Orient Green Power Company Ltd — 13 Sep 2023 Credit Rating Summary

Section	Details
Agency	Infomerics Valuation and Rating Private Limited
Rating Change	**IVR BB / Stable → Withdrawn** (Rating removed following facility surrender)
Outlook (Current vs Previous)	Withdrawn vs. Stable
Key Drivers of Change	1. **Facility Surrender:** Complete withdrawal as the company surrendered bank facilities with zero outstanding balance. 2. **Debt Reduction:** Total debt dropped from ₹1,214.59 Cr (FY22) to ₹1,071.26 Cr (FY23), improving solvency. 3. **Deleveraging:** Overall Gearing improved from 2.53x to 2.08x YoY, signaling a shift toward a leaner balance sheet. 4. **Operational Stability:** High EBITDA margins (69.93% in FY23) sustained despite a dip in total income.
Rated Instruments	**Long Term Bank Facilities:** ₹0 Cr (Withdrawn; previously rated at IVR BB/Stable)
Key Observations	1. **(+) Profitability:** Strong EBITDA margins (~70%) and PAT margins (~11%) indicate high cash-generative operations. 2. **(+) Portfolio Diversification:** 402.3 MW wind capacity spread across 4 Indian states and Croatia (10.5 MW). 3. **(+) Net Worth Growth:** Adjusted Tangible Net Worth increased to ₹514.95 Cr in FY23 (from ₹480.05 Cr). 4. **(-) Revenue Decline:** Total Operating Income fell ~17% YoY from ₹310.63 Cr to ₹258.31 Cr. 5. **(-) Still Highly Leveraged:** Despite repayments, a debt of ₹1,071.26 Cr remains high relative to equity (2.08x). 6. **(-) Resource Seasonality:** Dependence on wind cycles remains a systemic risk for revenue consistency.
Investor Impact	**Growth:** Revenue contraction suggests a lack of new capacity additions or lower PLF. **Margins:** Exceptional EBITDA margins (73.98% in Q1FY24) protect the bottom line during revenue dips. **Leverage:** Aggressive debt reduction (₹143 Cr in one year) reduces interest burden and bankruptcy risk. **Dilution Risk:** Low in the immediate term as debt is being serviced/repaid via internal accruals.
Agency / Cross Analysis	The withdrawal is "Procedural" rather than "Credit-based." It indicates the company has moved away from Infomerics-rated debt instruments, likely via refinancing or full repayment.
Final Inference	**Positive Deleveraging Signal:** The rating withdrawal confirms the closure of specific high-cost or restrictive bank facilities. While the top-line is shrinking, the aggressive reduction in gearing (2.53 to 2.08) marks a transition from a "distressed" to a "stabilizing" credit profile.