

February 14, 2025

Ananth Solar Power Maharashtra Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based - Term loans	5.65	5.28	[ICRA]AA- (Stable); reaffirmed
Total	5.65	5.28	

*Instrument details are provided in Annexure I

Rationale

The reaffirmation of the rating for Ananth Solar Power Maharashtra Private Limited (ASPMPL) factors in the benefits of being a part of the co-obligator structure with other special purpose vehicles (SPVs) - Amplus Energy Solutions Private Limited (AESPL), Amplus Andhra Power Private Limited (AAPPL), Amplus Jyotimangal Energy Private Limited (AJEPL), Sunterrace Energy One Private Limited (SEOPL) and Amplus Superior Solar Private Limited (ASSPL). Under the co-obligor structure, a shortfall in meeting the debt servicing obligations by any SPV will be met from the surplus cash available in the other SPVs that are a part of the structure. Further, the rating also factors in the strengths arising from the strong parentage with Petroliam Nasional Berhad (PETRONAS; rated Moody's A2 Stable) that owns a 100% stake in the holding company of the Amplus Group -Amplus Energy Solutions Pte Ltd.

The rating factors in the operational status of the solar capacity (~48 MW under co-obligator structure) with diversification benefits as the solar assets are located across different geographies as well as the limited offtake risk due to the long-term power purchase agreements (PPAs) signed for the portfolio. The PPAs are signed with commercial and industrial customers with comfortable financial profiles. The PPAs, along with the satisfactory track record of payments of the offtakers, mitigate the counterparty credit risks. While the weighted average PPA tariff for the portfolio is relatively high, the termination/buyout clause in such PPAs and the economics of such tariff against the grid tariff for the respective offtakers remain the mitigating factors. The generation performance of the company declined in 9M CY2024 compared to 9M CY2023 due to lower solar irradiation. Overall, the generation performance continues to be satisfactory. Nonetheless, the ability of the project to demonstrate a generation performance in line or above the appraised estimate and timely payments from the counterparties shall remain the key rating monitorable.

The rating also factors in the benefits arising from the Amplus Group's technical experience and its strategic focus in developing and operating rooftop and ground-mount solar PV projects for commercial and industrial segments. The rating also draws comfort from the company's adequate debt coverage metrics, stipulated cash sweep clause in case of any breach of the specified DSCR level and a DSRA of two quarters (principal and interest). ICRA also takes comfort from the fact that the co-obligor projects' cash flows will not be utilised for funding any expenses over and above the approved O&M expenses (as per loan agreement) or for any investments in projects/SPVs outside the co-obligor arrangement.

The rating, however, is constrained by the sensitivity of generation to solar irradiation levels as the revenues of the company are linked to the actual units generated and exported in view of the single-part tariff structure of the PPA. Also, the ability of the Amplus Group to ensure proper O&M of the solar assets of the project, in line with the stipulated performance parameters in the O&M agreements, remains crucial for the company.

ASPMPL is also exposed to the regulatory risk pertaining to changes in open access charges for captive/onsite solar assets by the respective state electricity regulatory commissions (SERCs). The levy of these charges in future, while payable by the customer, will bring down the tariff competitiveness of the company and will be a key rating sensitivity. However, the attractive PPA tariffs and the economics of such tariff vis-à-vis the grid tariff, the comfortable financial profile of the offtakers and the presence of termination/buyout clause in such PPAs act as the risk mitigants.

The Stable outlook on the [ICRA]AA- rating reflects the revenue visibility provided by the operational status of the projects with a long-term PPA in place as well as timely cash collections expected from the offtaker.

Key rating drivers and their description

Credit strengths

Strong parent support – ASPMPL is a part of the Amplus Group, which is backed by PETRONAS, post its acquisition of the Amplus Group from the erstwhile promoter—I Squared Capital—in April 2019. The rating factors in the benefits of a strong parentage by virtue of the 100% ownership by PETRONAS in the holding company of the Amplus Group, Amplus Energy Solutions Pte Limited. PETRONAS has segregated its new energy business from the earlier gas and new energy business and formed a separate vertical, named Gentari, which will focus on three core-areas - renewable energy, hydrogen and green mobility solutions. The Amplus Group is a strategically important business segment which aligns with PETRONAS' focus on renewable energy. Hence, ICRA expects PETRONAS to continue to provide financial support to the portfolio/SPV, if required.

Low offtake risk due to presence of PPA – The PPA is signed with a commercial & industrial player which has a comfortable financial profile. For the co-obligor portfolio, the termination/buyout clause in most of the PPAs, the competitive tariff against the grid tariff rate and the highly diversified counterparties remain the mitigating factors. The payment from the counterparty has remained satisfactory.

