the terms of the transaction.

On July 14, 2021, IndiGrid completed the acquisition of 100% stake in two solar assets—FRV Andhra Pradesh Solar Farm-I Private Limited (FRV-I) & FRV India Solar Park II – Private Limited (FRV-II)—from FRV Solar Holdings XI B.V. at an enterprise value of Rs. 660 crore. Both the companies operate 50 MW (AC) solar power plant each in Ananthapuramu Solar Park and have entered into a power purchase agreement (PPA) with Solar Energy Corporation of India (SECI; [ICRA]AA+ (Positive)/[ICRA]A1+) for 25 years at a tariff rate of Rs. 4.43 per unit. Also, the projects are eligible for a viability gap funding (VGF) of Rs. 0.445 crore per MW. FRV-I was commissioned in July 2018 and FRV-II was commissioned in January 2019. The operating performance of both the solar assets has remained satisfactory since commissioning, with the average PLF remaining in line with the P90 generation estimate. Further, the payments from SECI have remained timely. This acquisition was entirely funded through debt at IndiGrid level.

Further, IndiGrid completed the acquisition of NER II Transmission Limited (NER-II) (74% in March 2021 and the remaining 26% in June 2021), at a value of Rs. 4625 crore. NER-II is an inter-state transmission project with a TSA tenure of 35 years in Tripura, Assam and Arunachal Pradesh and comprises two substation elements and four transmission line elements. The project

achieved full commissioning in March 2021. The acquisition was funded through a mix of debt funding at IndiGrid and the proceeds from the rights issuance. IndiGrid raised Rs 1283.6 crore via rights issue in April 2021.

Moreover, in January 2021, IndiGrid completed the acquisition of 74% stake in another inter-state transmission asset, Parbati Koldam Transmission Company Limited (PKTCL-II) at an enterprise value of Rs. 900 crore inclusive of cash and cash reserves and normalised tariff receivables. PKTCL, a joint venture between Reliance Infrastructure Limited (74%) and Power Grid Corporation of India Limited (PGCIL), operates ~458 circuit KM of inter-state transmission lines across Himachal Pradesh and Punjab. With all these acquisitions, the Asset under Management (AUM) of the Trust increased to ~Rs. 21,200¹ crore, consisting of 15 diversified transmission projects (12 inter-state transmission assets, one inter-state transmission asset and two solar assets) comprising 40 transmission lines of 7570 cKM and 11 sub-stations of 13,550 MVA across 19 states/ UT. The consolidated net debt to AUM of the Trust is at ~57% post the acquisition of FRV-I and FRV-II, well below the regulatory cap of 70%. Also, the share of solar assets in the overall AUM stands at 3.1%.

Additionally, IndiGrid has signed a framework agreement to acquire one additional asset (Khargone Transmission Limited) at an estimated cost of Rs 1375 crore. As this acquisition is expected to be funded through debt, the same is expected to increase the Trust's net debt/AUM to ~59.5%. Further, ICRA will continue to monitor the impact on the asset quality as and when the proposed acquisitions are completed. Going forward, ICRA expects the net debt/ AUM ratio of IndiGrid to be maintained at about 65% on a sustained basis, so as to ensure adequate buffer against the regulatory cap. While an increase in the leveraging level is expected to moderate the debt coverage metrics of the Trust, the business risk profile of the proposed inter-state transmission assets is expected to remain low, supported by stability and certainty of cash flows over the TSA tenure of 35 years, with availability-linked revenues and low counterparty credit risk. However, the diversification into solar power projects will change IndiGrid's business risk profile, given that the revenues of such assets remain exposed to power generation, which in turn is sensitive to the weather conditions, module quality and O&M practices, along with the risks associated with the counter-party credit. Hence, the share of the solar assets and the fundamental quality of such assets in IndiGrid's portfolio will remain as a key rating sensitivity.

