# Beta Wind Farm Private Limited

**March 22, 2019**

**Ratings**

| Facilities/Instruments | Amount (Rs. crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Long-term Bank Facilities | 927.53 (Rupees Nine hundred twenty seven crore and fifty three lakh only) | **CARE D [Single D]** | Reaffirmed |

*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) takes into account the instances of delays in servicing debt obligations.*

**Detailed description of the key rating drivers**

**Key Rating Weaknesses**

***Instances of delays in debt servicing:***

The Company has reported delays in debt servicing to banks on account of tight liquidity position, arising mainly due to longer time taken for realisation of receivables from AP Discom.

During FY18 (refers to the period April 01 to March 31), the company generated total income of Rs.255 crore as against Rs.268 crore during FY17. The company reported PAT of Rs.3.3 crore in FY18 as against PAT of Rs.10.3 crore in FY17. The wind assets operated at an average PLF of 23.2% in FY18 Similar to the levels of FY17. During 11mFY19 the average PLF was 23.8%.

The Company has receivables of Rs.50.69 crore as on March 31, 2018. Also, the company has REC income receivable and Generation Based Incentive (GBI) income receivable.

**Key rating strengths**

***Established presence of OGPL in renewable energy segment***

BWF is a subsidiary of OGPL. OGPL's promoter is SVL Limited (formerly known as Shriram Industrial Holdings Limited) which is the controlling company of the non-financial services segment of Shriram Group which has significant presence in the financial services industry.

BWF has been supported by the group companies in terms of funding requirements. BWF is a board managed company. All the directors are professionals with significant industry experience and management expertise in the power industry.

**Analytical approach**: Standalone

**Applicable Criteria:**

Criteria on assigning Outlook to Credit Ratings
CARE's Policy on Default Recognition
Rating Methodology: Private Power Producers
Financial ratios – Non-Financial Sector

**About the Company:**

Beta Wind Farm Private Ltd. (BWF), a project SPV company 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 (OGPL) 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 Vikas Nigam Limited) etc. and to other group captive customers. The company's wind assets currently aggregate to 242 MW.

| Brief Financials (Rs. crore) | FY17 (A) | FY18 (A) |
|---|---|---|
| Total income | 267.7 | 255.4 |
| PBILDT | 224.6 | 209.9 |
| PAT | 10.3 | 3.3 |
| Overall gearing (times) | NM | NM |
| Interest coverage (times) | 1.66 | 1.61 |

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

**Status of non-cooperation with previous CRA:** BWR has suspended its rating vide press release dated 18 Feb 2015 on account of its inability to carry out rating surveillance as company has not shared information for review.

**Any other information:** Not Applicable

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

***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. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

**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.

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

**Annexure-1: Details of Instruments/Facilities**

| Name of the Instrument | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook |
|---|---|---|---|---|---|
| Fund-based-LT-Term Loan | - | - | March2033 | 915.87 | 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 2017-2018 | Date(s) & Rating(s) assigned in 2016-2017 | Date(s) & Rating(s) assigned in 2015-2016 | Date(s) & Rating(s) assigned in 2014-2015 |
| 1. | Fund-based - LT-Term Loan | - | - | - | - | - | - | - |
| 2. | Fund-based - LT-Cash Credit | - | - | - | - | - | - | - |
| 3. | Fund-based - LT-External Commercial Borrowings | - | - | - | - | - | - | - |
| 4. | Fund-based - LT-Term Loan | LT | 915.87 | CARE D | 1)CARE D (04-Jul-17) | - | - | - |
| 5. | Fund-based - LT-Cash Credit | LT | 22.03 | CARE D | 1)CARE D (04-Jul-17) | - | - | - |

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