

August 01, 2022

Vikram Solar Limited: Rating Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term Loans	324.01	324.01	[ICRA]BBB (Negative); Withdrawn
Cash Credit	427.00	427.00	[ICRA]BBB (Negative); Withdrawn
Non Fund Based Limits	1525.00	1525.00	[ICRA]A3+; Withdrawn
Unallocated	23.99	23.99	[ICRA]BBB (Negative)/[ICRA]A3+; Withdrawn
Total	2300.00	2300.00	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of Vikram Solar Limited at the request of the company and based on the No Objection Certificate received from the lenders. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers, Liquidity Position, Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	Consolidated The list of companies that are consolidated to arrive at the ratings are given in Annexure-2 below

About the company

VSL, promoted by Kolkata-based Vikram Group, is a solar photo voltaic (PV) module manufacturing company. The company started its commercial operations in September 2009 and has an 850-MW operational solar PV module capacity at its plants at the Falta Special Economic Zone (FSEZ) in West Bengal. It has recently set up an additional 1-GW PV module manufacturing capacity in Chennai, Tamil Nadu, which became operational in September 2021. In addition, VSL undertakes engineering, procurement and construction (EPC) of solar power plants, and operates and sells power from a 10-MW solar power plant.

Key financial indicators (audited)

	Standalone		Consolidated	
Vikram Solar Limited	FY2020(Audited)	FY2021(Audited)	FY2019(Audited)	FY2020(Audited)
Operating Income (Rs. crore)	1,521.01	1,578.02	1,957.72	1,630.26
PAT (Rs. crore)	6.04	37.14	41.46	22.50
OPBDIT/OI (%)	9.24%	11.31%	9.19%	10.05%
PAT/OI (%)	0.40%	2.35%	2.12%	1.38%
Total Outside Liabilities/Tangible Net Worth (times)	3.18	3.06	3.12	3.36
Total Debt/OPBDIT (times)	3.77	3.76	3.31	3.23
Interest Coverage (times)	1.48	1.79	1.97	1.73

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation ; FY2021 Consolidated financials were not available

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Rating (FY2023)				Chronology of Rating History			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in	Date & Rating in FY2022		Date & Rating in FY2021	Date & Rating in FY2020
					August 01, 2022	Dec 28, 2021	Sep 29,2021	Jun 08, 2020	May 30, 2019
1	Term Loans	Long-Term	324.01	-	[ICRA]BBB(Negative); Withdrawn	[ICRA]BBB (Negative)	[ICRA]A- (Stable)	[ICRA]A-(Stable)	[ICRA]A-(Stable)
2	Cash Credit	Long-Term	427.00	-	[ICRA]BBB(Negative); Withdrawn	[ICRA]BBB (Negative)	[ICRA]A-(Stable)	[ICRA]A-(Stable)	[ICRA]A-(Stable)
3	Non-fund based limits	Short-Term	1525.00	-	[ICRA]A3+; Withdrawn	[ICRA]A3+	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+
4	Unallocated	Long Term/ Short Term	23.99		[ICRA] BBB(Negative)/ [ICRA]A3+; Withdrawn	[ICRA]BBB (Negative)/ [ICRA]A3+	[ICRA]A-(Stable)/[ICRA]A2+	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Term Loan	Simple
Cash Credit	Simple
Non-Fund based limits	Very Simple
Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or

complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs Crore)	Current Rating and Outlook
NA	Term Loans	FY2013	NA	FY2032	324.01	[ICRA]BBB (Negative); Withdrawn
NA	Cash Credit	-	-	-	427.00	[ICRA]BBB (Negative); Withdrawn
NA	Short term, Non-Fund based Limits	-	-	-	1525.00	[ICRA]A3+; Withdrawn
NA	Long /Short term unallocated	-	-	-	23.99	[ICRA]BBB (Negative)/[ICRA]A3+; Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
VP Utilities & Services Private Limited	100.00%	Full Consolidation
VSL Green Power Private Limited	100.00%	Full Consolidation
Vikram Solar Foundation	100.00%	Full Consolidation
Vikram Solar Cleantech (P) Limited	100.00%	Full Consolidation
Vikram Solar GmbH	100.00%	Full Consolidation
Vikram Solar Pte. Limited	100.00%	Full Consolidation
Vikram Solar Us Inc	100.00%	Full Consolidation

Note: The above entities have been considered as part of the consolidated financial statement of VSL

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