

## Press Release

Abellon Clean Energy Limited

November 28, 2022



### Rating Downgraded, Reaffirmed and Issuer not co-operating

| Product                            | Quantum (Rs. Cr) | Long Term Rating                                  | Short Term Rating                                  |
|------------------------------------|------------------|---|--|
| Bank Loan Ratings                  | 13.63            | ACUITE BB   Downgraded   Issuer not co-operating* | -  |
| Bank Loan Ratings                  | 4.32             | -   | ACUITE A4+   Reaffirmed   Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 17.95            | -   | -  |
| Total Withdrawn Quantum (Rs. Cr)   | 0.00             | -   | -  |

### Rating Rationale

Acuite has downgraded the long term rating to **ACUITE BB (read as ACUITE double B )** from '**ACUITE BB+**' (read as **ACUITE double B plus**) and reaffirmed the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 17.95 cr. bank facilities of Abellon Clean Energy Limited (ACEL). This rating is now an indicative rating and is based on best available information.

The rating has been downgraded on account of information risk.

### About the Company

Abellon Clean Energy Limited (ACEL) is a Gujarat based company and was incorporated in 2008 by Mr. Aditya Handa. The company along with its SPVs are engaged into clean energy generation through focus on bio-energy which includes bio-fuel and bio-power. ACEL has 12 different projects which are housed in different SPVs. The business segment of the company involves Solar EPC (installation of solar roof top, solar panels and modules for residential households). The SPVs of the company is involved in greenfield projects w.r.t waste to energy wherein plastic waste recycling is done under Swach Bharat Mission. The SPVs are also involved generating power through compressed bio gas. The company has undertaken the design and project monitoring (EPC) for the set-up of plants in SPV. ACEL had also been involved in supplying of biomass to SPVs through bulk purchases at relatively lower price on behalf of SPVs rather. The company have not made any purchases from Sept 2020- till date, due to halt in operations of plant across all SPVs.

### Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 06 consecutive months. Acuite has also been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not cooperating", in line with prevailing SEBI regulations and Acuite's policies.

### Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### Rating Sensitivities

"No information provided by the issuer / available for Acuite to comment upon."

### Material Covenants

None

### Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

### Outlook

Not Applicable

### Key Financials:

The rated entity has not shared the latest financial statements despite repeated requests

### Status of non-cooperation with previous CRA

Brickworks vide its press release dated 04.07.2022, downgraded ACEL to BWR BB-; INC.

### Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entitie: <https://www.acuite.in/view-rating-criteria-61.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

### Rating History

| Date        | Name of Instruments/Facilities | Term       | Amount (Rs. Cr) | Rating/Outlook   |
|-------------|--------------------------------|------------|-----------------|--|
| 28 Oct 2021 | Proposed Bank Facility         | Long Term  | 13.63           | ACUITE BB+   Stable (Downgraded from ACUITE BBB (CE)   Stable) |
|             | Letter of Credit               | Short Term | 4.32            | ACUITE A4+ (Downgraded from ACUITE A3+ (CE))                   |
|             | Cash Credit                    | Long Term  | 6.00            | ACUITE BB+ (Withdrawn)   |

|             |                        |            |       |                                     |
|-------------|------------------------|------------|-------|-------------------------------------|
|             | Secured Overdraft      | Long Term  | 0.55  | ACUITE BB+ (Withdrawn)              |
|             | Cash Credit            | Long Term  | 3.50  | ACUITE BB+ (Withdrawn)              |
| 14 Aug 2020 | Proposed Bank Facility | Long Term  | 13.63 | ACUITE BBB (CE)   Stable (Assigned) |
|             | Cash Credit            | Long Term  | 3.50  | ACUITE BBB (CE)   Stable (Assigned) |
|             | Letter of Credit       | Short Term | 4.32  | ACUITE A3+ (CE) (Assigned)          |
|             | Secured Overdraft      | Long Term  | 0.55  | ACUITE BBB (CE)   Stable (Assigned) |
|             | Cash Credit            | Long Term  | 6.00  | ACUITE BBB (CE)   Stable (Assigned) |

## Annexure - Details of instruments rated

| Lender's Name         | ISIN           | Facilities                       | Date Of Issuance | Coupon Rate    | Maturity Date  | Complexity Level | Quantum (Rs. Cr.) | Rating   |
|-----------------------|----------------|----------------------------------|------------------|----------------|----------------|------------------|-------------------|--|
| Central Bank of India | Not Applicable | Letter of Credit                 | Not Applicable   | Not Applicable | Not Applicable | Simple           | 4.32              | ACUITE A4+<br>  Reaffirmed<br>  Issuer not co-operating* |
| Not Applicable        | Not Applicable | Proposed Long Term Bank Facility | Not Applicable   | Not Applicable | Not Applicable | Simple           | 13.63             | ACUITE BB  <br>Downgraded<br>  Issuer not co-operating*  |

## Contacts

| Analytical   | Rating Desk  |
|--|--|
| Aditya Gupta<br>Vice President-Rating Operations<br>Tel: 022-49294041<br><a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a><br><br>Simran Kesharwani<br>Analyst-Rating Operations<br>Tel: 022-49294065<br><a href="mailto:simran.kesharwani@acuite.in">simran.kesharwani@acuite.in</a> | Varsha Bist<br>Senior Manager-Rating Operations<br>Tel: 022-49294011<br><a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a> |

### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.