

June 17, 2025

## AMP Energy Green Five Private Limited: Long-term rating upgraded to [ICRA]A (Stable) and short-term rating reaffirmed

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term-term loan-fund based	440.25	440.25	[ICRA]A (Stable); Upgraded from [ICRA]A- (Stable)
Short term-bank guarantee-non fund based	15.00	15.00	[ICRA]A2+; Reaffirmed
<b>Total</b>	<b>455.25</b>	<b>455.25</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The long-term rating upgrade of AMP Energy Green Five Private Limited (AEGFPL) reflects the mitigation of execution and project stabilization risk, as its 135 MWp solar power project successfully achieved commercial operations in June 2024 and has demonstrated a healthy operational performance over the past 10-11 months since its commercial operations. During this period, the plant achieved a plant load factor (PLF) of 22.9%, surpassing its DC P90 estimate of 22.1%. Given the improvement in standalone credit profile, ICRA has revised the rating approach from standalone with implicit support from parent to standalone credit assessment.

The ratings continue to derive strength from the high revenue visibility and minimal offtake risk for its solar power project given the presence of a long-term (25-year) power purchase agreement (PPA) with a strong central counterparty, Solar Energy Corporation of India Limited (SECI [ICRA]AAA (Stable) / [ICRA]A1+) and at a fixed tariff of Rs. 2.37<sup>1</sup> per unit. SECI, acting as an intermediary, has executed power supply agreements (PSAs) with the state-owned distribution utilities of Telangana. SECI's inclusion in the tripartite agreement (TPA) with the Government of India, the Reserve Bank of India, and state governments provides a safeguard against payment delays from distribution companies (discoms). The PPA and PSAs also include protective clauses such as compensation for grid curtailment or backdown and termination liability, offering additional assurance. Notably, SECI has maintained a strong payment track record, with monthly payments consistently being received within 15 days of billing over the past 10–11 months. These factors, along with the superior tariff competitiveness of the project, mitigate the counterparty credit risk for the company.

The long debt repayment tenure with amortizing structure and the project's competitive interest rate are expected to support the company to achieve adequate debt coverage metrics, with an average DSCR estimated to remain above 1.20x. AEGFPL also benefits from operations and maintenance (O&M) agreement with a renowned O&M player at competitive rate, ensuring efficient operations, high plant availability, and minimal downtime. The ratings further derive comfort from the presence of an experienced sponsor in the form of the AMPIN Energy with an overall renewable power portfolio of 5 GW of which approximately 1.5 GW is operational and 3.5 GW is under-development and construction and backed by reputed investors such as LGT Lightrock group, Atlanta Investment Pte Limited (Integrated Capital Group), Asian Infrastructure Investment Bank (AIIB), SDIEF Holdings 1 Pte Limited, Aravest Holdings (A fund managed by SMBC) and Siemens.

<sup>1</sup> Tariff has an additional expected increase to Rs. 2.44/unit from 2.37/unit in lieu of the change in law benefit arising from the increase in GST rates on the capital cost for solar power projects from 8.9% (at the time of bidding) to 13.8%.

The company is currently supplying power to SECI / Telangana discoms under deemed temporary general network access (GNA) through a temporary network route at the PPA tariff, as the commencement of long-term GNA is pending owing to certain pending transmission infrastructure works. The company expects the supply through long term GNA to commence by the end of July. Also, as per the approved PPA terms, the tenor of 25 years will start from the date of operationalization of connectivity/ GNA, providing added visibility on the cash flows of the project.

The ratings are constrained by the sensitivity of the company's debt coverage metrics to its generation performance. Variation in weather conditions or underperformance of solar modules could adversely impact generation level, thereby affecting cash flows, given the single-part and fixed-tariff structure of the PPA. Additionally, AEGFPL faces geographical concentration risk, as its operations are limited to a single asset located in Rajasthan, making it vulnerable to location-specific disruptions. The company is also subject to regulatory challenges related to the implementation of the scheduling and forecasting framework applicable to the solar power sectors. Further rating is also constrained by the exposure of company's debt coverage metrics to the movement in interest rate on the project debt.

The Stable outlook factors in the revenue visibility from the long-term PPA and a satisfactory generation performance which is expected to keep debt coverage metrics adequate. The outlook is also supported by the timely receipt of payments from the off taker, which is expected to help maintain a comfortable liquidity headroom, going forward.

### Key rating drivers and their description

#### Credit strengths

**Revenue visibility due to long-term PPA and superior tariff competitiveness** - AEGFPL has low offtake risk owing to the presence of a long-term (25 years) PPA at a highly competitive tariff of Rs. 2.37 per unit for the entire project capacity with SECI. The long-term PPA provides revenue visibility for the company. SECI is an intermediary counterparty and has signed PSAs with the state-owned distribution utilities of Telangana (Southern Power Distribution Company of Telangana Limited and Northern Power Distribution Company of Telangana Limited). Further, the applicable tariff of Rs. 2.44/unit (including GST pass through) for the distribution utilities, i.e. the ultimate off takers, is highly competitive in relation to the average power purchase cost for the ultimate off takers.

