Adani Power Ltd — 30 Mar 2026 Credit Rating Summary

This credit analysis summarizes the CRISIL rating report for **Adani Power Limited (APL)** as of March 2026.

Section	Details
Agency	CRISIL Ratings
Rating Change	**Reaffirmed at AA** (Multi-notch upgrade cycle from A to AA completed in 2023-2025).
Outlook	**Stable** (Current) vs **Stable** (Previous)
Key Drivers of Change	1. **Deleveraging:** Net Debt/EBITDA improved to **1.4x** (Dec-25), down from historical highs, strengthening the balance sheet. 2. **Revenue Lock-in:** PPA tie-ups for **~84%** of capacity (rising to 95%) provide long-term cash flow visibility. 3. **Regulatory Windfall:** Resolution of past dues led to massive liquidity; interest coverage remains robust at **7.14x**. 4. **Fuel Security: >80%** of domestic fuel requirement now backed by FSAs, mitigating merchant price volatility.
Rated Instruments	• **LT Bank Facilities:** ₹51,363.69 Cr
Key Observations	• **Strengths:** India’s largest private thermal producer; **₹20,000 Cr** annual EBITDA potential. • **Strengths:** Bangladesh (BPDB) receivables significantly reduced post-June 2025. • **Strengths:** Prudent accounting—claims recognized only on "reasonable certainty." • **Risks:** Massive **₹2 Lakh Cr** capex pipeline for 24 GW expansion introduces execution risk. • **Risks:** High counterparty risk due to weak credit profiles of state Discoms. • **Risks:** Adverse outcome in pending regulatory investigations remains a "Downward Factor."
Investor Impact	• **Growth:** Massive 24 GW pipeline signals aggressive long-term capacity expansion. • **Margins:** Pass-through mechanisms in PPAs protect against coal price spikes. • **Leverage:** Current low leverage (1.4x) will likely trend upward as the **₹2 Lakh Cr** capex unfolds. • **Dilution Risk:** Low; strong internal accruals and liquidity reserves minimize immediate equity need.
Agency / Cross Analysis	**Same Agency History:** Upgraded from A (2023) → AA- (2024) → AA (2025). **What Changed:** The "Stable" reaffirmation indicates a transition from a "recovery story" to a "steady-state infrastructure" play. While FY25 PAT (**₹12,750 Cr**) is lower than FY24 (**₹20,829 Cr**) due to one-off regulatory gains in the prior year, the underlying operational EBITDA has stabilized at the ₹20,000 Cr mark. **Conclusion: Improvement.** The credit profile has structurally shifted due to permanent debt reduction.
Final Inference	**Real improvement.** The AA rating validates APL's successful deleveraging and regulatory recoveries. However, the **₹2 Lakh Cr capex** is a pivot back to a high-growth, debt-intensive phase which investors must monitor for execution delays.