Further, ICRA takes note of the refinancing risk for the various debt programmes of the Trust and its subsidiaries. As on June 30, 2021, the consolidated debt of IndiGrid stood at Rs 12863.45 crore, with majority of the debt having bullet repayments. At the Trust level, Rs. 1600 crore is due for refinancing in FY2023, Rs. 925 crore in FY2024, Rs. 800 crore in FY2025, Rs. 550 crore in FY2026, Rs. 500 crore in FY2028, Rs. 1006.8 crore in FY2029 and Rs 1053.5 crore in FY2032. Also, 90% of the NCDs issued by BDTCL is payable on the scheduled maturity date in April 2022. While this exposes the trust to refinancing risk, high certainty of cash flows for the inter-state power transmission projects, adequate tail period (average residue TSA tenure is ~31 years for all transmission assets except ENICL and JKTP, wherein it is ~13-14 years, with a provision for further extension and average residual PPA tenure of ~22.75 years for solar assets), and long useful life of the assets are some of the factors that act as strong risk mitigants. Also, as a proactive measure to reduce the FY2023 maturity, the trust has prepaid the Rs 200 crore MLD via exercising the call option. Further, ICRA takes note of the increase in the share of amortising loans in the overall debt mix of IndiGrid in the recent past, with the loans raised from banks in Q4 FY2021 having repayment over a 10 to 16 year period. This would moderate the refinancing risk for the trust to a certain extent. These loans were utilised to refinance the debt at SPV level and to fund the acquisitions. ICRA will continue to monitor the Trust's ability to ensure timely refinancing of the maturing debt facilities. Also, the Trust remains exposed to interest rate risk. ICRA will continue to monitor the Trust's ability to ensure timely refinancing of the maturing debt facilities. Additionally, any lapse in operation and maintenance (O&M) may impact the line availability performance of transmission assets and generation of solar assets. Also, variability in O&M expenses might impact the profitability of the transmission and solar assets. However, the experience of the Trust's project manager in power transmission business and presence of an experienced O&M contractor for the solar assets should ensure adequate resource allocation and cost-efficient execution of the O&M activity.

ICRA has reaffirmed and withdrawn the [ICRA]AAA (Stable) rating assigned to Rs. 200 crore MLD programme as there is no amount outstanding against the rated instrument. Also, ICRA has received no objection certificate from the debenture trustee.

¹Valuation as per the independent valuation report as on March 31, 2021 plus the acquisition value of the solar assets

The ratings have been withdrawn in accordance with ICRA's policy on withdrawal and suspension.

The stable outlook assigned by ICRA factors in stability of the cash flows for IndiGrid supported by availability linked payments, healthy operating performance, and strong payment security mechanism for the inter-state transmission assets.

Key rating drivers and their description

Credit strengths

Availability linked payments under the long-term TSAs for transmission assets and long-term PPAs for proposed solar assets

- All the transmission SPVs under IndiGrid have low revenue risk, with availability linked payments under the TSAs signed with the customers. Also, the tariff agreed in the TSAs remains fixed. The average residual tenure of the TSAs for the SPVs is ~13 years, except for ENICL and JKTPL, where it is ~13-14 years, with a provision for further extension. Further, the solar assets acquired by IndiGrid have long-term PPAs of 25 years with SECI at a fixed tariff rate, thus limiting demand and tariff risks.

Stable performance of power transmission assets - The assets under IndiGrid are fully operational comprising 13 power transmission assets and two solar assets. The line availability for the transmission assets remains healthy at more than 99%. Also, the generation performance for the solar assets remains in line with the P-90 estimate. Stable operating performance translates into healthy cash flows in the form of monthly tariff as well as incentives.

Strong payment security for inter-state transmission assets; presence of strong counterparty for proposed solar assets - All the transmission projects (except JKTPL) are part of the interstate transmission grid, which enjoys strong payment security; the CTU is responsible for raising bills and collecting payments from the transmission system consumers. The CTU function has been recently carved out from PGCIL to its 100% subsidiary namely, Central Transmission Utility of India Limited, which is likely to become a wholly owned company of the Government of India in the near term. Also, the collection track record of JKTPL from Haryana discoms remains satisfactory. With respect to solar assets, comfort can be derived from the presence of SECI as the off-taker, with demonstrated track record of timely collections.

Healthy debt coverage metrics - The financial risk profile of IndiGrid remains healthy, as evident from net debt/AUM of ~56.9% post-acquisition of solar assets and robust debt service coverage metrics. The net debt to AUM ratio is likely to increase further to 59.5% post the acquisition of the last framework asset, KTL. Nonetheless, the debt coverage metrics are expected to be comfortable. Going forward, ICRA expects the net debt/ AUM ratio of the Trust to be maintained at about 65% on a sustained basis, to ensure adequate buffer against the regulatory cap.

