

## Baskara Clean Energy Private Limited

October 17, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	18.00	CARE B+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB-; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has been seeking information from Baskara Clean Energy Private Limited (BCEPL) to monitor the ratings vide e-mail communications dated June 25, 2024, September 23, 2024, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings.

In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating on the basis of the best available information which, however, in CARE Ratings opinion is not sufficient to arrive at a fair rating. The rating of BCEPL's bank facilities will now be denoted as **CARE B+; Stable; ISSUER NOT COOPERATING\***.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.**

The ratings have been revised on account of the non-availability of information for monitoring of the ratings despite repeated requests.

The Rating assigned to Baskara Clean Energy Private Limited BCEPL) is constrained by the limited track record of generation of power from single operational asset, large debt funded capex expansion and vulnerability of cashflows due to variations in weather conditions. The rating however derives strength from experience of the promoters, moderate track record of collections from counterparty and revenue visibility with medium term PPA under group captive mechanism.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers:

At the time of previous rating published on October 17, 2023, the following were the key rating drivers:

#### Key weaknesses

##### Limited Track record with single operational power asset

The company started its operation in March 2022 with a solar plant with capacity of 2MW in Cuddalore. The company has generated about 31.58 lakh units in FY23 which is at PLF level of 18%. In addition to the sale of power the company does consultancy service for power generation and sale for various investors.

##### Large debt funded capex expansion

The Company is currently undergoing capex for 2.7 MW windpower plant in Thoothukudi. The total cost of the project is about Rs. 24.25 crores of which Rs.18 crores is debt funded and rest would be promoter contribution. The project is expected to be completed by March 2024. As on Sep 2023, the promoters have spent Rs. 3.00 crores towards the capex and debt for the project is not yet tied up. Total debt to GCA stood at 8.48X with the interest coverage at 2.98x for FY23.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

### **Vulnerability of cash flows to variation in weather conditions**

The company may book lesser revenues in the event of non-generation of power due to variation in weather conditions and/or equipment quality. This, in turn, would affect its cash flows and debt servicing ability.

### **Key strengths**

#### **Long operational track record of Promoters**

Mr. N. Madhusoodhanan, Mrs. V. Amutha and Mr. P. Vijayabaskaran are the promoters of the company. The day-to-day activities are taken care by Mr. P. Vijayabaskaran, President, who has around 15 years of experience in consultancy of commercial & industrial power sales. He is also proprietor of Ventus Energy Consultants, facilitating sale of wind & solar power in Tamil Nadu and have been managing 750 MW of Wind and Solar Assets in Tamil Nadu. Mr. N. Madhusoodhanan has more than three decades of experience in civil construction and being one of the partners in M/s. Shanmuga Foundations & M/s. Shanmuga Constructions. He is also an expert in green building advisory services.

#### **Moderate revenue visibility and track record of collection**

The company has firm PPA agreements under the group captive model with Shree Sai Hanuman Smelters for the operational solar asset and Agni Steel Private Limited for the new windmill asset proposed, providing moderate revenue visibility in medium term. BCEPL has 7-year PPA agreement with Shree Sai Hanuman Smelters for supply of 40 lakh units/ annually from Apr 2022 for its existing solar power capacity and entered into 11 year PPA with Agni steels for supply of 75 lakh units/ annually with offtake from April 2024 for the proposed windmill plant. The company has a moderate track record of receipts from its counterparty with collection of invoices within 10-15 days. The debt repayment tenor for existing 2 MW solar project is 8 years including 12 months moratorium with underlying PPA for 7 years and for the Windmill capex, financial closure yet to be achieved.

#### **Liquidity: Stretched**

The company has low cash and bank balance of Rs. 0.34 crores as on March 31, 2023. In terms of the operating cycle, the company has made collections by less than 15 days from all its customers. BCEPL's gross cash accruals for the existing capacity and proposed additional capacity tightly match the repayment obligations of the term loans.

### **Applicable criteria**

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Infrastructure Sector Ratings](#)

[Solar Power Projects](#)

[Wind Power Projects](#)

### **About the company and industry**

#### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power Generation

BCEPL was incorporated in October 2021. The company has 2MW solar power plant located in Veppur taluk, cuddalore, which commissioned operations in March 2022. The company is currently setting up a 2.7 MW Wind power plant in Ottapidaram, Thoothukudi and is expected to be commissioned by March 2024. The company is selling the generated power under group

captive model. Apart from this, Company does consultancy service such as customer acquisition, approvals and receivable management to its corporate clients for managing power assets.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	4M FY2024(UA)
Total operating income	2.98	1.51	2.61
PBILDT	2.95	1.37	2.51
PAT	1.94	-1.44	NA
Overall gearing (times)	4.18	12.95	NA
Interest coverage (times)	69.34	2.98	NA

A: Audited UA: Unaudited; NA: Not available; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	Proposed	18.00	CARE B+; Stable; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

#### Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	18.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (17-Oct-23)	-	-

\*Issuer did not cooperate; based on best available information.

LT: Long term;

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

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

### Contact us

<b>Media Contact</b>  Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a>  <b>Relationship Contact</b>  Ankur Sachdeva Senior Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3444 E-mail: <a href="mailto:Ankur.sachdeva@careedge.in">Ankur.sachdeva@careedge.in</a>	<b>Analytical Contacts</b>  Sandeep P Director <b>CARE Ratings Limited</b> Phone: +91-44-2850 1002 E-mail: <a href="mailto:sandeep.prem@careedge.in">sandeep.prem@careedge.in</a>  Ratheesh Kumar Associate Director <b>CARE Ratings Limited</b> Phone: +91-44-2850 1009 E-mail: <a href="mailto:ratheesh.kumar@careedge.in">ratheesh.kumar@careedge.in</a>  Mathew Jacob Assistant Director <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Mathew.jacob@careedge.in">Mathew.jacob@careedge.in</a>
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### About us:

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