

## Pravara Renewable Energy Limited

October 28, 2021

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	186.08	<b>CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)</b>	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Facilities</b>	<b>186.08 (Rs. One Hundred Eighty-Six Crore and Eight Lakhs Only)</b>		

*Details of facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated October 08, 2020, placed the rating(s) of Pravara Renewable Energy Limited (PREL) under the 'issuer non-cooperating' category as PREL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. PREL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated August 24, 2021, September 03, 2021, September 13, 2021.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

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

### Detailed description of the key rating drivers

Please refer to PR dated [October 08, 2020](#)

**Analytical approach:** Standalone

### Applicable Criteria:

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

### About the Company

Pravara Renewable Energy Limited (PREL) is a special purpose vehicle, incorporated as a wholly owned subsidiary of Gammon Infrastructure Projects Limited (GIPL), to implement the 30 MW bagasse based co-generation power project adjacent to the sugar mill of Padmashri Dr. Vithalrao Vikhe Patil, Sahakari Sakhar Karkhana Limited (Karkhana) at Pravaranagar, District Ahmednagar, Maharashtra on Build Own Operate and Transfer basis (BOOT). The total project cost (including cost of modernization of the sugar plant) is Rs. 250.78 crore (revised from Rs. 239.59 crore), financed through debt of Rs.191.67 crore and equity of Rs. 59.11 crore (i.e. Debt to equity ratio of 3.24). The COD for the project was achieved in November 2015.

Brief financials of PREL are tabulated below:

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	62.96	32.24
PBILDT	27.13	8.13
PAT	44.62	-24.72
Overall gearing (times)	-21.24	-5.44
Interest coverage (times)	1.05	0.34

A: Audited

**Status of non-cooperation with previous CRA:** Acuite has put ratings assigned to the bank facilities of PREL in to non-cooperation category vide press release dated February 10, 2021 on account of non-cooperation by PREL with Acuite Ratings' efforts to undertake a review of the ratings outstanding.

**Any other information:** Not Applicable

**Disclosure of Interest of Independent/Non-Executive Directors of CARE:** Not Applicable

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

**Covenants of rated instrument/facility:** Annexure 3

**Complexity level of various instruments rated for this firm:** Please refer 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		-	-	February 28, 2027	186.08	CARE D; ISSUER NOT COOPERATING*

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

**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	LT	186.08	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (08-Oct-20)	1)CARE D; ISSUER NOT COOPERATING* (10-Jul-19)	-

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

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

**Annexure 4: Complexity level of various instruments rated for this firm**

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

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

### Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**