Structural features such as DSRA, cash trap triggers and payment mechanism – The debt raised by IndiGrid and its subsidiaries have structural features such as DSRA (equivalent to one quarter debt servicing), cash trap triggers and payment mechanism, which are designed to ensure timely payment to the investors.

Credit challenges

Moderate operations and maintenance (O&M) risk - As the cash flows of all transmission projects, and consequently IndiGrid, are closely linked to the line availability, any lapse in O&M may impact the line availability performance. However, steady performance in all the commissioned projects and adequate resource availability by virtue of the large power transmission asset portfolio mitigate the risk to a large extent.

Acquisition of solar power assets increases the revenue variability risk; nonetheless, share of solar assets is low at 3.1% - The acquisition of solar power assets has increased the revenue variability risk, given that the revenues for solar power assets remain exposed to the generation and in turn to the weather conditions, module quality and O&M practices. However, comfort can be drawn from the satisfactory generation performance since commissioning of the solar assets being acquired, sourcing of modules from tier-I suppliers and presence of an experienced O&M contractor. Also, the share of solar power assets remains low at 3.1% and majority of IndiGrid's portfolio constitutes inter-state transmission assets.

Debt refinancing risk as most debt has bullet repayments; however, comfort is derived from the long tail period of the TSAs and certainty of cash flows - As on June 30, 2021, the consolidated debt of IndiGrid stood at Rs 12863.45 crore, with majority of the debt having bullet repayments. At the Trust level, Rs. 1600 crore is due for refinancing in FY2023, Rs. 925 crore in FY2024, Rs. 800 crore in FY2025, Rs. 550 crore in FY2026, Rs. 500 crore in FY2028, Rs. 1006.8 crore in FY2029 and Rs 1053.5 crore in FY2032. Also, 90% of the NCDs issued by BDTCL is payable on the scheduled maturity date in April 2022. This exposes the trust to debt refinancing risk. However, high certainty of cash flows in power transmission projects, adequate tail period and long useful life of the assets are some of the factors that act as strong risk mitigants. Also, as a proactive measure to reduce the FY2023 maturity, the trust has prepaid the Rs 200 crore MLD via exercising the call option. Further, ICRA takes note of the increase in the share of amortising loans in the overall debt mix of IndiGrid in the recent past, with the loans raised from banks in Q4 FY2021 having repayment over a 10 to 16 year period. This would moderate the refinancing risk for the trust to a certain extent. These loans were utilised to refinance the debt at SPV level and to fund the acquisitions. ICRA will continue to monitor the Trust’s ability to ensure timely refinancing of the maturing debt facilities.

Liquidity position: Strong

The liquidity position of the Trust is expected to remain strong supported by healthy operating performance that ensures stable revenue generation and the timely collection of transmission charges under the pooling mechanism of the CTU. In addition, the presence of three months DSRA for the debt facilities provides additional comfort. The cash balances and liquid investments of the Trust stood at ~Rs. 800 crore as on July 15, 2021. Also, the trust has enabled a commercial paper programme of Rs. 250 crore as a liquidity back-up, in case of any cash flow mismatch.

Rating sensitivities

Positive factors – Not applicable.

Negative factors – Negative triggers for the rating assigned to IndiGrid would be lower-than-stipulated availability of transmission assets and/ or under-performance in generation by the solar assets adversely impacting cash accruals and debt service coverage indicators. Further, any delay in collecting payments for the transmission or solar assets that adversely impacts the liquidity profile of the Trust would be a negative trigger. Also, any deterioration in the asset credit quality or a material decline in share of operational inter-state transmission assets in IndiGrid’s AUM could be a negative trigger for the rating assigned to IndiGrid. Specific credit metrics for downgrade would include project life coverage ratio of less than 1.35 times.

