

June 24, 2025

## AMPLUS RJ SOLAR 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 Loan	195.00	187.98	[ICRA]AA-(Stable); reaffirmed
<b>Total</b>	<b>195.00</b>	<b>187.98</b>	

\*Instrument details are provided in Annexure I

### Rationale

ICRA's rating reaffirmation for the bank facilities of Amplus RJ Solar Private Limited (ARJSPL) factors in the benefit of a strong parentage, with it being part of the PETRONAS Group. PETRONAS Nasional Berhad (rated Moody's A2 Stable) is focused on scaling up its new energy business under a separate vertical, Gentari, with a focus on renewable energy, hydrogen and green mobility businesses. PETRONAS, through Gentari, intends to build a significant renewable energy capacity by 2030 globally and currently has 7-GW renewable energy capacity (commissioned and under construction) in India. There is a demonstrated track record of financial and operational support to its Indian special purpose vehicles (SPVs) by PETRONAS in the past, which strengthens ARJSPL's credit profile. The rating reaffirmation also considers the benefits arising from Gentari's established track record in developing and operating renewable power projects.

The rating factors in the satisfactory generation performance of the 56.5 MWdc solar power project under ARJSPL since its commissioning in July 2022. The plant load factor (PLF) stood close to P90 levels at ~15.3% in CY2024 and ~15.6% in CY2024. The rating continues to factor in the healthy revenue visibility and low offtake risk due to presence of firm long-term power purchase agreements (PPAs) at a competitive tariff for its solar capacity with multiple commercial and industrial (C&I) offtakers. Further, the satisfactory credit risk profile of the offtakers mitigate the counterparty credit risks. The project remains attractive for the customers due to its tariff competitiveness as compared to state grid tariff rates. The rating also draws comfort from the stipulated cash sweep clause in case of any breach of the specified debt service coverage ratio (DSCR) level as well as a debt service reserve account (DSRA) of two quarters (principal and interest).

The rating, however, is constrained by the sensitivity of cash flows to power generation, given the single-part tariff structure of the PPA. The generation performance remains sensitive to irradiation levels at the site and the equipment performance. The company's ability to ensure proper operations and maintenance (O&M) of the solar asset of the project, in line with the stipulated performance parameters and achieving the design generation estimate, therefore remains crucial. Further, ICRA notes the high operating expenses incurred by the company in the past, which constrained the DSCR level for the project in CY2024. ICRA understands from the company that a major portion of the expenses incurred in the past were one-time in nature. The operating costs are expected to moderate in line with the budgeted costs going forward, thereby improving the debt coverage metrics. Any increase in the operating expenses beyond the budgeted level will require the lender's approval and will be paid either through surplus cash or will necessitate an infusion of funds from the promoter. This remains a key credit monitorable for the company going forward.

The company remains exposed to the regulatory risk pertaining to changes in open access charges for captive solar assets by the Uttar Pradesh State Electricity Regulatory Commission (SERC). Any increase in the levy of these charges in future would impact the tariff competitiveness of the project. Additionally, the realised tariff for partial capacity (for ~1/3rd capacity, open access charges are to be borne by the company) will remain vulnerable to the increase in open access charges in the absence of a rise in grid tariffs (gross PPA tariff inclusive of open access charges is linked to grid tariff), and will be a key rating sensitivity. The attractive PPA tariff, the satisfactory credit profiles of the offtakers and the presence of termination/buyout clause in the PPAs act as risk mitigants.

The Stable outlook on the [ICRA]AA- rating reflects ICRA's opinion that ARJSPL would benefit from the presence of long-term PPAs and the track record of the Group in developing and operating solar power plants.

## Key rating drivers and their description

### Credit strengths

**Strong parent support** – ARJSPL is a part of the Amplus Group (now rebranded under Gentari), which is backed by PETRONAS, following its acquisition of the Amplus Group from the erstwhile promoter—I Squared Capital—in April 2019. The rating factors in the benefits of strong parentage by virtue of the 100% ownership by PETRONAS in the holding company of the Group. PETRONAS has segregated its new energy business from the earlier gas and new energy business and formed a separate vertical, Gentari, which will focus on three core-areas -renewable energy, hydrogen and green mobility solutions. Gentari vertical is a strategically important business segment, which aligns with PETRONAS' strategic focus on renewable energy. Hence, ICRA expects PETRONAS to continue providing financial support to various subsidiaries under the Gentari vertical if required.

