AMPL Cleantech Private Limited

March 09, 2023

Sl. No.	Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
(i)	Long-term bank facilities	333.78	CARE A-; Stable	Reaffirmed
(ii)	Long-term bank facilities	241.78	CARE BBB+ (RWD)	Assigned

Details of instruments/facilities in Annexure-1.

AMPL Cleantech Private Limited is in the process of refinancing its existing debt from a lender. The existing term loan (facility in Sl. No. (ii)) shall thus be fully repaid through the refinanced debt (facility in Sl. No. (i)). However, the term loan outstanding for ACPL shall not exceed the amount mentioned in Sl. No (i).

Rationale and key rating drivers of the existing facility

CARE Ratings Limited (CARE Ratings) has assigned rating of 'CARE BBB+ (Triple B Plus); Rating Watch with Developing Implication (RWD) to the term loan (bearing Sl. No (ii)) of ACPL. The rating assigned to the existing term loan of ₹241.78 crore (Sl No. (ii)) is placed on rating watch with developing implications on account of uncertainty associated with the characteristics of this credit facility on account of anticipated refinancing of the debt and its impact on the credit profile of ACPL. CARE Ratings would continue to monitor the development and will evaluate its impact on the credit quality of ACPL.

Furthermore, the rating assigned to existing term loan of ACPL favourably factors in the low sales risk due to the presence of long-term power purchase agreements (PPAs) for the entire capacity at a fixed tariff, which is fairly competitive also. The rating also factors in reasonable operational track record of ACPL (i.e., more than three years for all the standalone assets and subsidiaries) notwithstanding the blended generation for FY21 (refers to the period from April 01 and March 31) and FY22 stood marginally below P-90 level. The rating also derives comfort from the diversification provided by off-takers and location of the overall capacity. The rating also derives strength from the ownership of Actis Energy Fund – 5 (AE-5) in Blupine Energy Private Limited (BEPL, the ultimate shareholder of ACPL). Given Actis' successful past track record of managing various funds in India (with considerable investments in renewable energy), ACPL is expected to derive operational and financial comfort from BEPL.

The aforementioned rating strengths are, however, tempered by stretched receivable cycle of NVR Energy Private Limited (NEPL) and ACPL which has shown improvement during the current year, interest rate variation risk and high dependence on climatic conditions and technological risks.

Rating sensitivities: Factors likely to lead to rating actions for facility bearing Sl. No. (ii)

Positive factors

- Higher-than-envisaged generation on a sustained basis along with better-than-base case coverage and leverage metrics.
- Improvement in the credit profile of the parent, i.e., BEPL.
- Improvement in the credit risk profile of off-taker.

Negative factors

- Lower-than-envisaged generation or increase in the borrowing cost significantly impacting the coverage indicators.
- Significant deterioration in the credit profile of the promoter or dilution in its support philosophy towards its special purpose vehicles (SPVs).
- Increase in day sales outstanding to more than 210 days.

Deterioration in the credit risk profile of the off-takers leading to stretch in receivables, adversely impacting the liquidity

Rationale and key rating drivers of the proposed facility

The rating for the proposed term loan considers AMPL Cleantech Private Limited (ACPL) to be a part of a restricted group (RG), comprising eight special purpose vehicles (SPVs) viz. AMPL Cleantech Private Limited (ACPL), Celestial Solar Solutions Private Limited (CSSPL), Narbheram Solar TN Private Limited (NSTNPL), NVR Energy Private Limited (NEPL), NVR Infrastructure and Services Private Limited (NISPL), NVR Mahasolar Private Limited (NMPL), NVR Renew Private Limited (NRPL) and RDA Energy Private Limited (REPL) herein referred to as Blupine RG. The rating favorably factors in the low sales risk due to the presence of long-term power purchase agreements (PPAs) for the entire capacity at a fixed tariff which is also fairly competitive. Reasonable operational track record of Blupine RG i.e capacity weighted average of 59 months notwithstanding the blended generation for FY21 (refers to the period from April 01 and March 31) and FY22 which stood below P-90 level is an additional credit positive.

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

The rating also derives comfort from the diversification provided by off-takers and multiple locations of the overall capacity. The rating also derives strength from the ownership of Actis Energy Fund – 5 (AE-5) in Blupine Energy Private Limited (BEPL, the ultimate shareholder of Blupine RG). Given Actis' successful past track record of managing various funds in India (with considerable investments in renewable energy), the Blupine RG is expected to have strong managerial, financial and operational linkages with the parent.

