

SEPTEMBER 14, 2016

## CARE ASSIGNS 'CARE BBB (SO)' RATING TO THE BANK FACILITIES OF MIHIT SOLAR POWER PRIVATE LIMITED

**Rating**

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities*	382.15	<b>CARE BBB (SO)</b> <b>[Triple B (Structured Obligation)]</b>	Assigned
<b>Total Facilities</b>	<b>382.15</b> <b>(Rupees Three Hundred</b> <b>Eighty Two crore and</b> <b>Fifteen lakh only)</b>		

*\*Based on limited period credit enhancement in the form of an unconditional and irrevocable corporate guarantee provided by ACME Cleantech Solutions Private Limited (ACSPL, rated 'CARE BBB+', 'CARE A2') valid as per the terms of the sanction*

**Rating Rationale**

The rating assigned to the bank facilities of Mihit Solar Power Private Limited (MSPPL) derives strength from experienced promoter, viz ACME Cleantech Solutions Private Limited (ACSPL, rated 'CARE BBB+', 'CARE A2') with experience in successfully developing and operating solar power assets across India, successful commissioning of the project, long-term off-take arrangement in the form of Power Purchase Agreements (PPAs) signed with Punjab State Power Corporation Limited (PSPCL, rated 'CARE BB+', 'CARE A4+'), elongated repayment tenor leading to moderately comfortable debt coverage indicators and corporate guarantee from ACSPL till Debt Service Reserve Account (DSRA) creation and satisfaction of other terms as per the debt sanction.

The rating is, however, constrained by relatively short track record of operations with relatively lower generation levels, counterparty credit risk given the relatively weak financial risk profile of PSPCL, susceptibility of power generation to variation in climatic conditions as well as technological risks since there is a relatively short performance track record of equipment in Indian conditions.

The ability of the company to operate the power plant efficiently, achieve expected generation levels along with timely receipt of payments from the off-taker shall be the key rating sensitivities.

**Background**

MSPPL, a 100% subsidiary of Vittanath Power Pvt Ltd (VPPL) and a step down subsidiary of ACME Cleantech Solutions Pvt Ltd (ACSPL, rated 'CARE BBB+', 'CARE A2') has set up a 74 MW solar photovoltaic power project in Tehsil Sardulgarh, District Mansa in Punjab using poly crystalline technology. The company had secured the capacity in three bids viz. 24 MW, 25 MW (Part I) and 25 MW (Part II).

The company achieved Commercial Operation Date (COD) in phases from January 2016 till March 2016 for the entire capacity. The company is supplying power to PSPCL under Power Purchase Agreements (PPAs) signed on March 31, 2015 at a weighted average tariff of Rs.7.09/kWh for a period of 25 years.

During FY16 (Provisional), the company reported total operating income of Rs.7.33 crore and net profit of Rs.2.47 crore.

**Analyst Contact**

Name: Mr Jatin Babbar

Tel: 011-45333246

Cell: + 91 99995 68722

Email: [jatin.babbar@careratings.com](mailto:jatin.babbar@careratings.com)

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

*CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.*

**Disclaimer:** CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

**CONTACT****Head Office Mumbai****Mr. Saikat Roy**

Mobile: + 91 98209 98779

E-mail: [saikat.roy@careratings.com](mailto:saikat.roy@careratings.com)**Mr. Amod Khanorkar**

Mobile: + 91 98190 84000

E-mail: [amod.khanorkar@careratings.com](mailto:amod.khanorkar@careratings.com)**CREDIT ANALYSIS & RESEARCH LIMITED**

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: [care@careratings.com](mailto:care@careratings.com)**AHMEDABAD****Mr. Mehul Pandya**32, Titanium, Prahaladnagar Corporate Road,  
Satellite, Ahmedabad - 380 015

Cell: +91-98242 56265

Tel: +91-79-4026 5656

E-mail: [mehul.pandya@careratings.com](mailto:mehul.pandya@careratings.com)**BENGALURU****Mr. Deepak Prajapati**Unit No. 1101-1102, 11th Floor, Prestige Meridian II,  
No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-9099028864

Tel: +91-80-4115 0445, 4165 4529

E-mail: [deepak.prajapati@careratings.com](mailto:deepak.prajapati@careratings.com)**CHANDIGARH****Mr. Sajan Goyal**2nd Floor, S.C.O. 196-197, Sector 34-A,  
Chandigarh - 160 022.

Cell: +91 99888 05650

Tel: +91-172-5171 100 / 09

Email: [sajan.goyal@careratings.com](mailto:sajan.goyal@careratings.com)**CHENNAI****Mr. V Pradeep Kumar**Unit No. O-509/C, Spencer Plaza, 5th Floor,  
No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: [pradeep.kumar@careratings.com](mailto:pradeep.kumar@careratings.com)**COIMBATORE****Mr. V Pradeep Kumar**

T-3, 3rd Floor, Manchester Square

Puliakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

Email: [pradeep.kumar@careratings.com](mailto:pradeep.kumar@careratings.com)**HYDERABAD****Mr. Ramesh Bob**401, Ashoka Scintilla, 3-6-502, Himayat Nagar,  
Hyderabad - 500 029.

Cell : + 91 90520 00521

Tel: +91-40-4010 2030

E-mail: [ramesh.bob@careratings.com](mailto:ramesh.bob@careratings.com)**JAIPUR****Mr. Nikhil Soni**304, Pashupati Akshat Heights, Plot No. D-91,  
Madho Singh Road, Near Collectorate Circle,  
Bani Park, Jaipur - 302 016.

Cell: +91 - 95490 33222

Tel: +91-141-402 0213 / 14

E-mail: [nikhil.soni@careratings.com](mailto:nikhil.soni@careratings.com)**KOLKATA****Ms. Priti Agarwal**3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)  
10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: [priti.agarwal@careratings.com](mailto:priti.agarwal@careratings.com)**NEW DELHI****Ms. Swati Agrawal**13th Floor, E-1 Block, Videocon Tower,  
Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: [swati.agrawal@careratings.com](mailto:swati.agrawal@careratings.com)**PUNE****Mr. Pratim Banerjee**9th Floor, Pride Kumar Senate,  
Plot No. 970, Bhamburda, Senapati Bapat Road,  
Shivaji Nagar, Pune - 411 015.

Cell: +91-98361 07331

Tel: +91-20- 4000 9000

E-mail: [pratim.banerjee@careratings.com](mailto:pratim.banerjee@careratings.com)

CIN - L67190MH1993PLC071691