

Press Release

Pravara Renewable Energy Limited

October 01, 2018



Rating Assigned

Total Bank Facilities Rated*	Rs. 225.00 Cr.
Long Term Rating	ACUITE D

* Refer Annexure for details

Rating Rationale

Acuité has assigned long term rating of '**ACUITE D**' (**read as ACUITE D**) to the Rs. 225.00 crore bank facilities of Pravara Renewable Energy Limited (PREL).

PREL was promoted by Gammon Infrastructure Projects Limited (GIPL) in 2008 to implement the 30 MW bagasse based co-generation power project at Pravaranagar in Ahmednagar (Maharashtra) on Build Own Operate and Transfer basis.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of Pravara Renewable Energy Limited to arrive at this rating.

Key Rating Drivers

Weaknesses

- **Delays in debt servicing**

The company has experienced sharp deterioration in liquidity that has impacted the ability to service its debt obligations.

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	58.24	59.51	34.09
EBITDA	Rs. Cr.	24.91	20.98	10.15
PAT	Rs. Cr.	-28.22	-45.25	-49.59
EBITDA Margin	(%)	42.78	35.26	29.78
PAT Margin	(%)	-48.45	-76.04	-145.47
ROCE	(%)	2.62	2.76	3.60
Total Debt/Tangible Net Worth	Times	-4.21	-8.52	11.98
PBDIT/Interest	Times	0.71	0.78	0.45
Total Debt/PBDIT	Times	11.54	10.65	21.55
Gross Current Assets (Days)	Days	321	171	351

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

CARE, vide its press release dated January 16, 2018 had denoted the rating of Pravara Renewable Energy Limited as 'CARE D; ISSUER NOT COOPERATING' on account of lack of adequate information required for monitoring of ratings. The earlier rating, however, stood at 'CARE D' vide its press release dated February 04, 2016

Any other information

None

Applicable Criteria

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

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	Not Applicable	115.00	ACUITE D
Cash Credit	Not Applicable	Not Applicable	Not Applicable	24.00	ACUITE D
Term loans	Not Applicable	Not Applicable	Not Applicable	70.00	ACUITE D
Cash Credit	Not Applicable	Not Applicable	Not Applicable	16.00	ACUITE D

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About Acuité Ratings & Research:

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