The aforementioned rating strengths are, however, tempered by stretched receivable cycle in NEPL, NSTNPL and ACPL which has shown improvement during the current year. The rating takes cognizance of the anticipated increase in leverage of the Blupine RG on account of the proposed debt thereby moderating projected debt service coverage ratio (DSCR). Furthermore, the rating is constrained by climatic and interest rate risk given the single part fixed tariff of the underlying capacity.

Rating sensitivities: Factors likely to lead to rating actions for facility bearing Sl. No. (i)

Positive Factors - Factors that could lead to positive rating action/upgrade:

- Higher-than-envisaged generation on a sustained basis along with better-than-base case coverage and leverage metrics.
- Improvement in credit profile of BEPL
- Improvement in credit risk profile of off-takers (excluding central counterparties)

Negative Factors- Factors that could lead to negative rating action/downgrade:

- Lower-than-envisaged generation or increase in borrowing cost significantly impacting the coverage indicators.
- Significant deterioration in the credit profile of the promoter or dilution in its support philosophy towards its SPVs.
- Deterioration in credit risk profile of the off-takers leading to elongation in receivable period beyond 210 days, adversely impacting the liquidity of the RG

Analytical approach:

Facility bearing Sl. No (i): Combined: All the eight SPVs referred as Blupine RG (i.e., AMPL Cleantech Private Limited, Celestial Solar Solutions Private Limited, Narbheram Solar TN Private Limited, NVR Energy Private Limited, NVR Infrastructure and Services Private Limited, NVR Mahasolar Private Limited, NVR Renew Private Limited, and RDA Energy Private Limited) are subsidiaries of BEPL and are engaged in similar lines of business. Moreover, these SPVs are also expected to have fungibility of the surplus cash post servicing of their respective debt. Hence, the financial and business risk profiles of these entities have been combined. Furthermore, the linkage of Blupine RG with the parent entity, i.e., BEPL has also been considered.

Facility bearing Sl. No. (ii): Consolidated. AMPL Cleantech is the holding company for NVR Renew Private Limited (NRPL), NVR Mahasolar Private Limited (NMPL), NVR Infrastructure and Services Private Limited (NISPL), RDA Energy Private Limited (REPL) and NVR Energy Private Limited (NEPL). Hence, business and financials are of the following entities is consolidated:

S. No.	Entity	Shareholding (%)
1	NVR Renew Private Limited (NRPL)	100
2	NVR Mahasolar Private Limited (NMPL)	100
3	NVR Infrastructure and Services Private Limited (NISPL)	100
4	RDA Energy Private Limited (REPL)	100
5	NVR Energy Private Limited (NEPL)	51

Outlook - Facility bearing Sl. No (i): Stable

Stable outlook reflects the company's ability to sustain steady generation levels, a reasonable lag in collection from the off-taker with regular interest outgo in the medium term.

Key strengths for the existing loan:

Long-term revenue visibility through PPA for the entire capacity

The SPVs have entered into PPAs for off take of 255.56 MW_{AC} for a period of 25 years at fixed tariff thus provides the long-term revenue visibility for the ACPL on a consolidated level. The capacity weighted average tariff is fairly competitive.

Existence of geographical and off-taker diversification

ACPL benefits on account of diversification as the contracted capacity is spread in six states, viz., Tamil Nadu (39%), Maharashtra (20%), Madhya Pradesh (16%), Karnataka (12%), Rajasthan (8%) and Telangana (6%). The off-taker profile is also diversified comprising seven counterparties, i.e., 56% of the contracted capacity is with Tamil Nadu Generation and Distribution Corporation (TANGEDCO), M.P. Power Management Company Limited (MPPMCL, 16%) Solar Energy Corporation of India (SECI, 24%), NTPC Vidyut Vyapar Nigam Limited (NVVN, 4%) Telangana State Southern Power Distribution Company Limited (TSSPDCL, 6%), Bangalore Electricity Supply Company Limited (BESCOM, 8%), and Mangalore Electricity Supply Company Limited (MESCOM, 4%).

Reasonable operational track record
ACPL and its subsidiaries have an operational track record of at least 3 years. 61% of the contracted capacity has an operational track record of more than 5 years.

