



# Ratnagiri Gas seeks one-time loan settlement

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Ratnagiri Gas and Power (RGPP), earlier known as Dabhol Power, has approached its lenders for a one-time settlement (OTS) of its outstanding debt worth ₹1,461 crore.

The thermal power producer has delayed servicing of its principal component in loan due in September, while it has paid the interest due for the month.

RGPP is promoted by NTPC (25.51 per cent), GAIL (25.51 per cent), MSEB Holding Company or MSEBHCL (13.51 per cent), and financial Institutions — IDBI Bank, SBI, ICICI Bank (with combined shareholding of 31.55 per cent). It was formed to take over the partially completed assets of the power project owned by Dabhol Power Company (DPCL).

The power plant has installed capacity of 1,967.08 Mw (640 Mw, 663.54 Mw and 663.54 Mw for respective power blocks).

According to CARE Ratings, the company has requested its lenders for the OTS, for which the lead lender has given in-principle approval with cut-off date considered as September 1, 2020. Other lenders are still under the process of taking requisite approvals. Its promoters are providing financial assistance to settle dues of lenders and become a debt-free company, a senior banking executive said.

The company had not availed the moratorium firms could opt for on their debt obligations for a period of six months from March 2020 to August 2020. CARE has downgraded company's long term bank facilities from "BB-" to "D". The revision in the long term rating of RGPP factors in the delay in servicing of its principal obligations.

Its operations have been hit by low availability of fuel. The company has entered into long term fuel agreement with GAIL (India) Limited for next five years (from April 01, 2017) for securing the LNG at competitive rates. However, the availability of gas in last twelve months has been much lower than the normative requirement (i.e less than 30 per cent).

The company is running power plants at Sub-optimal level due to lower gas availability and ongoing dispute in the MSEDCL. Only one out of the three power blocks of RGPP is operational, with the second one acting as a back-up. The PLF of the plant continues to be low at 25 per cent in FY20 and about 12 per cent in April-September 2020 (H1FY21).



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