



Press Release

Viviid Renewables Private Limited (VRPL)

August 30, 2022

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Proposed Long Term Bank Facilities – Cash Credit	15.00	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	Assigned	Simple
Proposed Short Term Bank Facilities – Letter of Credit/ Bank Guarantee	20.00	IVR A3+ (IVR A Three Plus)	Assigned	Simple
Total	35.00 (Rupees Thirty Five crore only)			

Details of Facilities are in Annexure 1

Detailed Rationale

The ratings assigned to the bank facilities of the Viviid Renewables Private Limited (VRPL) factors in the experience of its promoters and management in renewable energy industry, company's unique line of business activity, healthy profitability and financial risk profile and strong order book indicating high revenue visibility. The ratings are, however, constrained by company's susceptibility of the operating revenues to risk associated with timely completion of the projects and high customer concentration risk.

Key Rating Sensitivities

Upward Factor

- 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 Factor

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

Detailed Description of Key Rating Drivers

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 teams 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.

VRPL's unique line of business activity; integrated service provider

VRPL has 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 wind monitoring data, site selection, feasibility analysis, land approvals and acquisition, and construction of power evacuation infrastructure. Very few companies in the sector offer such infrastructure in renewable segment which make VRPL's line of activity unique

Healthy profitability & financial risk profile

The financial risk profile of the company is comfortable with low financial leverage as envisaged by overall gearing (Adjusted) of 0.01x (FY21: 0.00x) and TOL/TNW (Adjusted) of 0.35x (FY21: 0.49x) as on March 31, 2022. The company does not have any major term debt outstanding as of March 2022. The debt protection indicators are healthy as of March 2022 as seen by Interest Coverage Ratio of 23.56x (FY21: 13.97x). The Company has healthy operating parameters as given by EBITDA margin of 18.29% (FY21: 17.67%) and



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PAT margin of 13.09% (FY21: 12.00%) for the year ended March 2022. The revenues of the Company increased in FY22 to Rs. 165.97 crores from Rs. 74.19 crores in FY21.

Strong order book indicating high revenue visibility

VRPL's unexecuted order book stood at around Rs. 1193.03 crore as on March 31, 2022 (~7.19 times of the revenues in FY2022), 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.

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. 1193.03 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.

High Customer Concentration Risk

VRPL faces high customer concentration risk as company has 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 \(Non-Financial Sector\)](#)



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Liquidity- Adequate

The liquidity position of the company is adequate as the company is expected to generate sufficient cash accruals.. Current ratio stood comfortable at 2.26x as on March 31, 2022. The company doesn't have any major capex planned till FY25.

About the Company

Incorporated in December,2019, with its registered office in Mumbai. Viivid Renewables Private Limited (VRPL) is a renewable project developer with its presence in 8 windy states in India. VRPL provides complete package (ready to plugin) for wind farm project development to its clients. VRPL performs various activities which includes wind data monitoring, land acquisition, civil works, electrical infrastructure like setting up of power evacuation lines and pooling substations, and obtaining regulatory approvals from various authorities to provide ready to use renewable energy infrastructure to its client.

Financials (Standalone)

(Rs. crore)		
For the year ended / As On*	31-03-2021 (Audited)	31-03-2022 (Audited)
Total Operating Income	74.19	165.97
EBITDA	13.11	30.35
PAT	8.92	21.76
Total Debt	13.34	17.84
Adjusted Tangible Net Worth	73.14	98.57
Ratios		
EBITDA Margin (%)	17.67	18.29
PAT Margin (%)	12.00	13.09
Overall Gearing Ratio (x) (Adjusted)	0.00	0.01

**As per Infomerics' standards*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



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Rating History for last three years:

Sl. No.	Name of Instrument/Facilities	Current Rating (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1	Proposed Cash Credit	Long Term	15.00	IVR BBB/ Stable	-	-	-
2	Proposed Letter of Credit/Bank Guarantee	Short Term	20.00	IVR A3+	-	-	-

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Proposed Cash Credit	-	-	-	15.00	IVR BBB/ Stable
Proposed Letter of Credit/Bank Guarantee	-	-	-	20.00	IVR A3+

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

Annexure 3: Facility wise lender details: Not Applicable

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 on the basis of complexity and a note thereon is available at www.infomerics.com.