**Satisfactory generation performance post achieving commercial operations** - Since achieving commercial operations in June 2024, the plant has demonstrated healthy operational performance with a PLF of 22.9%, which exceeds the DC P90 estimate of 22.1%. The sustainability of this performance going forward remains important. Additionally, AEGFPL has entered into an O&M agreement with an experienced and reputed O&M service provider for renewable energy projects.

**Low counterparty credit risk** - The counterparty credit risk for AEGFPL is low as SECI is the sole off-taker for the entire project capacity for the entire duration of 25 years. Counterparty risk remains low as SECI has a strong credit profile and is under the administrative control of the Ministry of New and Renewable Energy, Government of India. SECI's inclusion in TPA between Government of India, State governments and Reserve Bank of India (RBI) to ensure a payment security mechanism (PSM) for supply agreements between Central PSUs such as SECI and state discoms for supply of power, limits the counter party credit risk for the project.

It may be noted that SECI is playing the role of an intermediary and has in turn signed Power Sale Agreement (PSA) with state-owned distribution utilities in Telangana (Southern Power Distribution Company of Telangana Limited and Northern Power Distribution Company of Telangana Limited), which are the ultimate off-takers under this scheme. SECI is thus enabling the discoms to fulfil their own Renewable Purchase Obligation (RPO). The performance of the obligations of SECI under the arrangement shall be subject to the ability of SECI to enforce corresponding obligations assumed by respective discoms on resale under the PSA. It is however specifically agreed that the payment of money becoming due from SECI to the AEGFPL under the PPA shall not be on a back-to-back basis. SECI shall discharge the tariff payment obligation in terms of provision of the PPA.

## Credit challenges

**Single-asset operations; sensitivity of debt metrics to energy generation** – The debt metrics for solar power projects remain sensitive to the PLF level, given the one-part tariff structure under the PPA. Hence, any adverse variation in weather conditions and/or module performance may impact the PLF and consequently the cash flows. The geographic concentration of the asset amplifies the generation risk. While the generation has been satisfactory, vis-à-vis P90 estimates over the past 10 months, the sustainability of this performance remains key.

**Risks associated with delay in grant of long-term GNA access** - Long term open access/GNA approval is awaited due to certain pending transmission infrastructure works at the off taking utility level. In the interim period, the company is supplying power to SECI / Telangana discoms under deemed GNA clause at the PPA tariff. The supply under long-term GNA is expected to commence by the end of June 2025. Any disruption in sale of power owing to issues with GNA remains a key rating sensitivity. PPA tenor of 25 years will start from start date of connectivity/GNA which will give added tenor and cashflows for the project.

**Interest rate risk and regulatory risks** - The capital structure of the company is leveraged, evident from the debt-funded capex deployed for setting up the project. Therefore, the debt coverage metrics of the company remain exposed to adverse changes in interest rate and given the fixed tariff under the PPA. Also, the company remains exposed to regulatory challenges related to the scheduling and forecasting framework applicable to the solar power sectors.

## Liquidity position: Adequate

The liquidity profile of the company is expected to remain adequate, supported by a healthy buffer in cash flow from operations and debt servicing obligations. The company is expected to generate cash flow from operations of ~Rs. 17.8 crore and Rs. 18.9 crore against debt repayment obligations of Rs. 5.2 crore and Rs 7.0 crores in FY2026 and FY2027 respectively. Additional liquidity is available in the form of one-quarter debt service reserve equivalent to Rs. 9.75 crore, maintained in the form of a fixed deposit (FD) and free cash and cash equivalent of Rs 7.64 crores as on May 30, 2025.

## Rating sensitivities

**Positive factors** - ICRA could upgrade AEGFPL's ratings if the generation performance stays above the P-90 level, along with timely payments from the off-taker, strengthening the debt coverage metrics of the company on a sustained basis.

**Negative factors** - The ratings can be downgraded in case of the generation performance staying below the P-90 level, adversely impacting the debt coverage metrics. A specific credit metric for downgrade is the cumulative DSCR falling below 1.2 times on a sustained basis. Further, any large delays in realizing payments from the off taker, adversely impacting the liquidity profile of the company, will be a negative factor.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Power - Solar</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

AEGFPL, incorporated in March 2020, is a special purpose vehicle (SPV) promoted by AMP Energy Green Private Limited (AEGPL; cluster-5 hold-co for the Group for utility scale projects), which in turn is held by AMPIN Energy Transition Private Limited (51%) and Copenhagen Infrastructure Partner (49%). The SPV has developed a 135-MWdc solar power project in Jodhpur district of Rajasthan and has signed a 25-year PPA with SECI for power offtake.

