

## Press Release

### AMPL Cleantech Private Limited

June 21, 2021



### Rating Withdrawn

<b>Total Bank Facilities Rated*</b>	Rs.300.00 Cr.
<b>Short Term Rating</b>	ACUITE A1+(CE) (Withdrawn)
<b>Total Bank Facilities Rated*</b>	Rs.22.00 Cr.
<b>Short Term Rating</b>	ACUITE A2 (Withdrawn)

\* Refer Annexure for details

### Rating Rationale

Acuité has withdrawn the short term rating of '**ACUITE A1+ (CE)**' (**read as ACUITE A one plus (Credit Enhancement)**) on the Rs.300 crore bank facilities and the short term rating of '**ACUITE A2**' (**read as ACUITE A two**) on the Rs.22 crore bank facilities of AMPL Cleantech Private Limited.

The withdrawal is on account of client's request and receipt of NOC from the banker. The withdrawal is in accordance with Acuité's policy on withdrawal.

### About the company

Incorporated in 2006, AMPL Cleantech Private Limited (ACPL) is a West Bengal based company engaged in the business of solar power generation. The company has acquired four operational solar power plants having total capacity of 55MW from their group company, Narbheram Vishram under lump sale agreement in March, 2018. The company has 40 MW solar power project in Madhya Pradesh and 15 MW solar power project in Telangana. The company supplies power to strong counterparties such as Madhya Pradesh Power Management Company Limited (MPPMCL) and Southern Power Distribution Company of Telangana Limited (SPDCTL) with whom they have signed long-term power purchase agreements (PPAs) for 25 years. The company is promoted by the Atha group. Currently, Mr. Gaurav Atha and Mr. Vishal Atha look after the day-to-day operations of the company.

### About Subsidiaries

NVR Renew Private Limited has a 20 MW solar power project in Karnataka and has signed PPA with Bangalore Electricity Supply Company for 25 years. The project was commissioned in Oct, 2017.

NVR Mahasolar Private Limited has a 50 MW solar power project in Maharashtra and has signed PPA with Solar Energy Corporation of India for 25 years. The project was commissioned in July, 2017.

Celestial Solar Solutions Private Limited has a 10 MW solar power project in Karnataka and has signed PPA with Mangalore Electricity Supply Company for 25 years. The project was commissioned in Feb, 2017.

RDA Energy Private Limited has a 10 MW solar power project in Rajasthan and has signed PPA with Solar Energy Corporation of India for 25 years. The project was commissioned in Mar, 2015.

NVR Infrastructure & Services Private Limited has a 10 MW solar power project in Rajasthan and has signed PPA with NTPC Vidyut Vyapar Nigam Limited for 25 years. The project was commissioned in Feb, 2013.

NVR Energy Private Limited has a 100 MW solar power project in Tamil Nadu and has signed PPA with Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) for 25 years. The project has been recently commissioned in Oct, 2019.

### Analytical Approach

Acuité has consolidated the business and financial risk profiles of AMPL Cleantech Private Limited (ACPL) and its six wholly-owned subsidiaries to arrive at the rating. The consolidation is on account of similarities in the line of business, significant operational and financial linkages and common management. Extent of consolidation: Full.

### Key Rating Drivers

## Strengths

- **Established track record of operations and experienced management**

The company is part of an established group known as Atha group which is engaged in the business of iron-ore mining since 1953. The group has diversified its operations into iron-ore mining, solar power generation, manufacturing of sponge iron and billets and calcined petroleum coke over the years. The company is controlled by promoter directors, Mr. Gaurav Atha and Mr. Vishal Atha who possess business experience of more than two decades. The group has a track record of over seven years in the solar power generation industry. Acuité believes the vast experience of the promoter has enabled the company to build strong relationship with state distribution utilities and enter into long-term PPAs with them.

