

## Orient Green Power Company Limited

Instrument	Amount In Rs Crore	Rating Action
Cash Credit	10.00	[ICRA]D assigned
Term Loan	105.50	[ICRA]D assigned
<b>Total</b>	<b>115.50</b>	

ICRA has assigned the long term rating of [ICRA]D (pronounced ICRA D) to Rs.10.00 crore<sup>1</sup> cash credit facility and Rs. 105.50 crore term loans of Orient Green Power Company Limited (OGPL)<sup>†</sup>.

The assigned rating takes into consideration delays in repayment of term loan obligations in the recent past by OGPL due to liquidity constraints arising out of the weak cash flow position of the company. While the company's biomass power plants have been operating at sub-optimal capacity utilization levels owing to working capital funding constraints, the wind power plants also reported subdued generation during FY2016 owing to delayed and lower wind availability coupled with lower grid availability. Moreover, the rating also takes into consideration weak financial metrics of OGPL as reflected by continued losses and stretched capital structure owing to predominantly debt funded capacity expansions undertaken by the company in the last few years. While ICRA notes that the company is under the purview of 5/25 restructuring programme for one of its key projects which is expected to ease its cash flow position to a certain extent, the formalities on the same are yet to be completed. Further, ICRA also notes that the company is currently undergoing a restructuring exercise as part of which biomass operations would be carved out into another entity viz. Biobijlee Green Power Limited(BGPL) while OGPL will retain the wind operations as well as merge itself with the subsidiaries in the wind segment. The exercise is expected to be completed by December 2016. In addition, the company also plans to monetize some of its biomass assets and deploy the funds towards providing working capital funding for the retained biomass units.

While assigning the ratings, ICRA has, however, taken note of the experienced management and established presence of the company in the renewable power segment with total installed capacity of 531 MW across wind and biomass divisions; and group strength on account of being part of the Shriram group of companies. Going forward, the ability of OGPL to ensure timely repayment of debt obligations by improving the performance of its wind and biomass divisions will be the key rating sensitivity.

### Company Profile

Incorporated in 2006, Orient Green Power Limited (OGPL) is into the business of renewable power generation with focus on wind and biomass power segments. As on June 2016, the company had installed capacity of 425 MW of wind power plants across Tamil Nadu, Andhra Pradesh, Gujarat, Karnataka and Europe and 106 MW of biomass power plants across India. OGPL is promoted by SVL Limited(Shriram Group) and is listed on both BSE and NSE.

### Recent Results

On a consolidated level, the company generated operating income of Rs. 388.19 crore and loss of Rs. 336.56 crore in FY2016 as against operating income of Rs. 492.55 crore and loss of Rs. 232.96 crore in FY2015. Further, OGPL(consolidated) generated operating income of Rs. 126.36 crore and loss of Rs. 22.70 crore in Q1 FY2017.

**November 2016**

<sup>1</sup> 100 lakh = 1 crore = 10 million

<sup>†</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications.



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