Firm investment commitment of the Actis platform along with managerial experience underpins support
BEPL, which is the holding company for ACPL, is a renewable energy platform promoted by Actis PE (Actis) for setting up of wind, solar, hybrid and battery storage power projects in India. BEPL has strong financial backing in the form of US$ 800 million capital commitment from AE-5. Actis has a successful track record of developing and operating sizable renewable portfolios in the past. Given BEPL's aggressive growth plans in India, and ACPL being part of its foundation portfolio, with ability to generate consistent cash flow, the company is expected to benefit from the operational and financial linkages with its parent.

Comfortable coverage metrics with debt service reserve account equivalent to two quarter maintained The financial risk profile of ACPL is expected to be comfortable with healthy coverage metrics for the tenor of loan. Moreover, stipulation of debt service reserve account (DSRA) equivalent to interest and principal repayment of two quarters and working capital limit in one of the subsidiaries provides additional comfort.

Industry outlook

India has an installed renewable capacity of around 110 GW (excluding large hydro) as on March 31, 2022, comprising solar power of 54 GW, wind power of 40 GW, small hydro of 5 GW and other sources including biomass of 11 GW. There has been a significant traction in solar power installations over the last few years and the cumulative solar power capacity has surpassed the installed wind power capacity, despite its late and slow start. The overall renewable energy installations have increased at a compounded annual growth rate (CAGR) of 17% from FY16-FY22. Over the years, renewable energy industry has benefitted on account of Government's strong policy support, India's large untapped potential, presence of creditworthy central nodal agencies as intermediary procurers and improvement in tariff competitiveness. Going forward, with India setting up an ambitious target of achieving 450-GW renewable capacity by 2030, the regulatory framework is expected to remain supportive. However, the developers are expected to face challenges in the near term on account of rising cost of modules, turbines and other ancillary products along with imposition of basic custom duty on cells and modules from April 2022 onwards, which is expected to drive-up costs and result in increase in bid tariffs for new projects. This apart, challenges for acquisition of land and availability of transmission infrastructure also remains a key bottleneck. However, the Indian renewable industry continues to be a preferred investment alternative for both domestic as well as foreign investors and is expected to post robust growth going forward as well, which results in CARE Ratings assigning a Stable outlook to the industry.

Key weaknesses for the existing loan:

Significant exposure to weak counterparties
ACPL has significant exposure to weak state DISCOMs, i.e., TANGEDCO and TSSPDCL with stretched receivable cycle. The average collection period of the portfolio was 132 days in FY22.
As TANGEDCO and TSSPDCL have opted to liquidate the overdues as per the EMI scheme defined in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, collection efficiency for ACPL has improved during the current years and is expected to further improve, going forward.

Moderate generational performance
The capacity utilisation factor (CUF) of the portfolio under ACPL has been consistently below P-90 in the last three years. The management envisages improvement in generation upon implementation of better O&M practices and appointment of a new O&M contractor. Going forward, the improvement in generation due to these initiatives would be key monitorable.

Interest rate risk: Given the leveraged capital structure and single-part nature of the fixed tariff in the PPA, profitability remains exposed to any increase in the interest rates, given the floating interest rates for the existing loan.

Exposure to technology and climatic risk: The SPV have used poly-crystalline PV technology, which has a proven history worldwide, suffers relatively lower degradation as compared to thin film modules, and requires lesser land, leading to reduction in the Balance of Systems (BoS) cost. However, achievement of the desired CUF going forward would be subject to changes in climatic conditions, amount of degradation of modules as well as other technological risks.

Liquidity: Adequate
There is adequate headroom between the projected gross cash accrual (GCA) for FY24 vis-à-vis the repayment for the existing loan. The DSRA of two quarters also provides comfort. The realisation from weaker off-takers is also expected to improve during the next 12 months primarily driven by EMI scheme.

Key rating strengths for the proposed loan:

Long-term revenue visibility through PPA for the entire capacity: The SPVs have entered into PPAs for off take of 355.56 MW_{AC} for a period of 25 years at fixed tariff of ₹ 4.36/unit (weighted average) which is fairly competitive and provides the long-term revenue visibility for the Blupine RG.

