July 29, 2025

AMPIN Energy Green Seven Private Limited: [ICRA]BBB+ (Stable) reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. Crore)	Current rated amount (Rs. crore)	Rating action
Long term fund based – Term loan	450.00	450.00	[ICRA]BBB+ (Stable); reaffirmed
Total	**450.00**	**450.00**	

**Instrument details are provided in Annexure I*

Rationale

The reaffirmation of the rating factors in high revenue visibility and the low offtake risk for the 140-MW(DC) floating solar power project of AMPIN Energy Green Seven Private Limited (AEGSPL; erstwhile AMP Energy Green Seven Private Limited) on account of the long-term (25-year) power purchase agreement (PPA) with Madhya Pradesh Power Company Private Limited (MPPCPL) for the entire capacity at a fixed tariff of Rs. 3.21 per unit. The project was awarded through competitive bidding, with Rewa Ultra Mega Solar Limited (RUMSL) acting as an intermediary. RUMSL is also responsible for the maintenance of the evacuation infrastructure for the floating solar power projects being developed near the Omkareshwar dam, including that by AEGSPL.

The rating further derives comfort from the presence of an experienced sponsor in the form of the AMPIN Energy Transition Group which focusses on the development of solar power projects across utility scale, open access and rooftop projects. The Group has secured funding from reputed investors, such as LGT Lightrock Group, Atlanta Investment Pte. Ltd. (ICG), Asian Infrastructure Investment Bank (AIIB), SDIEF Holdings 1 Pte. Ltd (SMBC Fund), Siemens Project Ventures whereas Copenhagen Infrastructure Partner (CIP), and Sumitomo Corporation have invested at the Cluster level. AEGSPL is a subsidiary of AMPIN Energy Green Private Limited (AEGPL), which is ultimately owned by AMPIN Energy Transition Private Limited (AETPL, formerly known as AMP Energy India Private limited –main holdco of the Group). AEGSPL is expected to receive support from the group in case of any cash flow mismatch, as demonstrated in FY2025.

The rating considers the benefits available to the company in the form of a three-tier payment security mechanism under the PPA, which involves a revolving letter of credit equivalent to one-month billing by Madhya Pradesh Power Management Company Limited (MPPCPL), a payment security fund that comprises three months of tariff receivables created by RUMSL and a guarantee from the Government of Madhya Pradesh (GoMP). The payments from the offtaker have been timely and are being received within 35 days since commissioning. Further, the tariff competitiveness of the project and the additional provisions in the PPA related to compensation in case of grid curtailment or backdown due to decrease in the reservoir level provide comfort.

After being commissioning in June 2024, the project faced stabilisation issues in the early phases which kept the overall generation low in FY2025. However, after the implementation of the corrective steps taken to resolve these issues, the plant availability as well as generation performance has improved. The company has shown generation closer to the P-90 (17.43%) PLF level at 16.89% for the September 2024 to June 2025 period. The rating is, however, constrained by the limited track record of operations. A sustained track record of generation close to the P-90 level remains a critical monitorable.

Further, the debt coverage metrics in FY2025 remained low on account of the higher-than-budgeted operating expenses due to a longer stabilisation period. However, the operating expenses are expected to decline and remain within the budgeted level, going forward, as the initial hurdles have been resolved. Any substantial increase in these expenses against the budgeted amount remains a key credit risk. Given the expected improvement in the generation performance and moderation in operating expenses in line with the budgeted amount, the debt service coverage ratio (DSCR) is expected to improve to over 1.1x FY2027 onwards. However, the DSCR is expected to remain modest in FY2026.

As this is a floating solar project, the company remains exposed to force majeure events such as floods and a sharp decline in the water level in the dam catchment area. While insurance, compensation clause in the PPA and the project design that allows a certain amount of variation in the water level act as the mitigants, the effectiveness of these mitigants remains to be seen.

The rating further remains tempered by the counterparty credit risks, given the modest credit profile of MPPMCL. While the availability of the payment security mechanism is a source of comfort, timely payments by the off taker in a sustained manner remains critical. In addition, the rating remains constrained by the exposure of the company's cash flows to the risks of variability in solar generation and interest movement owing to the single-part nature of the tariff and a leveraged capital structure with the project cost being funded through debt to equity of 75:25 which is extendable up to 80:20 upon meeting specific conditions outlined in the IREDA section.

The rating further factors in the regulatory risks pertaining to scheduling and forecasting requirements in Madhya Pradesh and the variable nature of solar power generation. Nonetheless, this risk is relatively low for solar power projects compared to wind power projects.

Key rating drivers and their description

Credit strengths

Experienced sponsor in the form of AMPIN Energy Group – AEGSPL is a subsidiary of AEGPL, which is ultimately owned by AETPL. The Group, through its cluster companies — AEGPL and AMPIN Energy C&I Private Limited — has secured committed equity funding of $150 mn from CIP. At present, AETPL has a renewable power portfolio of approximately 5 GW, including an operational portfolio of around 1.5 GW and an under-development portfolio of around 3.5 GW across eight sub-holdcos (clusters). The Group follows a cluster-wise approach wherein various segments such as commercial and industrial (C&I), utilities and rooftop are managed under different sub-holding companies. AETPL holds a 51% stake and CIP a 49% stake in the parent entity of AEGSPL, AEGPL. Further, AETPL is held by reputed investor shareholders, including LGT Lightrock Group, Atlanta Investment Pte. Ltd. (ICG), Asian Infrastructure Investment Bank (AIIB), SDIEF Holdings 1 Pte. Ltd (SMBC Fund), Siemens and the promoters. AETPL started in 2016 with an initial investment from Canada-based independent power producer (IPP), AMP Solar Group Inc. (ASGI).

