



**Press Release**  
**The West Bengal Power Development Corporation Limited**  
**November 11, 2024**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	7624.47	ACUITE A-   Stable   Reaffirmed	-
Bank Loan Ratings	716.67	-	ACUITE A2+   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	8341.14	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed the long-term rating of ‘**ACUITE A-**’ (read as **ACUITE A minus**) and the short-term rating of ‘**ACUITE A2+**’ (read as **ACUITE A two plus**) on the Rs.8341.14 Cr. bank facilities of The West Bengal Power Development Corporation Limited (WBPDC). The outlook remains ‘**Stable**’.

**Rationale for rating**

The rating continues to reflect the steady business risk profile of the company marked by a cost plus based tariff mechanism and assured offtake on account of power purchase agreement with West Bengal State Electricity Distribution Company Limited (WBSEDCL) (rated at ACUITE BBB/Stable/A3+). The rating derives comfort from the support by the Government of West Bengal to WBPDC, as and when necessary. These strengths are, however, partly offset by the inherently regulated nature of operations in the electricity generation business and the counterparty exposure to the state distribution entity, WBSEDCL.

**About the Company**

West Bengal Power Development Corporation Limited (WBPDC) is a company owned by the Government of West Bengal with the goal to carry on inter alia the business of electric power generation and supply in the state of West Bengal, India. The thermal power plants under WBPDC are in Kolaghat, Bakreswar, Sagardighi, Santaldih, and Bandel. The company has 5 plants across state of west Bengal with total capacity of 4265 megawatt and additional 660 megawatt is coming up in the next year at Sagardighi which will get sanctioned latest by April 2025. Installed capacity of Kolaghat Thermal Power Station is 1260 MW., Bakreshwar Thermal Power Station is 1050MW, Sagardighi Thermal Power Project is 1600MW, Bandel Thermal Power Station is 330 MW and Santaldih Thermal Power Station is 500 MW.

WBPDC works in tandem with West Bengal State Electricity Distribution Company Limited (WBSEDCL) and Calcutta Electric Supply Corporation (CESC). The West Bengal Power Development Corporation Limited (WBPDC) is the largest power generating company in the State of West Bengal with an installed thermal power capacity of 4,265 MW and meets nearly 56% of total power requirement of the State.

**Unsupported Rating**

ACUITE BBB-/Stable

**Analytical Approach**

Acuite has taken a standalone view of the business and financial risk profile of WBPDC to arrive at the rating.

Acuité has also factored in benefits emanating from the ownership by Government of West Bengal. GoWB's financial support to WBPDC is in the form of its 100 per cent ownership and its guarantee for certain borrowings of WBPDC.

## Key Rating Drivers

### Strengths

#### Support from the government of West Bengal

WBPDC is a wholly-owned undertaking of the GoWB and a strategically important entity of the power sector infrastructure for the state of West Bengal. The ownership structure provides adequate financial flexibility. It is also the nodal agency of the government for undertaking power generation activity in the state. Being a power generation company, WBPDC is mandated to ensure the generation of power from its installed capacity and supply the same to WBSEDCL. WBPDC's credit profile is also supported by its access to funds at low cost and its ability to mobilise financial resources from several financial institutions and multilateral development institutions.

Acuité believes that WBPDC, being a 100 per cent undertaking of GoWB, shall continue to benefit from the financial, operational and management support as and when required. The GoWB has demonstrated financial support by way of loans to WBPDC on a regular basis. Any changes in the ownership pattern of WBPDC or any event that impinges GoWB's overall credit profile shall remain a key rating sensitivity.

#### Strong business risk profile

WBPDC has achieved revenues of Rs. 11,471.19 Cr. in FY2024 as compared to Rs. 11,473.25 Cr. in FY2023. The marginal decline in the operating income is primarily due to overhauling at Sagardighi power plant which has the highest capacity amongst the 5 plants of WBPDC (1600 out of 4265 MW), because of which the Plant Load Factor was reduced. Further, the company has achieved revenues of Rs. 5,435.38 Cr. till September 2024 (Provisional). Acuité believes that the business risk profile is strengthened by the increase in usage of captive coal, going forward, which is expected to increase further. The cost-plus tariff model has translated into steady EBITDA margin for the company of about 18.11 per cent in FY2024 and profitability margin of 3.02 percent in FY2024.

#### Inbuilt 'cost plus tariff' structure

The billing of generation charges of WBPDC are regulated based on the Annual Revenue Requirement (ARR) under 'cost-plus' based tariff mechanism. The regulator, WBERC allows a post-tax return on equity of 14 per cent and other uncontrollable expenses are allowed to be passed through in tariff through Annual Performance Review (APR) process.

Acuité derives comfort from the cost plus based tariff mechanism.

#### Assured Offtake account on PPA

There is a power purchase agreement between WBSEDCL and WBPDC for 15 years up to 2035. As per the agreement, the entire generating capacity of WBPDC is allotted to WBSEDCL. WBSEDCL shall purchase such power as per terms conditions set forth in the agreement.

Acuité believes that going forward the long term agreement will continue to ensure assured offtake of the company.

### Weaknesses

#### Working capital intensive nature of operations

The working capital intensive operation of the company is marked by high Gross Current Assets (GCA) of 676 days in March 31, 2024 as compared to 559 days in March 31, 2023. The GCA days are high on account of high debtor days and other current assets. The debtor days stood at 270 days in March 31, 2024 as compared to 220 days as on March 31, 2023. The payments are stretched from the only customer WBSEDCL. The other current assets are high primarily due to the high regulatory assets in the form of fuel cost and fixed cost recoverable. However, the inventory holding is comfortable at 99 days in March 31, 2024 as compared to 73 days in March 31, 2023. Acuité believes that the working capital operations of the firm will remain almost at the same levels as evident from stretched collection mechanism and high regulatory assets over the medium term.

