

November 25, 2025

Tungabhadra Solar Parks Private Limited: Rating reaffirmed and assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term fund based - Cash credit	10.00	10.00	[ICRA]AA- (Stable); reaffirmed
Long term fund based - Term loan	107.00	119.50	[ICRA]AA- (Stable); reaffirmed and assigned for enhanced amount
Total	117.00	129.50	

* Instrument details are provided in Annexure I

Rationale

The rating action for Tungabhadra Solar Parks Private Limited (TSPPL) factors in the refinancing of its outstanding debt facilities with a new term loan at a lower interest rate. The company has also taken a top-up debt of Rs. 47 crore, of which Rs. 28 crore will only be disbursed upon a favourable resolution of the ongoing tariff dispute with Gulbarga Electricity Supply Company (GESCOM), currently pending before the Appellate Tribunal for Electricity (APTEL). The top-up debt has been/will be used for upstreaming to its parent company - Ayana Renewable Power Private Limited (ARPPL; rated [ICRA]AA+ (Stable)/[ICRA]A1+) or for providing loans to ARPPL / other subsidiaries of ARPPL and making investment by TSPPL in other subsidiaries of ARPPL. While the additional debt availed by the company as part of the recent refinancing of its external debt is expected to moderate the debt service coverage ratio (DSCR), the latter is expected to be satisfactory over the debt repayment tenure, supported by the long-term PPA, the long tenure of the project debt and lower interest rate.

Further, ICRA has changed the rating approach for TSPPL to a standalone credit profile assessment of the entity with rating upliftment based on implicit support from the parent company - ARPPL. Prior to the refinancing, ICRA assessed the entity's credit profile on a standalone basis, with rating upliftment derived from a consolidated view of the two special purpose vehicles (SPVs) - TSPPL and Anantapur Solar Parks Private Limited (ASPPL) and implicit support from ARPPL. This was based on the presence of a cash flow pooling mechanism and cross-default linkages between the SPVs. However, the refinanced debt has a cash flow support arrangement between the two SPVs with no defined timelines. Hence, the rating approach has been changed. The rating also factors in the managerial and financial support from a strong parent – ARPPL. ARPPL's credit profile is supported by its superior financial flexibility from its strong sponsors.

The rating continues to factor in the entity's operational track record of over six years and the satisfactory generation performance of TSPPL's 20 MW solar asset since commissioning. The PLF in FY2025 stood at 21.30%, lower than 23.64% in FY2024, primarily due to an extended monsoon season and reduced solar irradiation in the region. Further, in H1 FY2026, the PLF performance was impacted by an extended monsoon season, leading to variations compared to H1 FY2025. Nevertheless, the average PLF since commissioning remains at 21.83%, broadly in line with the P-90 estimate of 21.80%, indicating stable long-term generation performance. TSPPL's rating continues to draw comfort from the revenue visibility and low offtake risk on account of a long-term (25-year) power purchase agreement (PPA) with Chamundeshwari Electricity Supply Company (CESCOM) for the 20-MW solar power plant at a fixed tariff.

The rating is constrained by the sensitivity of the company's profitability and debt protection metrics to its generation performance. Any adverse variation in weather conditions or module performance may impact the PLF levels and consequently

affect the cash flows. This is amplified by the geographic concentration of the asset, with the entire capacity located in Karnataka.

The rating also factors in the counterparty credit risk on account of exposure to a single buyer, GESCOM (rated [ICRA]BBB (Stable)/[ICRA]A3). The credit profile of GESCOM is constrained by its high receivable position and its payment cycle remains a key monitorable. Nonetheless, after the implementation of the LPS rules by the Ministry of Power, Government of India, the payment cycle has been reduced to 2-3 months from 5-6 months, in addition to the recovery of the earlier outstanding dues, thereby supporting the liquidity. Further, the project's operations remain exposed to regulatory risks pertaining to the scheduling and forecasting requirements of solar power projects.

The Stable outlook on the rating reflects ICRA's opinion that the company's revenues and profitability will be supported by a satisfactory generation performance and the availability of long-term PPA.

Key rating drivers and their description

Credit strengths

TSPPL is part of Ayana platform which is backed by strong sponsors – The company is a subsidiary of ARPPL, which is 100% held by ONGC NTPC Green Private Limited (ONGPL), a 50:50 joint venture company of ONGC Green Limited (OGL) and NTPC Green Energy Limited (NGEL). As of September 2025, ARPPL's operating renewable power portfolio stood at 2.1 GW (~2.6 GW including partially commissioned capacity). The Group has another ~1.5 GW under development, comprising solar, wind, hybrid and round-the-clock (RTC) renewable assets with firm PPAs. Consequently, TSPPL benefits from the financial, operational and managerial support it derives from its strong parent, ARPPL. ICRA expects ARPPL to support the company in case of any cash flow mismatch.

Revenue visibility from long-term PPA with GESCOM – TSPPL has signed a long-term PPA with GESCOM for the entire project capacity of 20 MW at a fixed tariff of Rs. 4.36 per unit for a tenure of 25 years, thus limiting the demand and tariff risks. The tariff remains competitive for the offtaker, GESCOM, in comparison to its average power procurement cost.

