



AMR Power Private Limited

Rating History

	Amount (Rs crore)	Rating Outstanding	Previous Rating	
		Jan 2011		
Long term loans	Rs 95.0 crore	LBB		

ICRA has assigned a rating of LBB (pronounced as L double B) to the Rs 95 crore long term loans of AMR Power Private Limited (AMR)[†]. The outlook assigned is stable.

ICRA's LBB rating of AMR factors in the significant delays in execution of the 24.5 MW project which has resulted in not only high capital cost (because of significant IDC) but also resulted in delays in debt repayments and a debt restructuring in the past. Further, given the high project cost, modest design PLF (of 36%) and relatively low tariff levels, the returns of the project are likely to remain modest going forward. Further, the project would continue to remain subject to hydrological risks, given that AMR is not covered under deemed generation clause in case of loss of generation due to shortage of water. Given that the revenues of the company are linked to actual unit sales, this exposes the company's cashflows to risks of significant seasonality as well, which can result in mismatches in cashflows, although this is partly mitigated by the fact that the company has built up a significant DSRA. The rating also factors in the nascent stage of the company's operations as the 24.5 MW project became operational only in June 2010 and faced initial stabilisation issues. The rating, however draws comfort from the fact that the plant being operational, a firm off take arrangement with Mangalore Electric supply Company limited (MESCOM) for a tenure of 20 years being in place and limited demand risks arising out of significant energy deficit in southern India and the attractive tariffs being offered to the discom. Further, ICRA has derived comfort from the possibility of incremental revenue stream from sale of CERs and RECs. Going forward, satisfactory hydrology and the ability of the company to meet the designed performance parameters and ensure timely repayment of its debt obligations would thus remain key rating drivers.

Company Profile

AMR Power Private Limited (AMR) is an IPP owned by the Greenko Group, Plc. The company operates a 24.5 MW small run of the river hydel power plant located near near Perla Village, Bantwal Taluk of Dakshina Kannada (South Canara) District in Karnataka. Greenko Group was founded in 2006 by Anil Chalamalasetty and Mahesh Kolli with seed capital from Small Is Beautiful (an India based fund) and Aloe (a French private equity group with specialist environmental funds) as an Independent Power Producer, with its focus on developing clean energy assets in India to meet Indian's increasing demand for power. The group is listed on the London Stock Exchange's Alternative Investment Market (AIM), having its asset base in India. Currently the Group operates 183 MW of contracted capacity including 7 hydro, 6 biomass and 1 gas/liquid fuel based plant and has 628 MW of licenses under various stages of development.

The Company together with its subsidiaries ("the group") is in the business of owning and operating clean energy facilities. All the energy generated from these plants is sold to the State Electricity Boards and other electricity transmission and trading companies in India through long-term power purchase agreements ("PPA"). The group is also a part of the Clean Development Mechanism ("CDM") process and generates and sells Certified Emission Reductions ("CER"). The group also generates and sells Voluntary Emission Reductions ("VER"). Greenko has created a de-risked portfolio through broad geographic presence, diversified clean technologies and multiple revenue streams such as long term power purchase agreements, short term merchant sales, power and carbon trading platforms. Greenko aims to build a portfolio of clean energy assets of approximately 1000 MW generating over 3.5 billion

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



units annually by 2014-2015. The Group employs over 600 people & has been significantly strengthened in order to manage further anticipated growth. Greenko is registered in the Isle of Man and operates in India with presence in Hyderabad, New Delhi and Bangalore.

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