**Healthy revenue visibility with firm PPA at competitive tariff** – The company has signed long-term PPAs under the group captive arrangement with tenures of 10-25 years with a blended balance tenure of ~18 years with the offtakers. Two-thirds of the capacity is contracted at fixed tariff rates with open access charges to be borne by the offtakers. For the remaining capacity, the PPA tariff has an annual escalation of 3%, subject to maintaining the specified discount to the grid tariff (ranging from 30-40%), though the open access charges will have to be borne by the company.

**Low counterparty credit risk** – The counterparty credit risk for the portfolio is low on account of the offtaker's healthy credit profile. The company is supplying power under group captive arrangements wherein the customers hold a 26% equity stake. The PPAs have tapering termination payments after the expiry of 10/15/20 years, ranging from 6-18 months. The discount offered to the grid tariff translates into adequate cushion for replacing the customers, should the need arise. Further, the favourable economics of the PPA tariff vis-à-vis the grid tariff for the offtakers is a mitigating factor.

**Satisfactory generation performance and adequate liquidity backed by upfront creation of DSRA** – The project has demonstrated generation performance close to the P90 level, leading to healthy revenue generation over the past two years. Also, the long-term PPAs and assured offtake (deemed generation present in PPAs) at a remunerative tariff are expected to result in comfortable cash flows. Further, a DSRA for two quarters of debt servicing has been created in the form of a bank guarantee as per the sanctioned conditions. The liquidity is also supported by PETRONAS' presence, which is expected to provide financial support to the company if required.

### Credit challenges

**Sensitivity of debt metrics to energy generation** – The company's debt coverage metrics remain exposed to the generation level, given the one-part structure under the PPAs. 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.

**Exposure to regulatory risk** – The company remains exposed to the regulatory risk pertaining to changes in open access charges for captive solar assets by the SERC. The levy of these charges in future will bring down the tariff competitiveness of the project. Additionally, the realised tariff for partial capacity (for ~1/3rd capacity, open access charges are to be borne by the company) will remain vulnerable to the increase in open access charges in the absence of a rise in the grid tariff (gross PPA tariff, inclusive of open access charges, is linked to grid tariff).

**Exposure to interest rate risk** – The tariff for the project is single-part in nature, and the project remains exposed to interest rate risk due to floating interest rates. ICRA notes that as per the sanctioned terms, the interest shall remain fixed for a period of five years (benchmark rate shall be reset after five years).

## Liquidity position: Adequate

ARJSPL's liquidity is adequate, aided by the creation of a two-quarter DSRA (in the form of BG) and timely payments from the counterparties. The project's revenue is expected to adequately meet the company's debt servicing requirement and operational expenses. As on March 31, 2025, the company had cash and cash equivalents of Rs. 6.6 crore.

## Rating sensitivities

**Positive factors** – ICRA could upgrade ARJSPL's rating if its generation performance is better than the P-90 estimate on a sustained basis, strengthening the debt coverage metrics and ensuring timely payments from the offtakers. The rating may also be upgraded if the credit profile of the ultimate parent, PETRONAS, improves.

**Negative factors** – Pressure on ARJSPL's rating could arise if the generation performance is below the P-90 estimate on a sustained basis, adversely impacting its debt coverage metrics. Also, delays in the realisation of payments from the offtakers, adversely impacting the company's liquidity profile, would be a negative trigger. Further, the rating would remain sensitive to the credit profile of its ultimate parent, PETRONAS.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Power - Solar</a>
Parent/Group support	Parent/Group Company: Amplus Energy Solutions Pte Ltd, which is owned by Gentari (a 100% subsidiary of PETRONAS); ICRA expects PETRONAS to be willing to extend financial support to the company, if required, given the business linkages, strategic importance and the willingness shown by the parent to support the company.
Consolidation/Standalone	For arriving at the rating, ICRA has considered the standalone financials of the company

## About the company

Amplus RJ Solar Private Limited, incorporated in 2017, is a subsidiary of Amplus Energy Solutions Pte Ltd. The company has set up a solar project of 56.5 MWp capacity (40 MW AC capacity) in Deoria, Uttar Pradesh (UP). The project achieved COD in July 2022 and is currently supplying power under long-term PPA arrangements to 11 customers in UP under a group captive arrangement. The customers have subscribed to 26% of equity in the company.