Existence of geographical and off-taker diversification: The RG structure benefits on account of diversification as the installed capacity is spread in six states viz. Tamil Nadu (56%), Maharashtra (14%), Madhya Pradesh (11%), Karnataka (8%), Rajasthan (6%) and Telangana (4%). The off-taker profile is also diversified comprising seven counterparties i.e., Tamil Nadu Generation and Distribution Corporation (TANGEDCO, 56%), M.P. Power Management Company Limited (MPPMCL, 11%) Solar Energy Corporation of India (SECI, 17%), NTPC Vidyut Vyapar Nigam Limited (NVVN, 3%) Telangana State Southern Power Distribution Company Limited (TSSPDCL, 4%), Bangalore Electricity Supply Company Limited (BESCOM, 6%), and Mangalore Electricity Supply Company Limited (MESCOM, 3%). During FY22, 26% of the PBILDT was contributed by projects having a strong counterparty (ie. SECI or NVVN).

Reasonable operational track record: All the SPVs have an operational track record of at least 3 years. 44% of the contracted capacity has an operational track record of more than 5 years.

Contractual comforts for the proposed loan: The SPVs are required to make debt service reserve account (DSRA) equivalent to two quarters of debt and interest obligation. CARE also factors in the presence of a structured waterfall mechanism as per the proposed loan structure. Further, the fungibility of the surplus cashflows among the SPVs provides comfort.

Firm investment commitment of the Actis platform along with managerial experience underpins support: BEPL, which directly/ indirectly holds the entire stake in these 8 SPVs, is a renewable energy platform promoted by Actis Capital LLP (Actis) for setting up of wind, solar and battery storage power projects in India. BEPL has strong financial backing in the form of US$ 800 million capital commitment from AE-5. Actis has a successful track record of developing, operating and sell-off of sizable renewable portfolios in the past.
Given BEPL's aggressive growth plans in India, Blupine RG's status as its foundation portfolio and Blupine RG's ability to generate consistent cash flow, the 8 SPVs are expected to benefit from the operational linkages with its parent.

Industry risk
India has an installed renewable capacity of around110 GW (excluding large hydro) as on March 31, 2022, comprising solar power of 54 GW, wind power of 40 GW, small hydro of 5 GW and other sources including biomass of 11 GW. There has been a significant traction in solar power installations over the last few years and the cumulative solar power capacity has surpassed the installed wind power capacity, despite its late and slow start. The overall renewable energy installations have increased at a CAGR of 17% from FY16-FY22. Over the years the renewable energy industry has benefitted on account of Government's strong policy support, India's large untapped potential, presence of creditworthy central nodal agencies as intermediary procurers and improvement in tariff competitiveness. Going forward, with India setting up an ambitious target of achieving 450-GW renewable capacity by 2030, the regulatory framework is expected to remain supportive. However, developers are expected to face challenges in the near term on account of rising cost of modules, turbines and other ancillary products along with imposition of basic custom duty on cells and modules from April 2022 onwards which is expected to drive up costs and result in increase in bid tariffs for new projects. This apart, challenges for acquisition of land and availability of transmission infrastructure also remains a key bottleneck. However, the Indian renewable industry continues to be a preferred investment alternative for both domestic as well as foreign investors and is expected to post robust growth going forward as well which results in CARE Ratings assigning a Stable outlook to the industry.

Key rating weaknesses for the proposed loan

Majority exposure to weak counterparties: Blupine RG have significant exposure to weak state DISCOMs ie. TANGEDCO and TSSPDCL with stretched receivable cycle. The average collection period of the portfolio was 150 days in FY22.
As TANGEDCO and TSSPDCL have opted to liquidate the overdues as per EMI scheme defined in the Electricity (Late Payment Surcharge And Related Matters) Rules, 2022, collection efficiency of the RG has improved during the current years and is expected to further improve going forward.

Moderate generational performance of the restricted group: The capacity utilization factor (CUF) of the portfolio has been consistently below P-90 in the last three years. The management envisages improvement in generation upon implementation of better O&M practices and appointment of a new O&M contractor. Going forward, the improvement in generation due to these initiatives would be key monitorable.

Projected increase in leverage with moderate debt coverage indicators: Total Debt/PBILDT, which stood at 5.35x as on March 22, 2022, is projected to increase beyond 7.0x upon the drawal of the proposed loan. Due to this, the average projected DSCR based on current generation level and interest rate is expected to be around 1.20x with the minimum DSCR tapering till FY32.