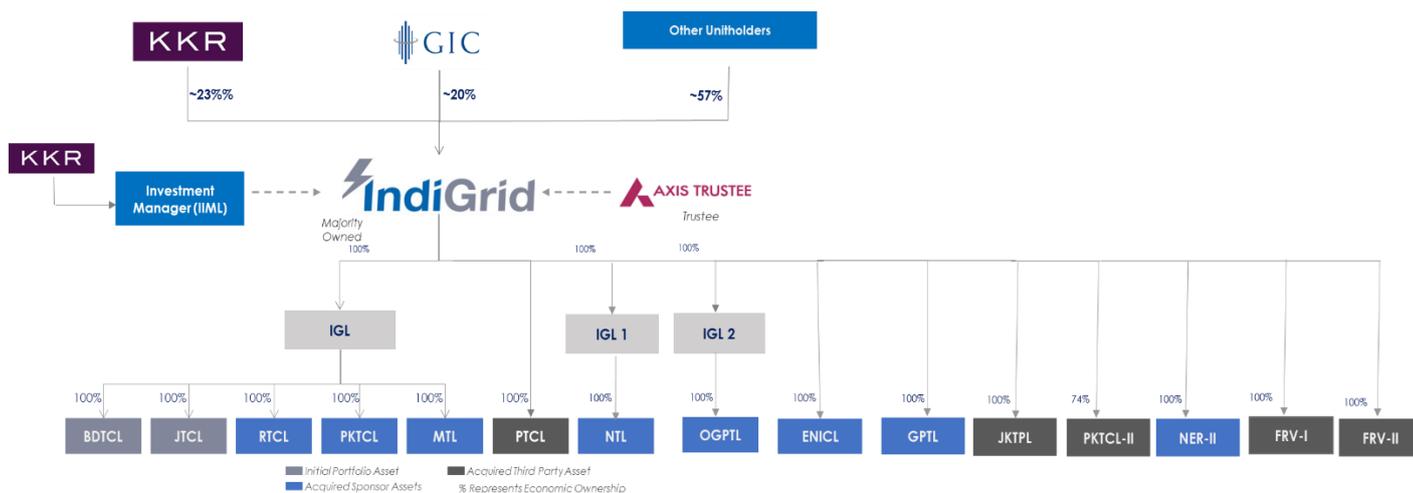
Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Infrastructure Investment Trusts Rating Methodology for Power Transmission Companies Rating Methodology for Solar Power Producers Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not applicable
Consolidation/Standalone	ICRA has consolidated the business and financial risk profile of all SPVs under IndiGrid as the cashflows are fungible among various SPVs due to direct control of IndiGrid. The regulatory debt cap of 70% on the consolidated asset valuation also supports the consolidation approach of the InvIT.

InvIT Structure

SEBI has introduced infrastructure investment trust (InvIT) regulations for infrastructure projects keeping in mind the huge infrastructure needs of India. InvIT is a mechanism that enables infrastructure developers to monetise their assets by pooling multiple assets under a single entity (which would be a Trust structure). The key features of InvITs are—mandatory distribution of 90% of net distributable cash flows (NDCF) to the unit investors, leverage cap of 70% on the net asset value and a cap on exposure to under construction assets for publicly placed InvITs. The sponsor of the InvIT shall be responsible for setting up the Trust and appointing the trustee. The sponsor shall hold minimum 15% of the units issued by the InvIT with a lock-in period of three years from the date of issuance of units.

India Grid Trust Profile



Source: IndiGrid

India Grid Trust was set up on October 21, 2016, as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882 and registered with Securities and Exchange Board of India's as an InvIT on November 28, 2016, under Regulation 3(1) of the InvIT Regulations. India Grid Trust is a two-tier InvIT. The Trust holds 100% equity in Sterlite Grid 1 Limited (SGL1), which houses two power transmission subsidiaries – BDTCL and Jabalpur Transmission Company Limited (JTCL). In Q4FY2018, IndiGrid acquired three more power transmission SPVs - RAPP Transmission Company Limited (RTCL), Purulia and Kharagpur Transmission Company Limited (PKTCL) and Maheshwaram Transmission Company Limited (MTL). Subsequently, in Q2FY2019, IndiGrid acquired a third-party asset—Patran Transmission Company Limited (PTCL). The Trust acquired two more assets NRSS XXIX Transmission Limited (NRSS) and Odisha Generation Phase-II Transmission Limited (OGPTL) in Q1FY2020. Further, in Q4FY2020, the Trust acquired one more asset, ENICL. Also, the Trust completed the acquisition of GPTL in August 2020 from Sterlite Power Grid Ventures Limited (SPGVL; now merged with Sterlite Power Transmission Limited (SPTL)). Further, the Trust acquired an intra-state asset, JKTP in September 2020 and an inter-state asset, PKTCL-II in January 2021. Also, in March 2021, IndiGrid acquired 76% stake in NER II Transmission Limited (NER-II) and the balance 24% stake was acquired in June 2021. Lately, in July 2021, the trust has acquired 100% in two solar assets, FRV-I and FRV-II.

