



Auro Mira Bio Energy Madurai Limited

Instrument	Amount	Rating Action
	In Rs Crore	March 2013
Long term, Term Loans	44.00	[ICRA]D, assigned
Long term, Fund based facilities	5.00	[ICRA]D, assigned
Short term, Non fund based facilities	5.00	[ICRA]D, assigned

ICRA has assigned a long term rating of [ICRA]D (pronounced as ICRA D) to the Rs 49.0 crore^{*} term loans and fund based working capital facilities of Auro Mira Bio Energy Madurai Limited (AMBEML). ICRA has also assigned a short term rating of [ICRA]D (pronounced as ICRA D) to the Rs 5.0 crore non-fund based bank limits of AMBEML[†].

The ratings factor in the weak credit profile of the company characterised by continuing losses, high gearing, weak debt coverage indicators and significant delays in repayment of term loan obligations. The ratings also consider the low Plant Load Factor (PLF) levels following technical outages, challenges in fuel sourcing and poor grid availability. Rising biomass fuel costs and large interest expenses have resulted in stress on the profitability and this further constrains the ratings. ICRA also takes note of the Group's aggressive expansion plans, with nine other plants in various stages of commissioning, likely to result in stretched liquidity in the near to medium term. ICRA, however, considers the strong operational expertise of the Group, the funding support extended by the financial investors for the expansion plans and the growing policy focus by the Government on renewable power generation.

Company Profile

Auro Mira Bio Energy Madurai Limited (formerly known as Astro Energy and Bio Systems Limited) is a wholly owned subsidiary of Auro Mira Energy Company Private Limited and operates a 10 MW biomass based power plant in Kallupatti, Madurai. The plant was commissioned in April 2009 and uses Juliflora as the primary fuel. The company initially supplied power to the Tamilnadu state electricity utility. However, the company has opted out of the PPA in July 2011 and has been supplying power to industrial users. AMBEML reported a loss of Rs 5.2 crore on net sales of Rs 33.5 crore in FY 2012.

Auro Mira Group[‡] is a Chennai based business group focused on generation of renewable power. It was founded in December 2005 by professionals with domain experience. Baring Private Equity Partners, a global private equity fund, is the largest investor and the Group has also attracted investments from International Finance Corporation, Aureos South Asia Fund and ePlanet Capital. The Group is presently focusing in the Biomass, Small Hydro and Wind Sectors and has 13 projects across the southern states (four operational plants).

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^{*} 100 lakh = 1 crore = 10 million

[†] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications

[‡] Rationales on Group entities, Auro Mira Bio Power India Private Limited and Sugnaneshwara Hydrel Power Private Limited, are available at ICRA's website



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