



Press Release

Viviid Renewables Private Limited (VRPL)

January 19, 2024

Ratings:

Instrument / Facility	Amount (Rs crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	1.00	IVR BBB- / Stable (IVR Triple B minus with Stable Outlook)	Assigned	Simple
Proposed Cash Credit	4.00	IVR BBB- / Stable (IVR Triple B minus with Stable Outlook)	Assigned	Simple
Short Term Bank Facilities	23.00	IVR A3 (IVR A Three)	Assigned	Simple
Proposed Bank Guarantee	47.00	IVR A3 (IVR A Three)	Assigned	Simple
Total	75.00 (Rupees Seventy-five crore only)			

Details of Facilities are in Annexure 1

Detailed Rationale:

The ratings assigned to the bank facilities of Viviid Renewables Private Limited continue to derive strength from its experienced promoters and management, VRPL's unique line of business activity, healthy financial risk profile and strong order book indicating high revenue visibility. However, the rating strengths are partially offset by susceptibility of the operating revenues to risk associated with timely completion of the projects and customer concentration risk.

Key Rating Sensitivities:

Upward Factors:

- Substantial and Sustained increase in scale of operations.
- Growth in its order book along with successful execution thereof and reduction in concentration risk on a sustained basis.



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Downward Factors:

- Any decline in operating income and/or profitability leading to deterioration in overall financial risk profile of the company.

Key Rating Drivers with detailed description:

Key Rating Strengths:

Experienced promoters and management

Vivid Renewable Private Limited (VRPL) is promoted by Mr. Siddharth Mehra and Ms. Radhika Mehra who cumulatively carries over five decades of experience in renewable energy segment. The promoter has long experience of establishing infrastructure for wind and solar energy. The promoters are well supported by team of qualified & experienced professional. The company has a team of experienced Corporate Professionals, Air Force Veterans, Wind Research Engineers, Business Development and Operations Officers. VRPL has presence in eight windy states of India with separate land and liasioning team for each state. Average experience of key personnel of the company stands at 27 years and some of them have performed at senior level in government departments.

VRPL's unique line of business activity:

VRPL has a unique line of activity which provides ready to plug in facilities for solar and wind parks to its client. In order to establish ready to plug (ready to use) infrastructure, VRPL conducts important activities like site selection, feasibility analysis, land approvals and acquisition, construction, and power generations etc. Very few companies in the sector offers such infrastructure in renewable segment which make VRPL's line of activity unique.

Healthy financial risk profile:

The financial risk profile of the company is comfortable with low financial leverage as envisaged by overall gearing of 0.01x and TOL/TNW of 0.35x as on March 31, 2023. The company does not have debt (except for car loan outstanding) as of March 2023. The debt protection indicators are healthy as of March 2023 as seen by Interest Coverage Ratio of 226.6x (FY22: 23.19x).



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Strong order book indicating high revenue visibility.

VRPL's order book stood at around Rs. 1133 crore as on September 30, 2023 (~6.02 times of the revenues in FY2023), which provides adequate revenue visibility in the near to medium term. Infomerics notes that the company's ability to implement the project within the timeline remains a key deliverable.

B. Key Rating Weaknesses

Susceptibility of the operating revenues to risk associated with timely completion of the projects.

The company undertakes contracts for infrastructure construction for solar power projects and wind energy projects across geographies which stipulates timelines for the completion of the project as per the agreed schedule and cost, the company has unexecuted order book of Rs. 1133 crore to be executed over the near to medium term. Timely implementation of the projects depends on the acquisition of land & receipt of various other approvals. The company's ability to maintain its operating profitability despite these challenges will remain key to maintain healthy credit profile.

Customer concentration risk

VRPL faces customer concentration risk as company has a client base of selected customers. Any change in key commercial terms can have significant impact on profitability and credit risk profile of VRPL.

Analytical Approach: Standalone

Applicable Criteria:

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for service sector companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

Liquidity – Adequate

The liquidity position of the company is adequate. Current ratio stood comfortable at 1.75x as on March 31, 2023. The company has free cash and cash equivalent of Rs.14.39 crore as on March 31st, 2023, against negligible fixed debt (car loan) repayment obligations.



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About the Company

Viviid Renewables Pvt. Ltd. has been founded by Mr. Siddharth Mehra, who has experience of 15+ years in Wind industry. Viviid Renewables Private Limited (VRPL) is a renewable energy infrastructure provider company. VRPL is Renewable Project developer in India, having team of experienced professional in Solar & Wind farm development It provides basic renewable infrastructure for wind, solar energy to its clients. Currently VRPL has projects in states like Gujarat, Rajasthan, Maharashtra, and Karnataka etc.

Financials: Standalone

(Rs. crore)

For the year ended/* As On	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	165.97	188.19
EBITDA	30.30	12.51
PAT	21.76	8.23
Total Debt	17.84#	43.97#
Adjusted Tangible Net-worth	98.57	132.35
Ratios		
EBITDA Margin (%)	18.26	6.65
PAT Margin (%)	13.09	4.37
Overall Gearing Ratio (x)	0.01	0.01

*Classification as per Infomerics' standards

#Total Debt includes unsecured loans from promoters.

Status of non-cooperation with previous CRA: Nil

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (September 04, 2023)	Date(s) & Rating(s) assigned in 2021-22 (August 30, 2022)	Date(s) & Rating(s) assigned in 2020- 21



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1.	Long Term Bank Facilities	Long Term	1.00	IVR BBB-/ Stable	-	-	-
2.	Proposed Cash Credit	Long Term	4.00	IVR BBB-/ Stable	Withdrawn	IVR BBB/ Stable	-
3.	Short Term Bank Facilities	Short Term	23.00	IVR A3	-	-	-
4.	Proposed Bank Guarantee	Short Term	47.00	IVR A3	Withdrawn	IVR A3+	-

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations. Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary. For more information visit www.infomerics.com.

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any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs 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/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Cash Credit	-	-	Revolving	1.00	IVR BBB-/ Stable
Proposed Cash Credit	-	-	-	4.00	IVR BBB-/ Stable
Bank Guarantee	-	-	-	23.00	IVR A3
Proposed Bank Guarantee	-	-	-	47.00	IVR A3

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-Viviid-Renewables-jan24.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it based on complexity and a note thereon is available at www.infomerics.com.