Press Release

Ambitious Power Trading Company Limited

May 21, 2025

Ratings

Sl. No.	Instrument/ Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
1.	Long Term Bank Facility	45.00	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed	Simple
2.	Long Term Bank Facility	50.00	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	-	Rating Assigned	Simple
3.	Short Term Bank Facility	5.00	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Rating Reaffirmed	Simple
	Total	**100.00**	**Rupees One Hundred Crore Only**			

Details of Facilities are in Annexure 1
Facility wise lender details are at Annexure 2
Detailed explanation of covenants is at Annexure 3

Detailed Rationale

Infomerics Valuation and Rating Limited (IVR) has reaffirmed/assigned long term rating of IVR BBB- with Stable outlook and short-term rating of IVR A3, for the bank loan facilities Ambitious Power Trading Company Limited (APTCL).

The rating continues to draw comfort from its experienced promoters and management, group support by Jindal Power Limited, improved scale of operations. However, these rating strengths are partially offset by exposure to regulatory risk, exposure to counterparty risks, concentration of trade receivables.

The 'Stable' outlook reflects the experience of the promoters and sustained demand for the power over the near to medium term.

IVR has principally relied on the standalone audited financial results of APTCL's up to 31 March 2024 (refers to period from 1st April 2023 to 31st March 2024) and projected financials from FY2025 to FY2027, and publicly available information/clarifications provided by the company's management.

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Upward factors

- Sustained improvement in total operating income above Rs.2.00 crore leading to higher profitability.
- Improvement in debt protection metrics with improvement in TOL/TNW.

Downward factors

- Decline in scale of operations.
- Significant decline in financial risk profile of the company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced Promoters and Management:**
  Mr. Rajeev Jain serves as a Key Management Personnel (KMP) in the company and has over a decade of experience in the power trading industry. He is supported by fellow directors Rajesh Kumar Maurya and Sarat Kishore Panda, both of whom also possess significant experience in this sector. Together, this leadership team combines their expertise to drive the company's operations and strategic initiatives effectively. Their collective knowledge enhances the company's ability to navigate the complexities of the power trading landscape.

- **Group support by Jindal Power Limited:**
  Jindal Power Limited is the holding company of Ambitious Power Trading Company Limited, which has a total power generation capacity of 4,000 MW—3,400 MW at Tamnar and 600 MW at Simhapuri. Ambitious Power Trading Company Limited acquires power from Jindal Power Limited and sells it to major state electricity boards under a specified arrangement. Additionally, it facilitates power sales on the Power Exchange India Limited (PXIL). This strategic relationship enhances the company's operational capabilities and market presence in the power trading sector.

- **Improved scale of operations:**
  Total operating income of the company has improved from Rs.0.08 crore in FY2023 to Rs.0.23 crore in FY2024 on account of company enhanced operations. The total operating income includes revenue from power supply of agency nature (Jindal Power Limited) and other operating income. EBIDTA and PAT have improved from Rs. -0.02 crore and Rs.0.85 crore respectively in FY2023 to Rs.0.07 crore and 0.91 crore respectively in FY2024.

Key Rating Weaknesses

- **Exposure to regulatory risk:**
  Interstate power trading is a highly regulated and licensed activity overseen by the Central Electricity Regulatory Commission (CERC). Consequently, any increase in

regulations or the imposition of stricter caps by the CERC could lead to a reduction in trading volumes. Changes in regulations related to medium- or long-term trading may necessitate a reassessment of the company's business model. As such, the business remains exposed to regulatory risks, including potential changes in tariffs or trading norms. Additionally, cash flow is susceptible to the risk of delayed payments from counterparties, given their moderate credit risk profiles. However, this risk is somewhat mitigated by stable liquidity and well-defined power purchase agreements (PPAs) with all counterparties.

- **Exposure to counterparty risks, concentration of trade receivables:**
  APTCL is exposed to the credit risk profiles of its key customers, particularly the Haryana Power Purchase Centre and the Maharashtra State Electricity Board. Additionally, the company's debtors are concentrated due to its power purchases from related parties. This reliance on a limited number of customers adds another layer of sensitivity to its financial performance. However, the customers of the company are highly reputed and reliable which mitigates the counterparty risks.

Analytical Approach: For arriving at the ratings, IVR has analysed APTCL's credit profile by considering the standalone financial statements of the company.

Applicable Criteria:

Rating Methodology for Trading Companies.
Financial Ratios & Interpretation (Non-Financial Sector).
Criteria for assigning Rating outlook.
Policy on Default Recognition
Complexity Level of Rated Instruments/Facilities
Criteria for parent & Group Support

Liquidity – Adequate

The company has an adequate liquidity position. The company projected to generate cash accruals in the range of Rs.1.92 crore to Rs.2.41 crore against nil repayment obligations in FY2025 to FY2027. The current ratio of the company stood at 1.03 times in FY2024. With adequate expected cash accruals against nil repayments, the liquidity positions will remain adequate.

About the Company

Ambitious Power Trading Company Limited (APTCL) is a subsidiary of Jindal Power Limited. Currently, APTCL holds a category 'IV' interstate electricity trading license issued by the Hon'ble CERC. APTCL is engaged in power trading activities, including the sale and purchase of electricity through power exchanges and participation in power procurement tenders floated by various discoms.

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Financials (Standalone):

(Rs. crore)

For the year ended*/As on	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	0.08	0.23
EBITDA	-0.02	0.07
PAT	0.85	0.91
Total Debt	0.00	0.00
Tangible Net worth	12.62	13.53
EBITDA Margin (%)	-20.70	29.59
PAT Margin (%)	69.27	65.95
Overall Gearing Ratio (x)	0.00	0.00
Interest Coverage Ratio (x)	Not Meaningful	Not Meaningful

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (February 21, 2025)	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Non Fund Based	Long Term	45.00	IVR BBB-/Stable	IVR BBB-/Stable	-	-
2.	Non Fund Based	Long Term	50.00	IVR BBB-/Stable	-	-	-
3.	Fund Based	Short Term	5.00	IVR A3	IVR A3	-	-

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About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) (Formerly Infomerics Valuation and Rating Private Limited) 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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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Bank Guarantee	-	-	-	95.00*	IVR BBB-/Stable
Overdraft	-	-	-	5.00	IVR A3

**Enhanced Bank Guarantee limit from Rs.45.00 crore.*

Annexure 2: Facility wise lender details:

https://www.infomerics.com/admin/prfiles/len-APTCL-may25.pdf

Annexure 3: Detailed explanation of covenants of the rated securities/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: 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 Complexity Level of Rated Instruments/Facilities.