## Key financial indicators (audited)

	CY2023	CY2024*
Operating income	28.2	29.5
PAT	-11.1	-7.4
OPBDIT/OI	72.2%	77.7%
PAT/OI	-39.4%	-25.0%
Total outside liabilities/Tangible net worth (times)	4.0	4.6
Total debt/OPBDIT (times)	10.7	9.4
Interest coverage (times)	1.0	1.1

Source: Company, ICRA Research; \* Provisional numbers; 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

Instruments	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jun 24, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
<b>Fund based – Term loan</b>	Long-term	187.98	[ICRA]AA-(Stable)	Apr 19, 2024	[ICRA]AA-(Stable)	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity indicator
<b>Long Term-Fund Based-Term Loan</b>	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	Long Term-Fund Based-Term Loan	Apr 30, 2024	NA	FY 2042	187.98	[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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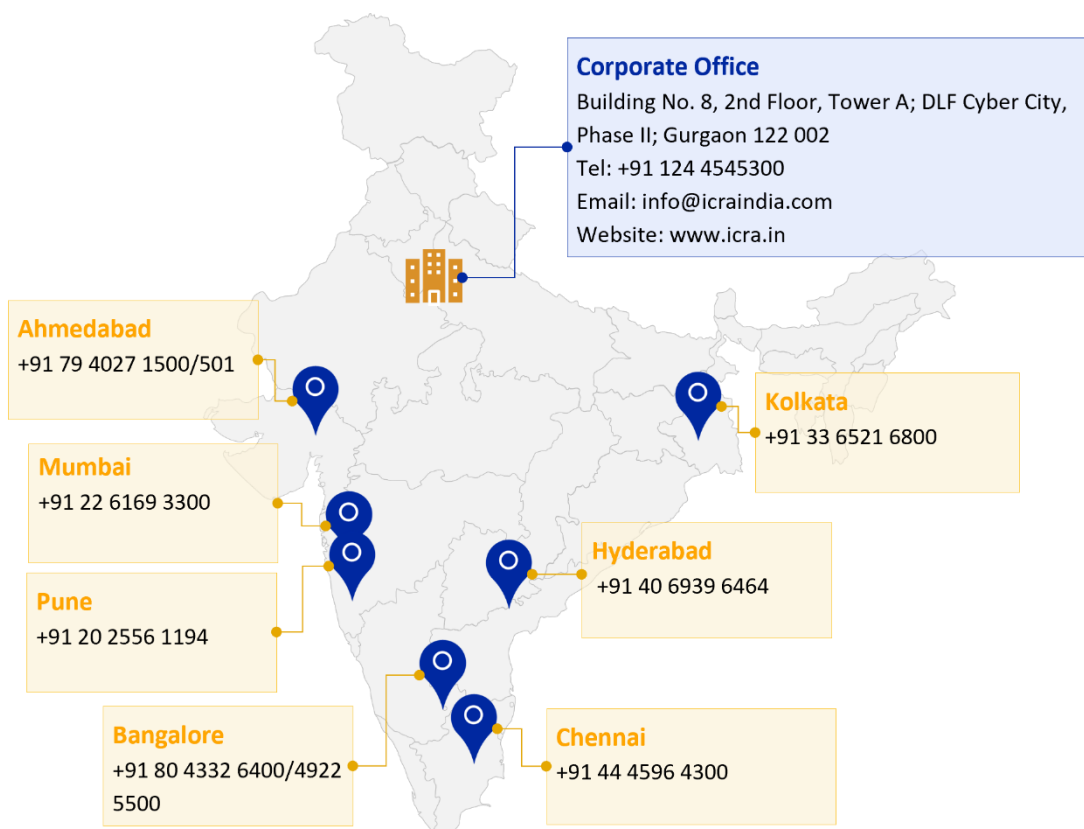
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