Revenue visibility from long-term PPA at competitive tariff & presence of three-tier payment security mechanism - AEGSPL has low offtake risks owing to the presence of a long-term (25-year) PPA at a competitive tariff of Rs. 3.21 per unit for the entire project capacity jointly with RUMSL and MPPCPL. The applicable tariff of Rs. 3.21/unit is competitive in relation to the average power purchase cost for the Madhya Pradesh distribution utilities. Further, the availability of a three-tier payment security mechanism, which includes a letter of credit, a payment security fund and a guarantee by the GOMP, provides comfort from a credit perspective.

Project stabilised with gradual improvement in generation level – The plant achieved COD in June 2024 and the stabilisation risks have been mitigated as the generation has improved from a PLF of 8.45% during June-August 2024 to 16.89% during the September 2024-June 2025 period against a P-90 estimate of 17.43%. The various measures taken by the company have led to better plant availability, in turn improving the generation level. Hence, sustaining the generation at the P-90 level will remain a key monitorable, going forward.

Credit challenges

Debt metrics of solar projects sensitive to PLF levels and operating expenses - Any adverse variation in weather conditions and/or module performance may impact the PLF and consequently the cash flows. The debt metrics of solar power projects remain sensitive to the PLF level, given the one-part tariff structure under the PPA. The debt protection metrics may be affected by operating expenses exceeding the budgeted levels, as observed in FY2025. The higher expenses were primarily due to the challenges associated with the initial stabilisation of operations, which extended beyond the anticipated timeline. While the operating costs are expected to decline FY2026 onwards with the stabilisation of the plant's operations, the actual extent of this moderation remains to be seen and will need to be closely monitored, given its potential impact on the company's debt metrics.

Counterparty credit risks – AEGSPL's cash flows remain exposed to counterparty credit risk because of the modest credit profile of MPPMCL. While the presence of a three-tier payment security mechanism is a source of comfort, demonstration of timely payments and creation of a payment security remain important. Also, the company remains exposed to regulatory challenges related to the scheduling and forecasting framework applicable for solar power sectors.

Interest rate risk - The capital structure of the company is leveraged, reflected in the debt-funded capex deployed for setting up the project. Therefore, the company's debt coverage metrics remain exposed to the interest rate movement, given the fixed tariff under the PPA and the floating rate of interest.

Liquidity position: Adequate

The liquidity of the company is expected to remain adequate, with buffer between the cash flow from operations and the debt repayment obligations in FY2026. The company is expected to generate cash flow from operations of ~Rs. 17 crore against repayment obligations of Rs. 12 crore in FY2026. The cash and cash equivalents stood at Rs. 6.3 crore as of June 2025. No DSRA has been created as on date as there is a timeline till June 2026 (two years post COD of June 2024), according to the sanctioned terms to create the same. The creation of a DSRA within the specified timeline remains critical factor from a rating perspective. Also, being the initial stages of operations, any cash flow mismatch is expected to be met through sponsor support, if required.

Rating sensitivities

Positive factors - ICRA could upgrade AEGSPL's rating if there is satisfactory generation performance in line or above the P90 estimates, along with timely payments by the customer, leading to an improvement in the debt coverage metrics. Further, an improvement in the credit profile of the parent, AEGPL, would be a positive trigger.

Negative factors – Pressure on the rating could arise if the actual PLF remains below the P-90 estimate on a sustained basis, reducing the cumulative DSCR to below 1.10 times on a sustained basis. Also, any delays in payments by the customer adversely impacting the company's liquidity position would be a negative trigger. Further, the rating may be revised downwards if the credit profile of its parent weakens.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar
Parent/Group support	The rating is based on the implicit support from the parent company, AEGPL
Consolidation/Standalone	The rating is based on the standalone financials of the company

About the company

AEGSPL has developed a 100-MW (AC)/140-MW (DC) floating solar power project at Omkareshwar Floating Solar Park, Madhya Pradesh. The project is in the catchment area of the Omkareshwar dam. The company was awarded the project through tariff-based competitive bidding and has signed a long-term PPA (25-years) with Madhya Pradesh Power Management Company Private Limited (MPPMCL) at a bid tariff rate of Rs. 3.21 per unit. The project achieved COD on June 06, 2024.

Key financial indicators:

Particulars	FY2024	FY2025 (Provisional)
Operating income	0.00	41.5
PAT	-20.2	-1.2
OPBDIT/OI (%)	NA	64.4%
PAT/OI (%)	NA	-3.0%
Total outside liabilities/Tangible net worth (times)	14.8	15.2
Total debt/OPBDIT (times)	NA	21.3
Interest coverage (times)	NA	0.6

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore. NA- Not applicable as the plant has achieved COD in June 2024

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	July 29, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	450.00	[ICRA]BBB+ (Stable)	July 24, 2024	[ICRA]BBB+ (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 loan**	Mar-2023	NA	Apr-2045	450.00	[ICRA]BBB+ (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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