IndiGrid has assets under management worth over Rs 21,000 crore post FRV-I and FRV-II acquisition, consisting of 15 diversified power projects comprising 40 transmission lines of 7570 cKM and 11 sub-stations of 13,550 MVA across 19 states/ UT. All the transmission projects have been implemented on a BOOM basis and have TSAs in place for 35² years. IndiGrid's net debt/AUM is at ~57% post-acquisition of FRV-I and FRV-II. Esoteric II Pte. Ltd., an affiliate of KKR, is a sponsor for IndiGrid, along with STPL. KKR had invested INR 1,084 crore in IndiGrid in May 2019 and currently owns an approximate 23% stake in the platform.

² Except ENICL and JKTP, which has a 25-year TSA period

Separately, KKR also owns a 74% stake in Indigrid Investment Managers Limited (IIML), the investment manager of IndiGrid. Axis Trustee Services Limited is the trustee.

Company Profile: Bhopal Dhule Transmission Company Limited

BDTCL is a power transmission project with 765 kV S/C transmission lines of 891 circuit km (ckm) and 400 kV D/C lines of 53 ckm in the Indore–Bhopal–Jabalpur region and the Vadodara–Dhule–Aurangabad region, along with two sub-stations at Bhopal (Madhya Pradesh) and Dhule (Maharashtra). The project has six transmission line elements in total. BDTCL has constructed 944 ckm at a total project cost of Rs. 2133 crore. The project was implemented on a BOOM basis and has a TSA in place for 35 years. The project was completely commissioned in June 2015 and has been operating at healthy average line availability of ~99.7%.

Company Profile: Jabalpur Transmission Company Limited

JTCL is a power transmission project with a 765 kV S/C quad line between Jabalpur (Madhya Pradesh) and Bina (Madhya Pradesh) of 235 ckm, and 765 kV D/C Hexa line between Daramjaygarh (Chhattisgarh) and Jabalpur of 757 ckm, as a part of the system strengthening scheme. The project has two transmission line elements. JTCL has constructed 992 ckm at a total project cost of Rs. 1,887.4 crore. The project was implemented on a BOOM basis and has a TSA in place for 35 years. The project was completely commissioned in September 2015 and has been operating at healthy average line availability of ~99.6%.

Company Profile: RAPP Transmission Company Limited

RTCL is a power transmission project with a 400 kV D/C quad line between Rajasthan and Shujalapur (Madhya Pradesh). The project has one transmission line element. RTCL has constructed 403 ckm at a total project cost of Rs. 260.1 crore. The project was implemented on a BOOM basis and has a TSA in place for 35 years. The project was completely commissioned in March 2016 and has been operating at healthy average line availability of ~99.8%.

Company Profile: Purulia and Kharagpur Transmission Company Limited

PKTCL is a power transmission project, with two 400 kV D/C quad lines between Kharagpur and Chaibasa and between Purulia and Ranchi, in West Bengal and Jharkhand. The project has two transmission line elements. PKTCL has constructed 546 ckm at a total project cost of Rs. 440.5 crore. The project was implemented on a BOOM basis and has a TSA for 35 years. The project was completely commissioned in January 2017 and has been operating at healthy average line availability of ~99.9%.

Company Profile: Maheshwaram Transmission Company Limited

MTL is a power transmission project, with two 400 kV D/C quad lines connecting Maheshwaram with Mehboob Nagar and Nizamabad with Yeddumailaram in Telangana. The project has two transmission line elements. MTL has constructed 477 ckm at a total project cost of Rs. 387.8 crore. The project was implemented on a BOOM basis and has a TSA in place for 35 years. The project was completely commissioned in December 2017 and has been operating at healthy average line availability of ~99.9%.

