

## AMP Energy Green Private Limited

December 16, 2020

### Ratings

Sr. No.	Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
1.	Long Term Bank Facilities#	21.20 (Enhanced from 19.00)	Provisional CARE BBB (CE); Stable** [Provisional Triple B (Credit Enhancement); Outlook: Stable ]	Revised from CARE BBB-; Stable (Triple B Minus; Outlook: Stable)
2.	Short Term Bank Facilities#	19.00	Provisional CARE A3+ (CE)** [Provisional A Three Plus (Credit Enhancement) ]	Revised from CARE A3 (A Three)
3.	Short Term Bank Facilities^	25.00	CARE A3+ (CE) [A Three Plus (Credit Enhancement) ]	Assigned
	<b>Total Bank Facilities</b>	<b>65.20</b> <b>(Rs. Sixty-Five Crore and</b> <b>Twenty Lakhs Only)</b>		

*Details of instruments/facilities in Annexure-1*

*^based on Credit Enhancement in the form of unconditional and irrevocable Corporate Guarantee (CG) provided by AMP Energy India Private Limited (AEIPL; rated 'CARE BBB; Stable/ CARE A3+')*

*#based on Credit Enhancement in the form of proposed unconditional and irrevocable Corporate Guarantee (CG) to be provided by AMP Energy India Private Limited (AEIPL; rated 'CARE BBB; Stable/CARE A3+')*

*\*\* Ratings assigned are provisional and shall be confirmed upon receipt of final executed documents including CG to the satisfaction of CARE Ratings Limited.*

<b>Unsupported Rating<sup>2</sup></b>	<b>CARE BBB-/ CARE A3 (Assigned, Assigned)</b>
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*Note: Unsupported Rating does not factor in the explicit Credit Enhancement*

#### Detailed Rationale & Key Rating Drivers for the credit enhanced debt

The rating assigned to the bank facilities (Sr. No. 3) of AMP Energy Green Private Limited (AEGPL) takes into account the credit enhancement in the form of unconditional and irrevocable Corporate Guarantee (CG) provided by AMP Energy India Private Limited (AEIPL; rated 'CARE BBB; Stable/ CARE A3+').

The rating assigned to the bank facilities (Sr. No. 1 and Sr. No.2) of AMP Energy Green Private Limited (AEGPL) takes into account the credit enhancement in the form of proposed unconditional and irrevocable Corporate Guarantee (CG) to be provided by AMP Energy India Private Limited (AEIPL; rated 'CARE BBB; Stable/ CARE A3+').

Furthermore, the above ratings (Sr. No. 1 and Sr. No. 2) are provisional and will be confirmed upon fulfilment of the following condition to the satisfaction of CARE:

- Submission of the executed copy of Corporate Guarantee

#### Detailed Rationale & Key Rating Drivers of AMP Energy India Private Limited (Corporate Guarantor)

The detail rationale of the Corporate Guarantee provider, AMP Energy India Private Limited is available on [www.careratings.com](http://www.careratings.com)

#### Key Rating Drivers of AMP Energy Green Private Limited

The unsupported ratings of AEGPL derive strength from its experienced and resourceful promoters backed by reputed financial investors and a strong leadership team with extensive experience in the renewable sector. The unsupported standalone rating takes into account the successful fund raising of USD 50 mn (USD 30 mn + USD 20 mn green shoe option) from the private equity fund, LGT Lightstone (LGT, a bank and fund manager with around USD 220 billion of assets worldwide; and a part of LGT group, one of the largest family-owned private banking and asset management group in Europe), at AMP Energy India Private Limited (AEIPL, the ultimate holding company for the AMP group in India) during FY20, which provides sufficient equity visibility for under -construction projects being undertaken in the various SPVs of the group. These funds are available at AEIPL level and would also provide the necessary growth capital to develop renewable energy projects of the group including utility scale projects through AEGPL.

The rating is, however, constrained on account of low track record of the group in developing utility-scale projects, and construction risk in the under-execution project being set up in the SPV under AEGPL, leading to risks of execution and stabilization akin to any under construction renewable energy project.

**Rating Sensitivities:**

The key rating sensitivities for the rating assigned to AEGPL's bank facilities shall be in-line with the key rating sensitivities of the Corporate Guarantee provider viz. AEIPL.

**Detailed description of the key rating drivers**

The detail rationale of the corporate guarantee provider, AMP Energy India Private Limited is available on [www.careratings.com](http://www.careratings.com)

**Liquidity: Adequate**

The liquidity profile of the corporate guarantee provider, AMP Energy India Private Limited is available on [www.careratings.com](http://www.careratings.com)

**Analytical Approach:**

**Sr. No. 3:** The analysis factors in credit enhancement in the form of unconditional and irrevocable corporate guarantee provided by AMP Energy India Private Limited (AEIPL; rated 'CARE BBB; Stable/ CARE A3+').

**Sr. No. 1 and Sr. No.2:** CARE has changed the analytical approach for these bank facilities from 'Standalone' as the company has submitted draft copies of Corporate Guarantee to be provided which was not shared earlier. The analysis now factors in credit enhancement in the form of proposed unconditional and irrevocable corporate guarantee to be provided by AMP Energy India Private Limited (AEIPL; rated 'CARE BBB; Stable/ CARE A3+').

