

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

Acuite 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

Acuite 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 |

Contacts

| Analytical | Rating Desk |
|--|---|
| Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-67141111 aditya.gupta@acuite.in Amogh Kharkar Analyst - Rating Operations Tel: 022-67141315 amogh.kharkar@acuite.in | Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in |

About Acuite Ratings & Research:

Acuite 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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