

Press Release

OPG Power Generation Private Limited

August 08, 2019

Rating Withdrawn



| | |
|-------------------------------------|--|
| Total Bank Facilities Rated* | Rs. 1675 Cr. # |
| Long Term Rating | ACUITE A+ Issuer not co-operating* (Withdrawn) |
| Short Term Rating | ACUITE A1 Issuer not co-operating* (Withdrawn) |

Refer Annexure for details

* The issuer did not co-operate; based on best available information.

Acuité has withdrawn long-term rating of '**ACUITE A+** (**read as ACUITE A plus**) and short term rating of '**ACUITE A1** (**read as ACUITE A one**) on the Rs.1675 crore bank facilities of OPG POWER GENERATION PRIVATE LIMITED (OPGL). This rating is now withdrawn, indicative and is based on best available information.

The rating is being withdrawn on account of request received from the company and NOC from the Bankers.

OPG Power Generation Private Limited (OPGL), established in 2005, is an independent power producer (IPP) with coal based power generating units located at Gummidi poondi, Chennai, Tamil Nadu (TN). As on October 2017, OPG has an installed capacity of 414 (MW) comprising four operational units. The primary fuel used in the company's power plant is coal (high ash Indian coal/ high moisture Indonesian coal/ blend of both) with the alternate fuel being High Sulphur Diesel. Currently, OPG sells 80 MW to TANGEDCO on a long term basis. Out of the remaining 337 MW capacity, 257MW is sold to industrial consumers (Group captive) under agreements with tenors up to three years..

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>
- Financial Ratios And Adjustments- <https://www.acuite.in/view-rating-criteria-20.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

| | Unit | FY19 (Provisional) | FY18 (Actual) | FY17 (Actual) |
|------------------|---------|--------------------|---------------|---------------|
| Operating Income | Rs. Cr. | 1508.04 | 1367.89 | 1202.06 |
| EBITDA | Rs. Cr. | 310.60 | 307.08 | 464.31 |

| | | | | |
|-------------------------------|---------|-------|-------|--------|
| PAT | Rs. Cr, | 59.43 | 29.64 | 128.93 |
| EBITDA Margin | (%) | 20.60 | 22.45 | 38.63 |
| PAT Margin | (%) | 3.94 | 2.17 | 10.73 |
| ROCE | (%) | 9.11 | 7.12 | 12.03 |
| Total Debt/Tangible Net Worth | Times | 0.58 | 0.71 | 0.87 |
| PBDIT/Interest | Times | 3.16 | 2.89 | 3.60 |
| Total Debt/PBDIT | Times | 2.21 | 2.65 | 2.17 |
| Gross Current Assets (Days) | Days | 219 | 226 | 231 |

Status of non-cooperation with previous CRA (if applicable)

Care Ratings, vide its press release dated April 05, 2019 had denoted the rating of OPG Power Generation Private Limited as 'CARE BBB+ / CARE A2; ISSUER NOT COOPERATING' on account of lack of adequate information required for monitoring of ratings. The earlier rating, however, stood at 'CARE A+/Negative /CARE A1' vide its press release dated April 06, 2018

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-------------|---------------------------------|-----------|------------------|--|
| 27-Dec-2018 | Term Loan | Long Term | 13.34 | ACUITE A+ (Downgraded) Issuer not co-operating* |
| | Term Loan | Long Term | 70.91 | ACUITE A+ (Downgraded) Issuer not co-operating* |
| | Term Loan | Long Term | 58.06 | ACUITE A+ (Downgraded) Issuer not co-operating* |
| | Term Loan | Long Term | 61.79 | ACUITE A+ (Downgraded) Issuer not co-operating* |
| | Term Loan | Long Term | 8.83 | ACUITE A+ (Downgraded) Issuer not co-operating* |
| | Term Loan | Long Term | 64.71 | ACUITE A+ (Downgraded) Issuer not co-operating* |
| | Term Loan | Long Term | 3.89 | ACUITE A+ (Downgraded) Issuer not co-operating* |
| | Term Loan | Long Term | 27.99 | ACUITE A+ (Downgraded) Issuer not co-operating* |
| | Term Loan | Long Term | 29.07 | ACUITE A+ (Downgraded) Issuer not co-operating* |
| | Term Loan | Long Term | 37.15 | ACUITE A+ (Downgraded) Issuer not co-operating* |

