

MARCH 09, 2015

CARE REAFFIRMS RATINGS ASSIGNED TO BANK FACILITIES OF NUPOWER RENEWABLES PVT LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long term Bank Facilities	464.22	CARE BBB (Triple B)	Reaffirmed
Total Facilities	464.22		

Rating Rationale

The reaffirmation of the rating of the bank facilities of NuPower Renewables Pvt Limited (NRPL) continues to positively build in the experience of management team in renewable power generation segment, financial patronage from promoters and long-term Power Purchase Agreements (PPA) signed with various State Electricity Boards (SEBs) yielding steady cashflows. The rating also derives strength from the improvement in the receivables position post the financial restructuring of Tamil Nadu Generation and Distribution Corporation (TANGEDCO; rated CARE A-(SO)).

The above rating strengths are tempered by dependence of power generation on seasonal wind patterns, exposure to regulatory and market risk for GBI and REC related cash flows, moderate debt coverage indicators and counter party risk arising out of exposure to State Electricity Boards (SEBs) with weak financial profile.

Ability to achieve envisaged Plant Load Factor (PLF), timely realization of receivables from SEBs and timely commissioning of 49.2 MW additional capacity in Maharashtra remain the key rating sensitivities.

Background

NuPower Renewables Pvt Limited. (NRPL), incorporated on December 24, 2008, is promoted by Mr. Deepak V. Kochhar and Supreme Energy Private Ltd (SEPL). NRPL currently has operational wind farms with an aggregate capacity of 149.15 MW located in Tamil Nadu (134.75 MW), Karnataka (10.2 MW) and Rajasthan (4.2 MW). The company proposes to setup additional capacity of 49.20 MW in the State of Maharashtra to de-risk the revenue base.

During FY14, NRPL reported total income of Rs. 133.91 crore up 12.59 % y-o-y as compared to Rs. 118.94 crore in FY13. In FY14, company reported net loss of Rs. 11.92 crore.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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