Company Profile: Patran Transmission Company Limited

PTCL is a power transmission project comprising of 400/ 220 kV substation with 14 bays in Patran, Punjab and LILO of both circuits of Patiala-Kaithal 400 kV double circuit triple snow bird line. The project was implemented on a BOOM basis and has a TSA in place for 35 years. The project was completely commissioned in June 2016 and has been operating at healthy average line availability of ~99.9%.

Company Profile: NRSS XXIX Transmission Limited

NRSS is a power transmission project comprising of 400-kV D/C 270 ckm line from Jalandhar to Samba, a 400-kV D/C 546-ckm line from Samba to Amargarh, a 400-kV LILO 14-ckm line from Uri to Wagoora, and a 400/220-kV 735 MVA pooling substation at Amargarh. The project was implemented on a BOOM basis and has a TSA in place for 35 years. The project was completely commissioned in August 2018 and has been operating at healthy average line availability of ~99.7%.

Company Profile: Odisha Generation Phase-II Transmission Limited

OGPTL is a power transmission project, comprising of a 608-ckm 765-kilovolt double-circuit line from Jharsuguda to Raipur, and a 103-ckm 400-kilovolt double-circuit OPGC-Jharsuguda line. The project was implemented on a BOOM basis and has a TSA in place for 35 years. The project was completely commissioned in April 2019 and has been operating at healthy average line availability of ~99.9%.

Company Profile: East North Interconnection Company Limited

ENICL is a power transmission project comprising of two 400 kV inter-state transmission lines with 909 ckm across Assam, Bihar and West Bengal. The two lines under ENICL are from Bongaigaon in Assam to Siliguri in West Bengal (443 ckm), and from Purnia to Biharsharif in Bihar (466 ckm). The project was implemented on a BOOM basis and has a TSA in place for 25 years. The Purnia-Biharsharif line has been operational since September 2013, while the Bongaigaon-Siliguri line has been operational since November 2014 and has been operating at a healthy average line availability of ~99.6%.

Company Profile: Gurgaon Palwal Transmission Limited

GPTL is a power transmission project comprising of four transmission lines of 143 km length, three substations, two bays and one LILO to cater to power requirements of Gurgaon and Palwal areas. The first two elements of the project became operational in March 2019. The remaining seven elements were completed in a phased manner over the next 12 months, with the project attaining full completion in March 2020. The final approval related to completion of successful trial run for the last element was obtained in April 2020. The project is implemented on a BOOM basis and has a TSA in place for 35 years.

Company Profile: Jhajjar KT Transco Private Limited

JKTPL operates three 400 kv intra-state transmission lines with total line length of 103 km in Haryana. It has two substations with a transformation capacity of 830 MVA. It is a strategic asset for Haryana state distribution companies and the key evacuation transmission system from the 1,320 MW thermal power plant in Jhajjar, Haryana. The line has been operational since March 2012 and the company has transmission service agreement with Haryana Vidyut Prasaran Nigam Limited (HVPNL/ authority), with availability-linked revenues payments. The balance TSA tenure is 15 years, with a provision for extension by another 10 years.

Company Profile: Parbati Koldam Transmission Company Limited

PKTCL-II operates ~458 circuit KM of inter-state transmission lines across Himachal Pradesh and Punjab for evacuating power from the hydel projects of NHPC and NTPC. The project was commissioned in June 2015, has balance TSA tenure of 29.4 years and has been operating at healthy average line availability of ~99.9%.

Company Profile: NER II Transmission Limited

NER-II is an inter-state transmission project with a TSA tenure of 35 years, in the states of Tripura, Assam and Arunachal Pradesh and comprises two substation elements and four transmission line elements. The project was fully commissioning in March 2021.

Company Profile: FRV Andhra Pradesh Solar Farm-I Private Limited & FRV India Solar Park II – Private Limited

FRV I was incorporated on July 14, 2016 and FRV II was incorporated on July 09, 2016. Both the companies operate 50 MW (AC) solar power plant each in Ananthapuramu Solar Park and have entered into power purchase agreement (PPA) with SECI on October 5, 2016 for tenor of 25 years at a tariff rate of Rs. 4.43 per unit. FRV-I was commissioned in July 2018 and FRV-II was commissioned in January 2019.

