

India Ratings Downgrades GMR Warora Energy's NCDs to 'IND D'

30

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By Divya Charen C

India Ratings and Research (Ind-Ra) has downgraded GMR Warora Energy Limited's (GWEL) non-convertible debentures' (NCDs) rating to 'IND D' from 'IND C' as follows:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating	Rating Action
NCDs*	-	-	-	INR750	IND D	Downgraded

* Details are given in annexure

KEY RATING DRIVERS

The downgrade reflects non-redemption of NCDs subsequent to an investor opting to exercising the put option. The NCDs were required to be redeemed by 25 September 2019. GWEL has informed Ind-Ra that the process to comply with conditions and complete the documentation for recalling/deferral of the put option by the sole investor is ongoing. The debenture trust deed defines default in payment as when any amount payable under the transaction document is not paid on due date and such default continues for 30 days.

RATING SENSITIVITIES

Positive: Firming up of debt structure subsequent to exercising of put option, timely payment of interest and no event of default for three successive months will be positive for the rating.

COMPANY PROFILE

GWEL is a special purpose vehicle incorporated to build, maintain and operate a 600MW (two units of 300MW each) coal-fired, subcritical technology-based thermal power plant in Warora, Maharashtra. GMR Energy Limited is the primary sponsor of the project, with 100% equity investment. GMR Energy is held by GMR Infrastructure Limited (52%), Tenaga Nasional Berhad (30%) and private equity investors (18%).

FINANCIAL SUMMARY

Particulars	FY19	FY18
Revenue (INR million)	19,231	17,887
EBITDA (INR million)	7,117	7,339
EBITDA interest coverage	1.73	1.75
Source: GWEL		

RATING HISTORY

Instrument Type	Current Rating			Historical Rating/Outlook		
	Rating Type	Rated Limits (million)	Rating	28 May 2019	30 November 2018	1 October 2015
NCDs	Long-term	INR750	IND D	IND C	IND BB/Stable	IND D

ANNEXURE

ISIN	Date of Issue	Coupon Rate (%)	Maturity	Size of Issue (million)	Rating	Rating Action
INE124L07014	24 September 2014	12.15	25 September 2022	INR250	IND D	Downgraded
INE124L07022	24 September 2014	12.15	25 September 2023	INR250	IND D	Downgraded
INE124L07030	24 September 2014	12.15	25 November 2023	INR250	IND D	Downgraded
Total				INR750	-	-

COMPLEXITY LEVEL OF INSTRUMENTS

For details on complexity level of the instrument, please visit <https://www.indiaratings.co.in/complexity-indicators>.

SOLICITATION DISCLOSURES

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Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

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Applicable Criteria

[Rating Criteria for Infrastructure and Project Finance](#)

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