Entire capacity is operational – The company owns rooftop solar projects of ~1.4-MW capacity with a weighted average operational track record of over 10 years.

Strong liquidity backed by upfront creation of DSRA – The liquidity is strong, backed by a DSRA of two quarters for debt servicing by the individual SPVs. Additionally, the long-term PPAs signed with assured offtake (in most PPAs) at remunerative tariffs are likely to keep the cash flow comfortable. The liquidity is further supported by the presence of PETRONAS, which is expected to provide financial support to the portfolio/SPV, if required.

Credit challenges

Vulnerability of cash flows to solar irradiation – The variability in solar irradiation may affect the generation, which may impact the revenues and the cash flow of the projects as the revenues are directly linked to the actual generation. The risk is mitigated to some extent by the geographically diversified asset base of the co-obligor pool of companies. While the risk is material for ASPMPL, the company benefits from being part of the co-obligor pool.

Moderate operational performance – The generation performance of the projects under the company has remained below the P-90 estimates, partly attributable to the distributed rooftop capacities in the overall portfolio and solar irradiance. Nevertheless, the generation performance remains satisfactory and the coverage metrics are expected to remain superior, aided by relatively low external leverage and the long tenure of the project debt.

Moderate tariff competitiveness and exposure to regulatory risk –The entire capacity has been contracted with commercial & industrial consumers where the grid tariff is one of the highest among all the user categories. The PPA tariff although not competitive, are bearable. The loss of revenue of the state distribution utilities exposes these projects to significant regulatory risks. However, majority of the capacity is onsite, wherein the PPA clause covers the pass-through of regulatory charges under change-in-law to a large extent and the ground-mounted open-access-based capacity constitutes only ~5.0% of the co-obligator portfolio.

Exposure to interest rate risk – The tariff for the project is single part in nature and remains exposed to interest rate risk as the interest rate is floating in nature.

Liquidity position: Strong

ASPMPL's liquidity is strong, aided by a DSRA of two quarters and a satisfactory payment track record from the counterparty. The projects are commissioned and the revenues from them are expected to be adequate to meet the debt servicing requirement and operational expenses. In addition to the DSRA of Rs 0.77 crore (standalone), the cash and liquid funds stood at Rs 8.85 crore (standalone) as on December 31, 2024. The liquidity is further supported by the presence of a strong parent, PETRONAS, which is expected to provide financial support to the company, if required.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the projects demonstrate a sustained improvement in generation, strengthening the debt coverage indicators. Timely payments from the counterparties will also support an upgrade. The ratings may also be revised upwards if the credit profile of the ultimate parent, PETRONAS, improves.

Negative factors – Pressure on the rating could arise if there is a deterioration in the operational performance of the company's projects, or if there are delays in payments from the counterparties. A weakening of linkage with ultimate parent PETRONAS, and/or a deterioration in the latter's credit profile will affect the rating. Also, deterioration in the operational performance, causing the cumulative DSCR (for external debt) to fall below 1.20 times, will be a negative trigger. Also, any weakening of the liquidity profile or the debt coverage metrics of the pool would weigh on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar
Parent/Group support	ICRA has consolidated the financials of the six companies under the co-obligator structure – Amplus Energy Solutions Private Limited (~26.7 MW capacity at standalone level), Sunterrace Energy One Private Limited, Amplus Andhra Power Private Limited, Ananth Solar Power Maharashtra Private Limited, Amplus Jyotimangal Energy Private Limited and Amplus Superior Solar Private Limited (ASSPL) to arrive at the notional group rating, after factoring in the support available from the parent, PETRONAS. The notional group rating is used to notch up the individual SPV ratings, factoring in implicit support, given the expected fungibility of surplus cash among the SPVs
Consolidation/Standalone	The rating is based on the standalone financial statements of the rated entity

About the company

ASPMPL, incorporated in 2010, is a wholly-owned subsidiary of AESPL. It has aggregate rooftop solar projects of 2,175.18 kW capacity in Gandhinagar (Gujarat).

Key financial indicators (audited)

Ananth Solar – Standalone	CY2022	CY2023
Operating income	2.0	1.9
PAT	-2.4	1.5
OPBDIT/OI	52.1%	58.8%
PAT/OI	-123.2%	82.4%
Total outside liabilities/Tangible net worth (times)	-2.3	-2.46
Total debt/OPBDIT (times)	24.5	22.73
Interest coverage (times)	0.3	0.35

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Feb-14-2025	FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	5.28	[ICRA]AA-(Stable)	Feb-13-24	[ICRA]AA-(Stable)	Jan-06-23	[ICRA]AA-(Stable)	Feb-28-22	[ICRA]AA-(CE)(Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term - Fund-based – Term loan	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	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loans	Jan 2019	NA	Mar 2033	5.28	[ICRA]AA- (Stable)

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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