## Key financial indicators

Standalone	FY2024	9M FY2025 (Provisional)
Operating income	0.00	35.94
PAT	NM	-4.40
OPBDIT/OI (%)	NM	78.9%
PAT/OI (%)	NM	-11.9%
Total outside liabilities/Tangible net worth (times)	12.47	15.8
Total debt/OPBDIT (times)	NM	13.9*
Interest coverage (times)	NM	1.35

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. Crore.; NM: Not meaningful as the project achieved CoD in June 2024.

\*OPBDIT has been annualized for the calculation of Debt/OPBDIT

## Status of non-cooperation with previous CRA: Not Applicable

## Any other information: None

## Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years					
FY2026				FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs Crore)	17 June 2025	Date	Rating	Date	Rating	Date	Rating
Long term-term loan-fund based	Long Term	440.25	[ICRA]A (Stable)	-	-	26-MAR-2024	[ICRA]A- (Stable)	-	-
Short term-bank guarantee-non fund based	Short Term	15.00	[ICRA]A2+	-	-	26-MAR-2024	[ICRA]A2 +	-	-

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Short Term-Bank Guarantee-Non Fund Based	Very Simple
Long Term-Term Loan-Fund Based	Simple

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 analysing 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 are available on ICRA's website: [Click Here](#)

#### Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance/Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA-	Term Loan	Sep 2024	NA	FY2046	440.25	[ICRA]A (Stable)
NA	Bank Guarantee	NA	NA	NA	15.00	[ICRA]A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

#### Annexure II: List of entities considered for consolidated analysis- Not applicable

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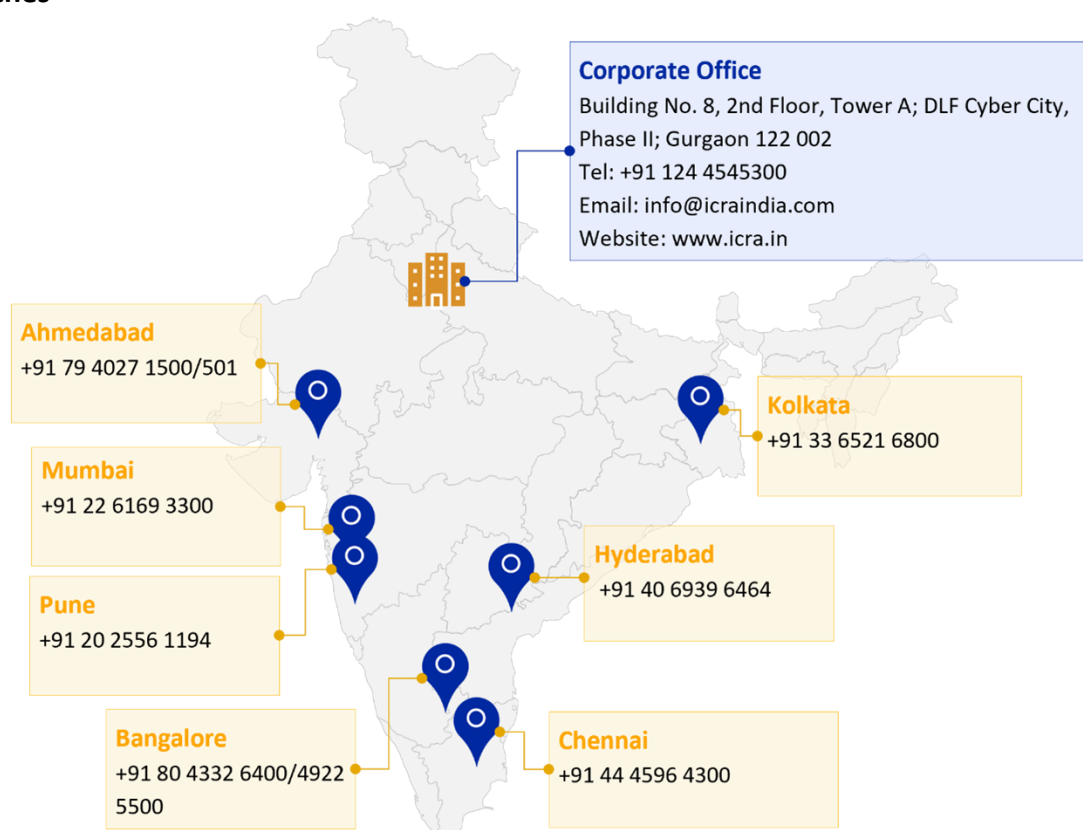
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