

RattanIndia Power Ltd — 08 Sep 2025 Credit Rating Summary

Section	Details
Agency	Acuité Ratings & Research Limited
Rating Change	BBB- / Stable → Withdrawn (Previous upgrade from BB+ to BBB- in Nov 2024)
Outlook (Current vs Previous)	N.A. vs Stable (Withdrawal due to full redemption of debt)
Key Drivers of Change	<ol style="list-style-type: none"> Full Debt Redemption: Successful repayment of ₹615 Cr NCDs (₹375 Cr + ₹240 Cr). Profitability Turnaround: Reported PAT of ₹215.97 Cr in FY25 vs. a loss of ₹1,027.91 Cr in FY24. Improved Coverage: PBDIT/Interest ratio rose to 1.97x (FY25) from 1.77x (FY24). Deleveraging: Total Debt/Tangible Net Worth improved to 0.75x from 0.78x.
Rated Instruments	<ol style="list-style-type: none"> NCD (INE399K07113): ₹375.00 Cr
Key Observations	<ul style="list-style-type: none"> Operational Stability: Maintained steady revenue of ₹3,283.83 Cr in FY25 (slight dip from ₹3,364 Cr). Net Worth Recovery: Shift from a deep negative PAT margin (-30.56%) to positive 6.58%. Stranded Assets: Phase-II (1,350 MW) remains abandoned, limiting total capacity to 1,350 MW (Phase-I). High-Cost Debt Exit: Redeemed NCDs carried high coupons of 10% and 16.67%, which will significantly lower interest costs moving forward. Clean Exit: No Dues Certificate (NDC) confirmed by the debenture trustee, signaling no hidden defaults.
Investor Impact	<ul style="list-style-type: none"> Margins: Significant improvement in PAT margins (6.58%) signals better operational efficiency/cost control. Leverage: Drastic reduction in financial risk; the exit of ₹615 Cr debt strengthens the balance sheet. Dilution Risk: Low; the company is using internal accruals/cash to pay down debt rather than equity dilution. Growth: Stagnant; abandoned Phase-II means growth depends on new projects or tariff revisions.
Agency / Cross Analysis	<p>Same Agency: The rating trajectory has been consistently positive, moving from BB (2023) → BB+ (May 2024) → BBB- (Nov 2024) → Withdrawal (Sep 2025). This reflects a successful turnaround from the 2022-23 stress periods. The withdrawal is a "positive exit" as it confirms the company has the liquidity to extinguish major long-term liabilities.</p> <p>Conclusion: Significant Improvement.</p>
Final Inference	Real Credit Improvement. The withdrawal is a major positive signal for equity holders as it confirms the company has successfully deleveraged its most expensive debt. RPL has transitioned from a loss-making, high-leverage entity to a profitable one with a strengthening balance sheet.