

Press Release



Acme Solar Technologies Gujarat Private Limited

October 23, 2019

Rating Update

Total Bank Facilities Rated*	Rs. 128.00 Cr.
Long Term Rating	ACUITE A (Withdrawn)

#Refer Annexure for details

Rating Rationale

Acuité has withdrawn the long-term rating to '**ACUITE A' (read as ACUITE A)**' on the Rs. 128.00 crore bank facilities of Acme Solar Technologies Gujarat Private Limited (ASGTPL). The rating withdrawal is in accordance with the Acuité's 'policy on withdrawal of rating'.

The rating is being withdrawn on account of request received from the company and NOC from the banker.

Acme Solar Gujarat Technologies Private Limited (ASGTPL) is a special purpose vehicle (SPV) step down subsidiary of Acme Cleantech Solutions Private Limited, incorporated in 2009 by Mr. Veer Pratap and Mr. Rajesh Sodhi. ASGTPL has set up a solar power plant of 15 MW Grid Connected Solar PV Power Plant at Wadgam village in Khambhat Taluka in Anand District (Gujarat) using thin film technology. The EPC work for the project was done by ACSPL on a fixed time-fixed price basis and the company achieved COD on 31 December, 2011.

The project was set up at a cost of Rs.228.00 crore (Rs.15.2 crore/MW) funded through term loan of Rs. 149.00 crore and remaining through promoters' contribution and at debt-equity ratio of 1.89 times. The plant has average PLF of ~18.00 per cent for FY2018. The company supply's its entire power to Gujarat Urja Vikas Nigam Limited (GUVNL) under a 25-year Power Purchase Agreement (PPA), which was signed on May 31, 2010. GUVNL is purchasing power at a tariff of Rs.15/kWh for the first 12 years and at Rs.5/kWh for the next 13 years.

Analytical approach

As per the terms of the co-obligor undertakings executed between ASTGPL and ASEMPL (co-obligors) and lenders, each of the co-obligor will provide support in the event of insufficiency of funds in debt servicing of the Rupee Facility and the Working Capital Facility, the lenders/lender's agent shall utilise the amounts available in their surplus account to meet such shortfall to ensure debt servicing by the due date. Given the co-obligor undertaking and the terms of the financing agreement, Acuité has combined the operational and financial risk profiles of ASTGPL and ASEMPL to arrive at the rating. Further, Acuité has also factored in support from its parent company, Acme Cleantech Solutions Private Limited to arrive at the rating.

About the Rated Entity Financials

	Unit	FY19 (Prov.)	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	59.69	61.06	61.76
EBITDA	Rs. Cr.	54.27	55.74	53.88
PAT	Rs. Cr.	14.99	6.30	(48.32)
EBITDA Margin	(%)	90.91	91.28	87.23
PAT Margin	(%)	25.12	10.32	(78.23)
ROCE	(%)	6.46	6.40	5.99
Total Debt/Tangible Net Worth	Times	2.46	3.07	3.52
PBDIT/Interest	Times	1.80	1.72	1.36
Total Debt/PBDIT	Times	5.11	5.39	6.10
Gross Current Assets (Days)	Days	1,097	1,101	924

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

None

Any other information

None

Applicable Criteria

- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>
- Application of Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-17.htm>

Note on complexity levels of rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
10-Jan-19	Term Loans	Long Term	128.00	ACUITE A / Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Term Loans	Not Applicable	Not Applicable	Not Applicable	128.00	ACUITE A (Withdrawn)

Contacts

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About Acuité Ratings & Research:

Acuité 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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