

Adani Power Ltd — 13 Jan 2026 Credit Rating Summary

As an equity-focused credit analyst, I have synthesized the report for Adani Power Limited (APL) below.

Credit Rating Summary: Adani Power Limited (APL)

Section	Details
Agency	CARE Ratings Ltd. (CareEdge)
Rating Change	Reaffirmed at CARE AA / CARE A1+ (No notches moved)
Outlook	Stable (Current) vs Stable (Previous)
Key Drivers of Change	<ol style="list-style-type: none"> Revenue Visibility: 90% of 18.15 GW operational capacity tied in LT/MT PPAs; H1FY26 EBITDA at ₹10,079 Cr. Fuel Security: 91% domestic coal requirement secured via FSAs + 4 captive mines (14 MTPA) reducing cost volatility. Improved Collections: Debtor days dropped from 65 (FY25) to 47 (H1FY26); Bangladesh (Godda) receivables fell from ₹5,712 Cr to ₹2,018 Cr. Deleveraging: Gearing improved to 0.77x (FY25) from 0.93x (FY24) despite aggressive growth.
Rated Instruments	<ul style="list-style-type: none"> • LT Term Loans: ₹37,813.70 Cr
Key Observations	<p>Strengths:</p> <ul style="list-style-type: none"> • Strong operational track record: PAF at 88% (H1FY26). • Regulatory tailwind: FGD Capex exemption for Category C plants (Credit Positive). • Shift to consolidated balance sheet structure enhances funding flexibility. <p>Risks:</p> <ul style="list-style-type: none"> • Massive Capex: Revised plan to reach 41.87 GW by FY33 involving ₹1,90,000 Cr outlay. • Merchant Exposure: 10% capacity untied; exposed to tariff volatility (though currently >₹5/unit). • Counterparty Risk: High exposure to weak state discoms.
Investor Impact	<p>Growth: Aggressive capacity expansion (2.3x current) signals massive scale-up.</p> <p>Margins: Low fuel costs and high merchant rates support healthy EBITDA margins.</p> <p>Leverage: Management targets TD/EBITDA < 3x; reliance on internal accruals limits dilution risk.</p> <p>Risk: US DoJ/SEC legal matters remain "sub-judice"; any adverse outcome could freeze financial flexibility.</p>
Agency / Cross Analysis	<p>Same Agency (CARE): Reaffirmed stability despite increasing total rated facilities (LT Term loans enhanced from ₹30,815 Cr to ₹42,950 Cr).</p> <p>Evolution: Rating reflects a transition from a "Deleveraging Play" to an "Aggressive Growth Play" supported by core cash flows.</p> <p>Conclusion: Improvement in fundamental liquidity and collections, offsetting the execution risk of the expanded capex.</p>
Final Inference	<p>Real Improvement in Operations: The dramatic reduction in Bangladesh receivables and FGD exemption significantly de-risks the cash flow. The credit story is now a bet on execution (₹1.9L Cr capex) rather than solvency. Legal/Group overhang remains the only major non-operational tail risk.</p>

Financial Snapshot (Consolidated): * FY25 Revenue: ₹56,546 Cr * FY25 EBITDA: ₹21,726 Cr * Interest Coverage: 6.52x (FY25) * H1FY26 Cash/Liquidity: ₹10,836 Cr