Interest rate risk: Given the leveraged capital structure and single-part nature of the fixed tariff in the PPA, profitability remains exposed to any increase in the interest rates, given the floating interest rates for the RG.

Exposure to technology and climatic risk: The SPVs have used poly-crystalline PV technology, which has a proven history worldwide, suffers relatively lower degradation as compared to thin film modules, and requires lesser land, leading to reduction in the Balance of Systems (BoS) cost. However, achievement of the desired CUF going forward would be subject to changes in climatic conditions, amount of degradation of modules as well as other technological risks.

Liquidity – Adequate

There is adequate headroom between the projected gross cash accrual for FY24 vis a vis the repayment for the proposed loan. The proposed DSRA of two quarters along with working capital limit of Rs. 30 crore for NEPL and NSTNPL provides comfort. Realization from weaker off-takers is also expected to improve during the next 12 months primarily driven by EMI scheme.

Applicable criteria

Definition of Default
Consolidation
Factoring Linkages Parent Sub JV Group
Financial Ratios – Non financial Sector
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Infrastructure Sector Ratings
Power Generation Projects
Solar Power Projects

About the company and industry

Industry classification

Macro-Economic Indicator	Sector	Industry	Basic Industry
Utilities	Power	Power	Power Generation

ACPL is a special purpose vehicle incorporated on May 08, 2006, by the Atha Group. In November 2022, the entire shares were acquired by BluPine Energy Private Limited (BEPL). It is operating four plants named ACPL 1, ACPL 2, ACPL 3 and ACPL 4 with a total of 55.2 MW (AC)/ 67.26 MW (DC) Solar PV located in Madhya Pradesh and Telangana. For ACPL 1, it has signed a long-term PPA of 25 years with Southern Power Distribution Company of Telangana Limited and for remaining three plants with M.P. Power Management Company Limited. The details of plants under ACPL on a standalone basis:

Plant	Plant location	Capacity (AC)	Counterparty
ACPL 1	Aitipamula, Nalgonda District, Telangana	15.0	TSSPDCL
ACPL 2	Licha, Alot, Ratlam, Madhya Pradesh	10.2	MPPMCL
ACPL 3	Khilchipur, Rajgarh, Madhya Pradesh	10.0	MPPMCL
ACPL 4	Licha, Alot, Ratlam, Madhya Pradesh	20.0	MPPMCL

Additionally, ACPL is also the holding company for the following entities:

Entity	Capacity (MW)	Shareholding (%)
NVR Renew Private Limited	20	100
NVR Mahasolar Private Limited	50	100
NVR Infrastructure and Services Private Limited	10	100
RDA Energy Private Limited	10	100
NVR Energy Private Limited	100	51

Brief Financials - Standalone (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)
Total operating income	67.99	57.20
PBILDT	47.92	44.34
PAT	3.59	2.34
Overall gearing (times)	1.91	1.66
Interest coverage (times)	1.52	1.54

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: NA

Any other information: NA

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	NA	NA	NA^	333.78	CARE A-; Stable
Fund-based - LT-Term Loan	-	NA	NA	June 2032	241.78	CARE BBB+ (RWD)

^Proposed

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (09-Mar-20)
2	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST*	-	-	-	-	-	1)Withdrawn (09-Mar-20)
3	Fund-based - LT-Term Loan	LT	333.78	CARE A-; Stable	1)CARE A-; Stable (14-Feb-23)	-	-	-
4	Fund-based - LT-Term Loan	LT	241.78	CARE BBB+ (RWD)				

*Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: NA

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

Media Contact	**Analytical Contacts**
Name: Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Name: Dinesh Sharma Director **CARE Ratings Limited** Phone: + 91-033-4018 1600 E-mail: dinesh.sharma@careedge.in	Name: Sudhir Kumar Director **CARE Ratings Limited** Phone: +91-11-4533 3232 E-mail: sudhir.kumar@careedge.in Name: Agnimitra Kar Associate Director **CARE Ratings Limited** Phone: +91-11-4533 3285 E-mail: agnimitra.kar@careedge.in Name: Yogesh Rochani Analyst **CARE Ratings Limited** E-mail: yogesh.rochani@careedge.in

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

For the detailed Rationale Report and subscription information, please visit www.careedge.in