

Press Release
OPGS Power Gujarat Private Limited

September 19, 2018



Rating Update

Total Bank Facilities Rated*	Rs. 2059.00 Cr.#
Long Term Rating	ACUITE BBB- Issuer not co-operating*
Short Term Rating	ACUITE A3 Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has reviewed the long term rating of '**ACUITE BBB-**' (**read as ACUITE triple B minus**) and short term rating of '**ACUITE A3**' (**read as ACUITE A three**) to the Rs.2059.00 crore bank facilities of OPGS Power Gujarat Private Limited. This rating is now an indicative rating and is based on best available information.

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

- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>
- Group and Parent Support- <https://www.acuite.in/view-rating-criteria-24.htm>
- Application of Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-17.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 endeavoured 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 Group:

OPGS is part of the OPG group, founded by the Late Mr. Om Prakash Gupta in 2008. The OPG Group comprises OPG Power Ventures PLC (OPV), listed on the Alternative Investment Market (AIM) of London. All the power generation companies of the OPG group are grouped as stepdown subsidiaries of OPV. OPG Power Generation Private Limited (OPG) and OPGS are subsidiaries of Gita Power and Infrastructure Private Limited (GPIPL) which are also stepdown subsidiaries of OPV. The OPG Group operates and develops power generation assets in India. It currently has 714 MW of power generation assets in operation (Tamil Nadu and Gujarat). The group is currently setting up three grid-connected solar PV projects with aggregate capacity of 62 MW in Karnataka.

About the Company:

OPGS was incorporated in 2007 as a special purpose vehicle (SPV). The company is engaged in thermal power generation. OPGS is a 62.07 per cent held subsidiary of GPIPL, which in turn is a step-down subsidiary of OPV with the balance equity held by promoter controlled entities. The company has two units with capacities of 150 MW each at Kutch, Gujarat. The first unit was commissioned in April 2015 and the second in June 2016. The units use imported coal as feedstock. OPGS supplies power to industrial consumers in Gujarat, Madhya Pradesh, Maharashtra and Punjab.

About the Rated Entity:

For FY2016-17, OPGS reported net losses of Rs. 187.61 crore on operating income of Rs. 703.59 crore compared with net losses of Rs. 42.20 crore on operating income of Rs. 92.77 crore for FY2015-16. The net worth stood at Rs. 169.53 crore as on 31 March, 2017 as against Rs. 357.13 crore as on 31 March, 2016.

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

None

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
28-Sep-2017	Term loan I	Long term	251.73	ACUITE BBB-/Stable (Assigned)
	Term loan II	Long term	996.16	ACUITE BBB-/Stable (Assigned)
	Term loan III	Long term	245.63	ACUITE BBB-/Stable (Assigned)
	Cash credit	Long term	135.00	ACUITE BBB-/Stable (Assigned)
	Letter of Credit	Short Term	316.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	114.00	ACUITE A3 (Assigned)
	Proposed	Short Term	0.48	ACUITE A3 (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term loan I	Not Applicable	Not Applicable	Not Applicable	251.73	ACUITE BBB- Issuer not co-operating*
Term loan II	Not Applicable	Not Applicable	Not Applicable	996.16	ACUITE BBB- Issuer not co-operating*
Term loan III	Not Applicable	Not Applicable	Not Applicable	245.63	ACUITE BBB- Issuer not co-operating*
Cash credit	Not Applicable	Not Applicable	Not Applicable	135.00	ACUITE BBB- Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	316.00	ACUITE A3 Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	114.00	ACUITE A3 Issuer not co-operating*
Proposed	Not Applicable	Not Applicable	Not Applicable	0.48	ACUITE A3 Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-67141111 aditya.gupta@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in
Vishal Choudhary Manager - Rating Operations Tel: 022-67141159 vishal.choudhary@acuite.in	

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

Acuité Ratings & Research Limited (*erstwhile SMERA Ratings Limited*)

www.acuite.in

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.