| | | | | |
|-------------|------------------|------------|--------|---|
| 28-Sep-2017 | Term Loan | Long Term | 185.12 | ACUITE A+ (Downgraded) Issuer not co-operating* |
| | Term Loan | Long Term | 111.06 | ACUITE A+ (Downgraded) Issuer not co-operating* |
| | Term Loan | Long Term | 90.55 | ACUITE A+ (Downgraded) Issuer not co-operating* |
| | Term Loan | Long Term | 99.09 | ACUITE A+ (Downgraded) Issuer not co-operating* |
| | Cash Credit | Long Term | 195.00 | ACUITE A+ (Downgraded) Issuer not co-operating* |
| | Letter of Credit | Short term | 443.15 | ACUITE A1 (Downgraded) Issuer not co-operating* |
| | Bank Guarantee | Short term | 174.85 | ACUITE A1 (Downgraded) Issuer not co-operating* |
| | Proposed | Short term | 0.44 | ACUITE A1 (Downgraded) Issuer not co-operating* |
| | Term Loan | Long Term | 13.34 | ACUITE AA-/Stable (Assigned) |
| | Term Loan | Long Term | 70.91 | ACUITE AA-/Stable (Assigned) |
| | Term Loan | Long Term | 58.06 | ACUITE AA-/Stable (Assigned) |
| | Term Loan | Long Term | 61.79 | ACUITE AA-/Stable (Assigned) |

| | | | | |
|--|------------------|------------|--------|------------------------------|
| | Term Loan | Long Term | 99.09 | ACUITE AA-/Stable (Assigned) |
| | Cash Credit | Long Term | 195.00 | ACUITE AA-/Stable (Assigned) |
| | Letter of Credit | Short term | 443.15 | ACUITE A1+ (Assigned) |
| | Bank Guarantee | Short term | 174.85 | ACUITE A1+ (Assigned) |
| | Proposed | Short term | 0.44 | ACUITE A1+ (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings |
|------------------------|------------------|----------------|----------------|-------------------------------|---|
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 13.34 | ACUITE A+ (Withdrawn) Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 70.91 | ACUITE A+ (Withdrawn) Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 58.06 | ACUITE A+ (Withdrawn) Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 61.79 | ACUITE A+ (Withdrawn) Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 8.83 | ACUITE A+ (Withdrawn) Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 64.71 | ACUITE A+ (Withdrawn) Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 3.89 | ACUITE A+ (Withdrawn) Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 27.99 | ACUITE A+ (Withdrawn) Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 29.07 | ACUITE A+ (Withdrawn) Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 37.15 | ACUITE A+ (Withdrawn) Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 185.12 | ACUITE A+ (Withdrawn) Issuer not co-operating* |
| Term Loan | Not | Not | Not | 111.06 | ACUITE A+ |

| | | | | | |
|------------------|----------------|----------------|----------------|--------|--|
| | Applicable | Applicable | Applicable | | (Withdrawn) Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 90.55 | ACUITE A+ (Withdrawn) Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 99.09 | ACUITE A+ (Withdrawn) Issuer not co-operating* |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 195.00 | ACUITE A+ (Withdrawn) Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 443.15 | ACUITE A1 (Withdrawn) Issuer not co-operating* |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 174.85 | ACUITE A1 (Withdrawn) Issuer not co-operating* |
| Proposed | Not Applicable | Not Applicable | Not Applicable | 0.44 | ACUITE A1 (Withdrawn) Issuer not co-operating* |

*The issuer did not co-operate; based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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