

Press Release

Brickwork Ratings assigns ratings for Bank Credit Facilities aggregating ₹ 55 Crores of ACME Solar Technology (Gujarat) Pvt Ltd. (ASTG)

Bank Loan Rating: BWR BB+	Outlook : Stable
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Brickwork Ratings (BWR) has assigned the rating of ‘**BWR BB+**’ (Pronounced BWR Double B Plus) with a stable outlook for the long term Bank credit outstanding facilities of ₹ 55 Crores of ACME Solar Technology (Gujarat) Pvt Ltd. (ASTG).

<i>Facility</i>	<i>Limits outstanding (Rs. In Crs)</i>	<i>Tenure</i>	<i>Rating</i>
Fund Based-Term Loan	55.00 (sanctioned amount ₹ 75 Crs)	Long Term	<p><i>BWR BB+/Stable (Pronounced BWR Double B Plus) (Outlook-Stable)</i></p> <p><i>Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations</i></p>
Total	55.00 (INR Fifty five Crores only)		

BWR has principally relied upon the audited financial results up to FY12, projected financials of FY13 & FY 14 of ASTG, publicly available information and information/clarification provided by the Company management.

The rating factors in successful commissioning of the project, strong parentage, sourcing of key equipments from suppliers with international reputations, assured off take given the firm Power Purchase Agreement (PPA) in place with Gujarat Urja Vikas Nigam Limited (GUVNL) and stable solar irradiation levels. The rating has also drawn comfort from the management team comprising well qualified and experienced personnel. The rating is however constrained due to delay in actual commencement of power supply and limited track record of the company.

Company Background

ASTG is a Special Purpose Vehicle (SPV) and a wholly-owned subsidiary of ACME Tele Power Ltd. (ATPL). Incorporated in 14th January 2003, ATPL was set-up with a primary objective to develop grid-connected solar PV power projects in India. ATPL plans to establish 500 MW of solar based installed capacity by FY16. Currently, ASTG has set-up a 15 MW Thin Film Photovoltaic (PV) power plant at Wadgam, Anand District, Gujarat. The plant was successfully commissioned on 13 March, 2012.

Financial Performance

During FY12, income from operations stood low at ₹ 2.11 Crores since the plant was operational only from March 2012. Operating expenses were ₹ 3.14 Crores resulting in operating loss of ₹ 1.02 Crores. Loss after tax stood at ₹ 30.34 Crores due to provision for taxation of ₹ 26.9 Crores.

During H1FY13, ASTG reported net operating income of ₹ 17.69 Crores and loss after tax at ₹ 7.6 crore. The loss incurred was largely due to high depreciation and high finance charges.

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