**For Unsupported Rating:** Standalone

**Applicable criteria**

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Criteria on Factoring Linkages in Rating](#)

[Criteria for Credit Enhanced Debt](#)

[Rating Methodology: Infrastructure Sector Ratings](#)

[Financial Ratios-Non-Financial Sector](#)

[Rating methodology: Private Power Producers](#)

[Rating Methodology: Solar Power Projects](#)

**About the Credit Enhancement Provider-AMP Energy India Private Limited**

AMP Energy India Private Limited (AEIPL, erstwhile AMP Solar India Private Limited), incorporated in June 2016, is a wholly owned subsidiary of Singapore-based AMPSolar Energy Asia Pte Limited (ASEAPL; 66.75%), Management shareholders (23.90%) and Financial Investments SPC/LGT Lightstone (9.35%). ASEAPL is the holding company for Asia-Pacific operations of Canada-based Independent Power Producer (IPP) AMP Solar Group Inc. (ASGI). ASGI, founded in 2009, is involved in the development, construction and management of solar power projects, both in rooftop and ground mounted segments. The company's senior management, Mr Pinaki Bhattacharya (CEO), Mr. Surendra Kumar Gupta (CFO) and Mr Chotoo Chaudhary (COO) have held senior positions at several reputed renewable power companies in India in the past.

The detailed rationale of AEIPL is available on [www.careratings.com](http://www.careratings.com)

**About the Company-AMP Energy Green Private Limited**

AMP Energy Green Private Limited (AEGPL), incorporated in September 2019 and is established as a sub holding company of AMP Energy India Private Limited (AEIPL, formerly known as AMP Solar India Private Limited, rated CARE BBB; Stable/CARE A3+).

This subsidiary (AMP Energy Green Private Limited) has been developed as 'Cluster IV', through which the equity will be routed for setting up SPVs engaged in utility scale renewable projects for generation and sale of renewable power. This company would bid for projects of utility scale with strong counterparties.

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

Brief Financials of AEIPL is available on [www.careratings.com](http://www.careratings.com)

Brief Financials-AEGPL Standalone (Rs. Crore)	FY20 (A)
Total Operating Income	0.15
PBILDT	0.07
PAT	0.01
Overall gearing (times)	NA
Interest coverage (times)	1.35

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

#### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-fund-based - LT-Bank Guarantees	-	-	-	21.20	Provisional CARE BBB (CE); Stable
Non-fund-based - ST-Bank Guarantees	-	-	-	19.00	Provisional CARE A3+ (CE)
Non-fund-based - ST-Bank Guarantees	-	-	-	25.00	CARE A3+ (CE)
Un Supported Rating-Un Supported Rating (Long Term)	-	-	-	0.00	CARE BBB-
Un Supported Rating-Un Supported Rating (Short Term)	-	-	-	0.00	CARE A3

#### Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Non-fund-based - LT-Bank Guarantees	LT	21.20	Provisional CARE BBB (CE); Stable	1)CARE BBB-; Stable (19-May-20)	-	-	-
2.	Non-fund-based - ST-Bank Guarantees	ST	19.00	Provisional CARE A3+ (CE)	1)CARE A3 (19-May-20)	-	-	-
3.	Non-fund-based - ST-Bank Guarantees	ST	25.00	CARE A3+ (CE)	-	-	-	-
4.	Un Supported Rating-Un Supported Rating (Long Term)	LT	0.00	CARE BBB-	-	-	-	-
5.	Un Supported Rating-Un Supported Rating (Short Term)	ST	0.00	CARE A3	-	-	-	-

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities**

Long term loan	Detailed explanation
<b>A. Financial covenants</b>	NA
-	-
<b>B. Non- financial covenants</b>	
Positive Covenants	Borrower shall: <ol style="list-style-type: none"> <li>i. Comply with all applicable laws and obtain/ maintain all authorizations</li> <li>ii. Maintain proper books of accounts to accurately reflect its financial condition</li> <li>iii. Amend its constitutional documents as required by the bank</li> <li>iv. Utilize the facility only for the purpose it is sanctioned</li> <li>v. Ensure that commensurate share of all businesses such as cash management service, foreign exchange business and employee salary accounts are routed through the bank</li> </ol>
Negative Covenants	Borrower shall not, without prior written approval of the bank: <ol style="list-style-type: none"> <li>i. Enter into any merger/ amalgamation etc. or do a buyback except the scheme of arrangement already under the consideration of NCLT</li> <li>ii. Make any restricted payments other than as permitted</li> <li>iii. Wind up/ liquidate its affair</li> <li>iv. Change the general nature of its business or undertake any substantial expansion or invest in any other entity other than subsidiaries and except in the normal course of business</li> <li>v. Dispose its assets other than as permitted by the bank in writing or except in the normal course of business</li> <li>vi. Utilize the facility sanctioned for any purpose other than the end use as permitted</li> </ol>

**Annexure 4: Complexity level of various instruments rated for this Company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Non-fund-based - LT-Bank Guarantees	Simple
2.	Non-fund-based - ST-Bank Guarantees	Simple

**Note on complexity levels of the rated instrument:** 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.

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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

### Disclaimer

CARE's 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. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks 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. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook 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. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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