

Greenery Wind Corporation Private Limited

November 30, 2021

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Rating Action
Long Term Bank Facilities	39.39	CARE BB; Stable; ISSUER NOT COOPERATING* (Double B; Outlook: Stable ISSUER NOT COOPERATING*)	Revised from CARE BBB; Stable (Triple B; Outlook: Stable) and moved to ISSUER NOT COOPERATING category
Total Bank Facilities	39.39 (Rs. Thirty-Nine Crore and Thirty-Nine Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking No Default Statements and information from Greenery Wind Corporation Private Limited (GWC) to monitor the rating(s) vide e-mail communications dated August 31, 2021, October 02, 2021, November 18, 2021 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the No Default Statements and information for monitoring the ratings. 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. Further, Greenery Wind Corporation Private Limited has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on Greenery Wind Corporation Private Limited's bank facilities will now be denoted as **CARE BB; 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 rating(s).

The revision in rating of bank facilities of GWC is on account of absence of critical information on financial and operational performance of company.

Detailed description of the key rating drivers

At the time of last rating on March 25, 2021 the following were the rating strengths and weaknesses:

Key Rating Strengths

Stable operational track record: Gross Generation remained stable at 40.89 MU (PLF-21.28%) in FY20 compared to 40.33 MU (Gross PLF-22.13%) in FY19. The 9MFY21 generation has reduced to 30.07 MU (Gross PLF-18.20%) from 37.82MU (Gross PLF23.68%) compared to the same period last year due to change in wind pattern. Due to rise in demand in recent years from the existing off-takers, company catered to it by buying additional units from Golden Hatcheries (GOH).

Long-term PPA entered into for entire generation: GWC has signed long term PPA with 5 companies for a longer tenor of 10 years assuring stable stream of revenues. As per PPA terms, GWC will have to supply minimum of 50% of guaranteed off-take. The PPA also provides for escalation in prices linked to increase in prices by BESCO (Bangalore Electricity Supply Company Limited). The company has been regularly receiving the payments from off-takers within a month period.

Satisfactory financial performance and comfortable debt coverage indicators on standalone basis: The operational performance of GWCPL remained satisfactory during FY18 – FY20, with operating income remaining at similar levels. Cash accruals stood at Rs. 17.02 crore in FY20 as against Rs. 16.18 crore in FY19. GWCPL's debt comprises term loan of Rs. 42.46 crore (from IREDA and Centrum Financial Services Ltd) as on Mar'20 as against Rs. 51.43 crore as on Mar'19. TDGCA and interest coverage indicators stood at 2.5x (FY19: 3.18x) and 4.20x (FY19- 3.95x) respectively. The debt/MW of GWCPL is low at Rs 1.75 cr/MW as on Dec'20 and average DSCR for entire term loan period is also comfortable.

Key Rating Weaknesses

Loans and advances extended to group companies: During March 2020, CG was extended to secure high cost borrowing of group company GWCPL has extended loans and advances of Rs. 65.77 crore to group companies as on March 31, 2020 forming 85% of its network. Apart from these advances, GWCPL has also extended Corporate Guarantee of Rs. 25 cr to secure the NCDs raised by GSEPL at a high interest rate of 16.75%. GSEPL is an operational entity which has implemented solar capacity

of 30MW in various phases. While the combined DSCR of GWCP and GSEPL is still satisfactory, however, high cost borrowing by group company depicts the limited financial flexibility to raise incremental borrowings.

Exposure to risk of termination of contract: The PPA with customers provides for termination of the agreement by either party with a six months' notice. In an event of termination by customer, the customer shall compensate by paying revenue equivalent to sale of power for 2-6 months though it would expose the company to timely tie-up of terminated capacity at remunerative tariff. Comfort to an extent is seen from relatively low debt to generation capacity (excluding the preference shares issued to promoters on acquired assets).

Operating performance highly dependent on climate and wind density: Wind projects are exposed to inherent risk of climate fluctuations leading to variations in the wind patterns which affect the PLF. Also, wind power generation is seasonal in nature. Although satisfactory past track record and wind assessment studies undertaken at the time of conceptualization of various projects indicate healthy power generation potential, achievement of envisaged PLF on a sustained basis would remain crucial from a credit perspective.

Analytical approach: Standalone

Applicable Criteria

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

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Power Generation Projects](#)

[Wind Power Projects](#)

About the Company

Greenery Wind Corporation P Ltd. (GWCP), part of Golden Group of companies, is into generation of wind power under group captive scheme. The company has wind farm assets with cumulative capacity of 16MW in Gadag and Belgaum districts of Karnataka. Subsequently, it acquired 6.5MW of assets from group company, Golden Hatcheries and is in process of acquiring another 1.7MW of asset from GOH

Brief Financials (Rs. crore)	31-03-2019 (A)	31-03-2020 (A)	FY21
Total operating income	28.06	28.08	NA
PBILDT	25.18	25.27	NA
PAT	10.86	12.14	NA
Overall gearing (times)	0.79	0.55	NA
Interest coverage (times)	3.95	4.20	NA

A: Audited; NA: Not Available | No Financials were available post March 31, 2020

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-3

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		-	-	November 2024	39.39	CARE BB; Stable; ISSUER NOT COOPERATING*

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	39.39	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB; Stable (25-Mar-21)	1)CARE BBB+; Stable (30-Mar-20)	1)Provisional CARE BBB+; Stable (07-Feb-19)

* Long Term / Short Term

Annexure-3: Detailed explanation of covenants of the rated 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-Term Loan	Simple

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

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About CARE Ratings:

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