Wind World Wind Farms (Hindustan) Private Limited

January 10, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	79.93	CARE BB; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of the rating assigned to the bank facilities of Wind World Wind Farms (Hindustan) Private Limited (WFHPL) considers the limited revenue visibility with the existing power purchase agreements (PPAs) with state discoms in Rajasthan and Karnataka expiring in March 2026. While reaffirming the rating, CARE Ratings also notes the company's low DSCR for FY25 and FY26 less than 1x with expected gross cash accruals of ~Rs. 60 crore against scheduled repayment obligations of ~Rs. 66 crore in the next 2 years. The rating also remains constrained by the short tail period of only 3 months with debt repayment scheduled in December 2025 and PPAs expiring in March 2026 thereby providing little buffer. Nevertheless, the company had free cash of ~Rs. 8.5 crore and debt service reserve account (DSRA) of ~Rs. 26.5 crore as on March 31, 2024 which provides some comfort. The rating also factors in the high counter party risk, weak financial risk profile, exposure on seasonal wind pattern and dependence on its parent Wind World (India) Limited, an entity undergoing insolvency, for operations and maintenance of its wind mills.

The rating, however, considers WFHPL's adequate performance with total operating income of Rs. 62 crore on the back of steady plant load factor (PLF) and wind patterns across Rajasthan and Karnataka during the year. Its PBILDT margin dipped to 62% (PY: 70%) levels due to rise in operations and maintenance costs in FY24. The rating also factors in experienced promoters in power generation projects and off-take arrangement of entire operational capacity which mitigates demand risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Established track record of collections from DISCOMS within 75 days
- Increase in plant load factor above 15% on sustained basis.

Negative factors

- Delay in collection of receivables from counter party more than 100 days.
- Deterioration in credit profile of counterparties.
- Any large debt funded capital expenditure other than envisaged capex impacting overall financial risk profile of the company.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings expects the overall performance of the company to continue satisfactorily in the coming years.

Detailed description of key rating drivers:

Key weaknesses

Weak financial risk profile with accruals tightly matched against repayments

WHFPL's credit profile continues to remain weak with overall gearing of 3.46x (FY23: 3.98x) and total debt to PBILDT at 5x (PY: 4.56x) as on March 31, 2024. Its debt coverage metrics also remain low with PBILDT interest cover of 2.32x in FY24 (PY: 2.93x). It has sizeable scheduled repayment obligations of ~Rs. 33 crore p.a. over the next 2 years against which its cash accruals are projected at only Rs. 28-30 crore p.a. translating into DSCR below unity. However, the company maintains DSRA of Rs. 26.5 crore as on Sept 30, 2024 which provides some buffer.

Limited revenue visibility and short tail period with exposure to seasonal wind patterns

The company has long-term (20 years) power purchase agreements with state electricity distribution companies (discoms) in Karnataka and Rajasthan which are scheduled for expiration in March 2026. While the management expects to operate the plants for more years and sell electricity through power exchanges, the expiration of PPAs limit the revenue visibility to a large extent. Moreover, the project has a short tail period of only 3 months with revenue visibility till March 2026 and outstanding project debt

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

being repaid till December 2025 which provides a very limited buffer. With exposure to seasonal wind patterns impacting revenue generation, the revenue visibility remains uncertain.

High counter party risk; albeit PRAAPTI portal expected to ensure timely payments of the bills
WFHPL is exposed to high counter party risk as entire installed capacity is sold to state discoms having moderate financial risk profile. In FY21-FY22 period, the company witnessed delay in realization of receivables from Rajasthan and Karnataka Discoms leading to weakening of financial risk profile of the company. However, in FY23, the Ministry of Power launched a portal Payment Ratification and Analysis in Power procurement for bringing Transparency In invoicing of generators (PRAAPTI). This portal will ensure monthly regular payment of the bills. The same was availed from June 2022. Hence, the collection period has improved significantly from 139 days in FY22 to 85 days in FY24. Going forward, the company expects similar cash conversion cycle.

Key strengths

Experienced Promoters in wind power generation projects
WFHPL is a Wind World India Limited (WWIL) group company. As on March 31, 2024, WWIL holds 51% shares in WWFHL and balance shares are held by Enercon GmbH (ultimate holding company). Mr. Yogesh Mehra and Mr. Ajay Mehra are also the founders of WWIL (formerly known as Enercon India Limited), one of the largest players in the wind power industry. WWIL has expertise in wind power, has 5 plants in Daman for manufacturing of blades and wind turbine generator with manufacturing capacity of 1000 WECs equivalent to 800 MW p.a. and three concrete tower manufacturing plants in Gujarat, Karnataka and Tamil Nadu, having annual installed capacity of 1200 towers p.a. Enercon GmbH is one of the leading manufacturers for WECs globally. WWIL's wind farms today straddle seven high wind potential states Karnataka, Maharashtra, Tamil Nadu, Rajasthan, Gujarat, Madhya Pradesh and Andhra Pradesh, spread across 3,000 kms of India. WWIL is currently undergoing an insolvency resolution process.

Stable operational performance during FY24 and H1FY25
On the operational front all wind farms i.e. 68.8 MW plant consisting of 86 WEC at Karnataka and 60 MW power plant consisting of 75 WEC at Rajasthan have a reasonable operational track record of more than 10 years. In FY24 and H1FY25, the grid availability of the plants has been above 95% for both the plants indicating the reliability of the wind turbine which means the times the machines and the grids were available for most part of the year to generate electricity. The satisfactory operational performance has translated into stable operating income which stood at Rs.62 crore as on March 31, 2024 and Rs.37 crore in H1FY25. The operating margin dipped to 62% levels due to rise in operations and maintenance costs in FY24 (PY: 70%).

Liquidity: Stretched

Liquidity remains stretched marked by tightly matched cash accruals against scheduled repayment obligations. The company is projected to generate GCA of Rs. 28-30 crore p.a. over the next two years against scheduled repayments of Rs. 33 crore p.a. It had buffer from free cash and bank balances of ~Rs. 8.5 crore as on March 31, 2024. It also maintains a DSRA of Rs. 26.5 crore as on Sept 30, 2024. Gross current asset days were high at 234 days on an average basis.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Infrastructure Sector Ratings
Wind Power Projects

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power Generation

Wind World Wind Farms (Hindustan) Private Limited (WFHPL) is an independent power producer (IPP) having wind farms in Karnataka and Rajasthan with total installed capacity of 128.8 MW, consisting of 161 wind energy converters (WECs). It has long-term power purchase agreements (PPAs) with state discoms in Rajasthan and Karnataka expiring in March 2026.

WFHPL is a Wind World (India) Limited (WWIL) Group company which holds 51% shares in WFHPL and balance shares are held by Enercon GmbH (ultimate holding company). Mr. Yogesh Mehra and Mr. Ajay Mehra are also the founders of WWIL (formerly known as Enercon India Limited), one of the largest players in the wind power industry. WWIL is currently undergoing insolvency resolution process.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	H1FY25 (UA)
Total operating income	69.64	61.98	37.18
PBILDT	49.07	38.67	NA
PAT	3.05	0.35	NA
Overall gearing (times)	3.98	3.46	NA
Interest coverage (times)	2.93	2.32	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	-	-	-	December 2025	79.93	CARE BB; Stable

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	79.93	CARE BB; Stable	-	1)CARE BB; Stable (28-Nov-23)	1)CARE B; Stable (06-Dec-22) 2)CARE B; Stable (17-Nov-22)	1)CARE B; Stable (13-Jan-22)

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

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About us:

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