

AUGUST 12, 2015

**CARE REVISES THE RATINGS ASSIGNED TO THE BANK FACILITIES OF
VIKRAM SOLAR PRIVATE LIMITED**

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	119.89 (reduced from 127.66)	CARE BBB+ (Triple B Plus)	Revised from 'CARE BBB' (Triple B)
Short-term Bank Facilities	100.00	CARE A2 (A Two)	Revised from 'CARE A3+' (A Three Plus)
Total Bank Facilities	219.89		

Rating Rationale

The revision in rating is on account of the improvement in financial risk profile marked by growth in revenue and profit levels and improvement in capital structure during FY15 combined with favourable solar sector outlook.

The ratings continues to draw strength from the experience of the promoter group and presence in diverse business segments, continued support of the promoters via infusion of funds, technical competence resulting in strong execution capabilities, strong marketing presence and fiscal incentives available due to location of the plant. The ratings are, however, constrained by the exposure towards group companies, debt funded capital expenditure undertaken by the company, working capital intensive nature of operations, performance risk of Solar Photo Voltaic (SPV) modules.

The ability of the company to ensure timely completion of the project & scale up the operations; further improvement in the profitability; effective management of the working capital and any significant debt funded capex by the company in the future would remain the key rating sensitivities.

Background

Incorporated in 2005 and promoted by Mr. Gyanesh Chaudhary, son of Mr. Hari Krishna Chaudhary (Chairman of Vikram Goup), Vikram Solar Private Limited (VSPL) is involved in manufacturing of Solar Photo Voltaic (SPV) modules at its manufacturing facility located at Falta SEZ in West Bengal. Having started its commercial operations from November 2009 with an installed capacity of 12 MW, the company has gradually increased its capacity over the years and at present has an installed capacity of 120 MW (increased from 100 MW in April 2015). The company has the capacity to manufacture SPV modules from 3 Watt peak to 300 Watt peak and has various certifications to market its products in India and abroad through a side distribution network in the form of branches dealers and distributors.

Apart from the sale of SPV modules, VSPL is also engaged in Engineering, Procurement and Construction business (EPC), which contributed about 33% to the turnover of the company in FY15.

In FY15 (refers to the period April 1 to March 31), VSPL earned PAT of Rs.35.13 crore on a total income of Rs.623.14 crore.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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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.

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