#### ESG Factors Relevant for Rating

Not Applicable

### Rating Sensitivities

- Continued and timely support from the Government of West Bengal
- Periodical and timely tariff revision
- Any significant increase in receivables from WBSEDCL

### Liquidity Position

## **Adequate**

The state government of West Bengal has given guarantee for the loans borrowed by some banks, which provides financial flexibility to the company. Further, the company's liquidity is adequate, marked by the high amount of cash and bank balances of Rs. 261.22 Cr. as on March 31, 2024, and investment in fixed deposits and other deposits of Rs. 5,076.60 Cr. as on March 31, 2024. However, the current ratio stood moderate at 1.17 times as on March 31, 2024. The net cash accruals stood at Rs. 1,175.86 Cr. in FY2024. The debt repayment obligation of Rs. 3,369.86 Cr. in FY2024 was partly met by internal accruals and partly by managing the working capital operations during the same period. The fund based limit remains highly utilised at around 96 per cent over the six months ended Aug, 2024. Acuité believes that going forward the liquidity position of the company will improve backed by the gradually improving accruals.

## **Outlook: Stable**

## **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	11471.19	11473.25
PAT	Rs. Cr.	346.96	347.45
PAT Margin	(%)	3.02	3.03
Total Debt/Tangible Net Worth	Times	2.21	1.87
PBDIT/Interest	Times	1.88	2.30

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

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
18 Dec 2023	Cash Credit	Long Term	325.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	500.00	ACUITE A-   Stable (Assigned)
	Cash Credit	Long Term	550.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	1250.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	650.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	500.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	250.00	ACUITE A-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	1331.29	ACUITE A-   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	218.71	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	256.92	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	2.25	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	9.75	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	125.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	200.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	85.00	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	100.02	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	133.34	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	504.07	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	483.33	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	114.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	119.43	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	253.03	ACUITE A-   Stable (Assigned)
	Letter of Credit	Short Term	350.00	ACUITE A2+ (Reaffirmed)
15 Mar 2023	Term Loan	Long Term	9.75	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	256.92	ACUITE A-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	36.92	ACUITE A-   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	12.80	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	125.00	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	270.00	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	200.00	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	194.44	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	204.56	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	300.00	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	200.00	ACUITE A-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	300.00	ACUITE A-   Stable (Assigned)
	Cash Credit	Long Term	325.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	550.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	500.00	ACUITE A-   Stable (Assigned)
	Cash Credit	Long Term	1250.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	650.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	550.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	483.33	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	114.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	2.25	ACUITE A-   Stable (Assigned)
	Letter of Credit	Short Term	350.00	ACUITE A2+ (Reaffirmed)
03 Oct 2022	Cash Credit	Long Term	325.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	550.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	1250.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	650.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	550.00	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	500.00	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	114.00	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	9.75	ACUITE A-   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	20.25	ACUITE A-   Stable (Reaffirmed)
	Letter of Credit	Short Term	350.00	ACUITE A2+ (Reaffirmed)

10 Nov 2021	Cash Credit	Long Term	650.00	ACUITE A-   Stable (Assigned)
	Cash Credit	Long Term	1250.00	ACUITE A-   Stable (Assigned)
	Cash Credit	Long Term	550.00	ACUITE A-   Stable (Assigned)
	Cash Credit	Long Term	325.00	ACUITE A-   Stable (Assigned)
	Letter of Credit	Short Term	50.00	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	360.00	ACUITE A2+ (Assigned)



# Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1825.00	Simple	ACUITE A-   Stable   Reaffirmed
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	550.00	Simple	ACUITE A-   Stable   Reaffirmed
Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1250.00	Simple	ACUITE A-   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	950.00	Simple	ACUITE A-   Stable   Reaffirmed
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	500.00	Simple	ACUITE A-   Stable   Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A-   Stable   Reaffirmed
IDBI Bank Ltd.	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	250.00	Simple	ACUITE A-   Stable   Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	200.00	Simple	ACUITE A2+   Reaffirmed
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	350.00	Simple	ACUITE A2+   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	423.09	Simple	ACUITE A-   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Short-term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Jan 2025	166.67	Simple	ACUITE A2+   Reaffirmed
The West Bengal State Co-Operative Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2025	73.87	Simple	ACUITE A-   Stable   Reaffirmed
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2024	133.33	Simple	ACUITE A-   Stable   Reaffirmed
Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Dec 2024	133.33	Simple	ACUITE A-   Stable   Reaffirmed
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Jan 2025	133.33	Simple	ACUITE A-   Stable   Reaffirmed
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	14 Jun 2025	166.65	Simple	ACUITE A-   Stable   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Feb 2029	90.00	Simple	ACUITE A-   Stable   Reaffirmed
Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Jan 2032	458.33	Simple	ACUITE A-   Stable   Reaffirmed
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	26 Jan 2033	456.40	Simple	ACUITE A-   Stable   Reaffirmed



Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2030	93.75	Simple	ACUITE A-   Stable   Reaffirmed
The West Bengal State Co-Operative Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2026	107.39	Simple	ACUITE A-   Stable   Reaffirmed

**\*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No	Name of the companies
1	Government of West Bengal
2	The West Bengal Power Development Corporation Limited

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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