

Successful Operational/Financial Turnaround of a Power Plant



Asset Overview

- Listed entity operating 1,350MW thermal power plant in Maharashtra
- Long term PPA with Maharashtra State Discom along with long term FSA with a subsidiary of Coal India
- Debt of ~Rs.8,000 Cr which encountered stress due to cost overruns & sub-optimal level of operations (PAF of 69%)

ABARC Approach

- Post acquisition of debt, ABARC initiated right sizing of capital structure
 - Debt restructured into senior & junior tranches with repayment over 4-6 years
 - Staggered repayment along with flexible cash sweep
- Ensured availability of sufficient working capital in the system which significantly boosted PAF levels (~85% in FY23 & FY24)
- Senior debt was refinanced in June 2023 on achieving stability in operations

Transaction Brief

- Consortium of 12 lenders agreed upon OTS of Rs.4,050 Cr through mix of cash, equity & preference shares
- First of its kind trade in ARC industry with largest ever cash OTS of Rs.2,590 Cr via assignment of debt in December 2019
- ABARC played important role in structuring and negotiating deal between selling banks and investors

Win-Win Trade for All Stakeholders

- **Selling Banks:** Resolution of big stressed asset along with equity kicker
- **Ecosystem Benefit:** Superior plant performance post debt acquisition ensured:
 - Availability of power in Maharashtra at affordable price
 - Job continuity/protection for ~1,000 employees at the plant
- **Equity Shareholders:** ~10x increase in market cap to Rs.9,000 Cr as on date resulting in wealth creation for ~15 lakh shareholders
- **SR Holders:** ABARC along with investors generated IRRs of over 22%