- **Growth in scale of operations**

ACPL has achieved total revenues of Rs.510.56 Cr in FY20, out of which around Rs.455.52 Cr was from supply of goods and Rs.55.04 Cr from sale of solar power. In FY20, AMPL has supplied solar modules to NVR Energy Pvt Ltd and its associate Narbheram Solar for the new project setup. The company's turnover is around Rs.62 Cr in FY21 (provisional) only from sale of solar power.

- **Low offtake risk due to presence of Power Purchase Agreement (PPA)**

The company has long-term PPAs in place and is supplying power to respective state discom. This substantially mitigates any off-take risk associated with the project. AMPL has entered into a PPA with MPPMCL for the entire supply of 40 MW solar power energy and with SPDCL for 15 MW solar power energy for a period of 25 years. The company achieved average of ~20.08 per cent plant load factor (PLF) for the last year. As per the terms of PPA, the due date for payment is 60 days from the receipt of the invoice.

## Weakness

- **Average financial risk profile**

The financial risk profile of the group is moderate marked by high net worth, high gearing and weak debt protection metrics. The tangible net worth of the group stood high at Rs.557.12 Cr as on 31st March, 2020 against Rs.462.52 Cr as on 31st March, 2019. The net worth in FY20 includes compulsorily convertible debentures (CCDs) worth Rs.150.00 Cr and unsecured loans from promoters of Rs.237 Cr as undertaken by the company. The gearing stood high at 1.76 times in FY2020 (Provisional) against 1.46 times in FY19. The total debt of the group stood high at Rs.978.00 Cr as on March 31st, 2020 (Provisional) which consists of long term borrowings of Rs.622.79 Cr, working capital loan of Rs.329.61.00 Cr and current portion of long term debt of Rs.26.50 Cr. The high debt in FY20 is due to new term loan of Rs.309.00 Cr taken from IREDA for 100 MW project for one of its subsidiaries, NVR Energy Private Limited. The project has been commissioned in Oct, 2019 in Tamil Nadu. Moreover, the interest coverage ratio (ICR) and debt service coverage ratio (DSCR) stood modest at 1.50 times and 1.22 times in FY2020.

- **Working Capital intensive nature of operations**

The operations of the group are working capital intensive marked by high gross current asset (GCA) of 315 days in FY2020 as against 367 days in FY2019. Moreover, delay in realization from Telangana will further put pressure on working capital requirements.

## Rating Sensitivity

Not Applicable

## Material Covenant

None

## Liquidity Profile: Adequate

The company's liquidity is adequate marked by moderate net cash accruals of Rs.45.36 Cr in FY20 against debt obligations of Rs.20.57 Cr. The current ratio stood moderate at 1.29 times as on March 31, 2020. Further, AMPL has no capex plans. The cash and bank balances stood at Rs.52.18 Cr in FY20 as compared to Rs.15.55 Cr in FY19. The company's operations are working capital intensive marked by high gross current asset (GCA) of 315 days in FY2020 as against 367 days in FY2019.

### About the Rated Entity - Key Financials (Consolidated)

	Unit	FY20 (Actual)	FY19 (Actual)
Operating Income	Rs. Cr.	564.65	137.85
PAT	Rs. Cr.	4.68	(5.74)
PAT Margin	(%)	0.83	(4.16)
Total Debt/Tangible Net Worth	Times	1.76	1.46
PBDIT/Interest	Times	1.50	1.40

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

Not Applicable

### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>
- Consolidation Of Companies - <https://www.acuite.in/view-rating-criteria-60.htm>

### Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount	Ratings/Outlook
			(Rs. Crore)	
12 June 2020	Working Capital Loan	Short term	22.00	ACUITE A2 (Assigned)
	Letter of Credit	Short term	300.00	ACUITE A1+(CE) (Assigned)

### \*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Working Capital Loan	Not Applicable	Not Applicable	Not Applicable	22.00	ACUITE A2 (Withdrawn)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	300.00	ACUITE A1+(CE) (Withdrawn)

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**About Acuité Ratings & Research:**

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