Key financial indicators (audited)

	FY2020	FY2021
Operating Income (Rs. crore)	1242.7	1676.9
PAT (Rs. crore)	505.7	334.4
OPBDIT/OI (%)	92.0%	90.7%
PAT/OI (%)	40.7%	19.9%
Total Outside Liabilities/Tangible Net Worth (times)	1.3	3.1
Total Debt/OPBDIT (times)	5.6	9.6
Interest Coverage (times)	2.8	2.2

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation
Source: Company data, ICRA research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years											
	Type	Amount Rated (Rs. crore)	Amount Outstanding as of July 15, 2021 (Rs. crore)	Date & Rating	Date & Rating in FY2021					Date & Rating in FY2020				Date & Rating in FY2019		
				Jul 23, 2021	Mar 18, 2021	Jan 13, 2021	Dec 30, 2020	Dec 18, 2020	May 04, 2020	Feb 06, 2020	Aug 06, 2019	May 14, 2019	May 07, 2019	Apr 27, 2018		
1	NCD	Long-term	4200.00	1750.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	-	-
2	MLD	Long-term	200.00	-	[ICRA]AAA (Stable); withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	-	-				
3	Issuer rating	-	-	-	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
4	CP	Short-term	250.00	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	-	-	-	-	-	-	-	-	-
5	Term Loan	Long-term	500.00	497.50	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	-	-	-	-	-	-	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
NCD	Simple
MLD	Simple
CP	Very Simple
Long-term Term Loan	Simple
Issuer Rating	Not applicable

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 analyzing 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, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE219X07041	MLD	July 5, 2019	9.00%	January 4, 2023*	200.00	[ICRA]AAA (Stable); withdrawn
INE219X07058	NCD-I	July 29, 2019	9.10%	July 29, 2024	300.00	[ICRA]AAA (Stable)
INE219X07066	NCD-II	August 2, 2019	8.85%	November 2, 2022	200.00	[ICRA]AAA (Stable)
-	Commercial Paper**	-	-	7-365 days	250.00	[ICRA]A1+
-	Term loan	February 2021	7.45%	March 31, 2036	500.00	[ICRA]AAA (Stable)
INE219X07140	NCD-III	March 25, 2021	7.25%	April 10, 2024	1500.00	[ICRA]AAA (Stable)
INE219X07157	NCD-IV	March 25, 2021	7.25%	April 10, 2025	650.00	[ICRA]AAA (Stable)
INE219X07165	NCD-V	March 25, 2021	7.25%	April 03, 2026	500.00	[ICRA]AAA (Stable)
INE219X07298	NCD-VI	June 28, 2021	7.32%	June 27, 2031	400.00	[ICRA]AAA (Stable)
-	NCD-VII (to be issued)	-	-	-	650.00	[ICRA]AAA (Stable)
-	Issuer rating	-	-	-	-	[ICRA]AAA (Stable)

Source: Company; *it was fully redeemed on July 06, 2021; ** no outstanding CP

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Bhopal Dhule Transmission Company Limited	100.00%	Full Consolidation
Jabalpur Transmission Company Limited	100.00%	Full Consolidation
Purulia Kharagpur Transmission Company Limited	100.00%	Full Consolidation
RAPP Transmission Company Limited	100.00%	Full Consolidation
Maheshwaram Transmission Limited	100.00%	Full Consolidation
Patran Transmission Company Limited	100.00%	Full Consolidation
NRSS XXIX Transmission Limited	100.00%	Full Consolidation
Odisha Generation Phase-II Transmission Limited	100.00%	Full Consolidation
East North Interconnection Company Limited	100.00%	Full Consolidation
Gurgaon Palwal Transmission Limited	100.00%*	Full Consolidation
Jhajjar KT Transco Private Limited	100.00%	Full Consolidation
Parbati Koldam Transmission Company Limited	74.00%	Full Consolidation
NER II Transmission Limited	100.00%	Full Consolidation
FRV Andhra Pradesh Solar Farm-I Private Limited	100.00%	Full Consolidation
FRV India Solar Park II – Private Limited	100.00%	Full Consolidation

*While shareholding acquired is 49% as on date, IndiGrid has 100% economic interest and management control of GPTL; the balance shareholding will be acquired as per the agreement signed with SPGVL and as allowed under the terms of the TSA

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