Beta Wind Farm Private Limited (Revised)

February 17, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating[1]	Rating Action
Long Term Bank Facilities	805.43 (Reduced from 904.00)	CARE D (Single D)	Reaffirmed
Total Bank Facilities	**805.43 (Rs. Eight Hundred Five Crore and Forty-Three Lakhs Only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating assigned to the bank facilities of Beta Wind Farm Private Limited (BWF) factors in the instances of delays in servicing debt obligations.

Rating Sensitivities

Positive Factors - Factors that could lead to positive rating action/upgrade:

- Satisfactory track record of timely servicing of debt obligations on sustained basis.
- Sustained improvement in operational and financial performance

Detailed description of the key rating drivers

Key Rating Weaknesses

Instances of delays in debt servicing: BWF has reported delays in debt servicing on account of stretched liquidity position arising largely due to elongation of receivables from A.P Discom.

Continued weak performance: The revenue of the company moderated by 23% to Rs. 182.13 crore. The decline is attributed to lower power generation as a result of lower wind availability and non-recognition of REC revenue amounting to Rs. 24.74 crores during FY21 (the same is recognised during Q3FY22 and realised). Also, on account of Covid-19 lockdowns, power off-take had reduced during H1FY21 due to lower economic activities. As a result of lower generation and REC revenues, the net loss of the company has also increased to Rs. 55.17 crore in FY21 as against Rs. 9.95 crore in FY20. The company's receivable position as on September 30, 2021 stood at Rs. 83.64 crore out of which receivables from AP itself was around Rs. 67.20 crore

Seasonality associated with wind generation: Wind farms are exposed to inherent risk of climate fluctuations leading to variations in the wind patterns which affects the PLF. Generally, the wind farms enjoy higher PLF during May to September period (Monsoon period), whereas the PLF is relatively low during the other seasons. During the off-season stretching from October to April, wind generation dips significantly impacting the cash flows

Key Rating Strengths

Established presence of OGPL in renewable energy segment : BWF is a subsidiary of Orient Green Power Company Limited (OGPL). OGPL's promoter is SVL Limited (formerly known as Shriram Industrial Holdings Limited). As of March 2021, OGPL had a portfolio of operational wind capacity of 417 MW. For FY21, OGPL reported net loss of Rs.57.0 crore (PY: profit of Rs.19.9 crore) on a total income of Rs.262.7 crore (PY: Rs.386.4 crore) on consolidated basis. BWF has been supported by the group companies in terms of funding requirements in the past, during the year it received Rs.8.48 crores from its group companies.

Industry Outlook:

With the thrust from the government, there had been significant wind power capacity additions since FY17 under the feed-in tariff mechanism. However, there are concerns like increased difficulties in land acquisition, limited availability of good wind sites, inadequate grid connectivity, regulatory uncertainties and weak financial risk profile of few state discoms. Going forward, timely resolution of these concerns amidst ongoing COVID-19 pandemic remain key monitorable

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Liquidity: Poor

Poor liquidity marked by lower accruals, and delay in collections due to APDISCOM receivables, when compared to repayment obligations. The company has fully utilized limits and modest cash balance. The company had cash and bank balance of Rs. 1.76 crore as on March 31, 2021.

Analytical approach: Standalone

Applicable Criteria

Policy on default recognition
Financial Ratios – Non financial Sector
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Credit Watch
Infrastructure Sector Ratings
Wind Power Projects

About the Company

Beta Wind Farm Private Ltd. (BWF), a project SPV, was incorporated for setting up of wind farm under the Group Captive Power Plant Policy in the state of Tamil Nadu. The company has subsequently expanded to other states namely, Gujarat, Karnataka and Andhra Pradesh. BWF is a subsidiary of Orient Green Power Company Limited, which is holding 74% stake and the remaining 26% held by various group captive consumers. The company sells power generated, to discoms like Andhra Pradesh discom (Central power Distribution Company of Andhra Pradesh Limited) and Gujarat discom (Gujarat Urja Vikas Nigam Limited) and to captive customers. The company's wind assets currently aggregate to 242 MW as on December 31, 2021.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	Q1/ H1/ 9MFY22
Total operating income	238.09	182.13	NA
PBILDT	177.81	123.64	NA
PAT	-10.12	-55.37	NA
Overall gearing (times)	NM	NM	NA
Interest coverage (times)	1.39	1.06	NA

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3s

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	Sep 2033	783.40	CARE D
Fund-based - LT-Cash Credit		-	-	-	22.03	CARE D

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	-	-	-				

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
2	Fund-based - LT-Cash Credit	-	-	-				
3	Fund-based - LT-External Commercial Borrowings	-	-	-				
4	Fund-based - LT-Term Loan	LT*	783.40	CARE D	-	1)CARE D (01-Mar-21)	1)CARE D (06-Jan-20)	1)CARE D (22-Mar-19)
5	Fund-based - LT-Cash Credit	LT	22.03	CARE D	-	1)CARE D (01-Mar-21)	1)CARE D (06-Jan-20)	1)CARE D (22-Mar-19)

* Long Term

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities – Not Applicable

Annexure 4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure 5: Bank Lender Details for this Company

To view the lender wise details of bank facilities please **click here**

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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