

Rating Rationale

Brickwork Ratings assigns 'BWR D' for Bank Loan facilities aggregating to ₹ 6.00 Crores of M/s Apeiron Renewable Energy Pvt Ltd

Brickwork Ratings (BWR) has assigned following **Ratings¹** for Bank Loan facilities of M/s **Apeiron Renewable Energy Pvt Ltd** (ARE or The Company)

Facility	Existing Limits (₹ Cr)	Tenure	Rating
Term Loan (Fund Based)	6.00	Long Term	BWR D <i>(Pronounced as BWR D)</i>
Total	6.00	INR Six Crores Only	

BWR has essentially relied upon the audited financial results up to FY14, and Projected financials for FY15 and FY16 and information and clarifications provided by the management of the firm.

The ratings has factored, inter alia rescheduling of debt obligation by the bank on account of delayed completion of the project, non-servicing of debt obligation, delayed servicing of interest payments. Non servicing / delayed servicing is due to the low marketability of solar renewable energy certificate (REC) on power exchanges

The ratings draw strength from the vast experience of the promoters, the power purchase agreement with Jodhpur Vidyut Vitran Nigam Limited, stable business risk profile, and satisfactory performance of the solar power plant. However the rating is constrained by the intense competition in the industry, exposure to regulatory risk, high gearing levels due to low tangible net worth.

Background

M/s Apeiron Renewable Energy Pvt Ltd was incorporated in 2013 as a private limited company in Mumbai by Mr Pankaj Khanna and Mrs Ruchi khanna. Mr Pankaj is a mechanical engineer by qualification and has extensive International and Indian professional experience of over 25 years in various field of Electronic component, Telecommunication, Base Metals and Power across different levels.

ARE has entered into a power purchase agreement with Jodhpur Vidyut Vitran Nigam Limited is of 1.25 MV Solar photovoltaic based power plant in Rays mini solar park at Kolayat, Bikaner, Rajasthan. The company also agreed to sell 100 % produced power to Jodhpur DISCOM and do

¹ Please refer to www.brickworkratings.com for definition of the Ratings

not have any preferential tariff PPA and exercised the option under REC mechanism* under CERC and RERC regulations and procedures.

Financial Performance

As per audited financials of FY14, ARE has reported a tangible net worth of Rs. 2.71 crs and capital work in process of Rs 8.87 crs. Company have started generating power and produced 21.00 lakhs units (provisional) of electricity as on 31th October 2014 since the commencement (December 2013).

Rating Outlook

Going forward, the ability of the company to sell its outstanding renewable energy certificate, infuse equity capital and service the debt in timely manner will be the key rating sensitivities

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