Satisfactory operational performance for over five years – The asset was commissioned towards the end of FY2018 and has a generation track record of over six years. The generation performance of TSPPL has remained satisfactory since commissioning, reflected in an average PLF of 21.83%.

Adequate debt service coverage metrics - The debt coverage metrics are expected to remain adequate over the debt repayment tenure, supported by the long-term PPA at a reasonable tariff, the long tenure of the project debt and competitive interest rates.

Credit challenges

Moderate counterparty credit risk owing to exposure to state utilities in Karnataka – As GESCOM, a state utility in Karnataka, offtakes the entire quantum of power generated, the company remains exposed to the state utility's moderate credit risk profile. Any significant delay in payments by the counterparty will stretch its receivable cycle and, in turn, adversely impact the overall liquidity profile. While TSPPL has observed certain delays in receiving payments from GESCOM in the past, the implementation of the LPS scheme has improved the payment cycle to 2-3 months from 5-6 months, besides TSPPL recovering the earlier outstanding dues. However, the payment frequency will remain a key monitorable, going forward.

Vulnerability of cash flows to variation in weather conditions - As the tariffs are one part in nature, the company may book lesser revenues in case of non-generation of power due to the variation in weather conditions. This, in turn, would affect the company's cash flows and debt servicing ability. Also, the company's debt coverage metrics remain sensitive to the interest rate movement. Nonetheless, this risk is mitigated in the medium term, considering the fixed rate under the loan agreement till July 2025.

Regulatory risks of implementing scheduling and forecasting framework for solar sector – The company’s operations remain exposed to regulatory risks pertaining to scheduling and forecasting requirements applicable for renewable energy projects.

Liquidity position: Adequate

The liquidity position of the company is expected to remain adequate with the cash flow from operations along with the available cash balances sufficient to service the debt obligations. As on October 6, 2025, TSPPL reported cash balances of Rs. 10.64 crore, along with a one quarter DSRA of Rs. 3.97 crore in the form of bank guarantee. Moreover, there is an unutilised working capital limit of Rs. 10 crore, which can be used to bridge any major cash flow mismatch.

Rating sensitivities

Positive factors – ICRA could upgrade the rating in case of a sustained generation performance of the project above the appraised PLF estimate and timely receipt of payments from the offtaker, leading to a significant improvement in the debt coverage metrics along with a comfortable liquidity profile. The rating will also remain sensitive to the credit profile of the parent, i.e. Ayana Renewable Power Private Limited.

Negative factors – The rating could be downgraded in case of significant underperformance in generation by the project, or any major delays in receiving payments from the offtaker, adversely impacting the liquidity profile of the company. Also, the rating would remain sensitive to the credit profile of ARPPL.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	Parent/ Group Company: Ayana Renewable Power Private Limited. ICRA expects TSPPL’s parent, ARPPL, to be willing to extend financial support to TSPPL, should there be a need, given the strategic importance that TSPPL has for ARPPL
Consolidation/Standalone	The rating is based on the standalone financial profile of the rated entity

About the company

Tungabhadra Solar Parks Private Limited (TSPPL) is operating a 20-MW solar power plant in Karnataka, which was commissioned on October 6, 2017. The project was won under the state bidding route with an initial tariff of Rs. 5.46 per unit. However, the KERC later revised the tariff downward to Rs. 4.36 per unit, citing delays in achieving the scheduled COD as per PPA timelines. This revision has been contested by the Group, and the matter is currently pending before APTEL. TSPPL was originally promoted by the First Solar Group and was subsequently acquired by the Ayana Group in H1 FY2021. The project comprises First Solar modules, inverters from GE and Sungrow, while O&M activities are carried out by the company itself.

Key financial indicators (audited)

TSPPL Standalone	FY2024	FY2025
Operating income	17.07	16.23
PAT	0.82	2.51
OPBDIT/OI	85.89%	89.10%
PAT/OI	4.78%	15.46%
Total outside liabilities/Tangible net worth (times)	4.34	3.67
Total debt/OPBDIT (times)	6.07	5.91
Interest coverage (times)	1.59	1.62

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

Current rating (FY2026)						Chronology of rating history for the past 3 years					
Instrument	Type	Amount rated (Rs. crore)	Nov 25, 2025	Date	Rating	FY2025		FY2024		FY2023	
						Date	Rating	Date	Rating	Date	Rating
Term loan - Fund based	Long term	119.50	[ICRA]AA-(Stable)	May 29, 2025	[ICRA]AA-(Stable)	Feb 21, 2025	[ICRA]A+ rating watch with positive implications	Dec 18, 2023	[ICRA]A+(Stable)	Nov 22, 2022	[ICRA]A+(Stable)
						Dec 30, 2024	[ICRA]A+(Stable)				
Cash credit - Fund based	Long term	10.00	[ICRA]AA-(Stable)	May 29, 2025	[ICRA]AA-(Stable)	Feb 21, 2025	[ICRA]A+ rating watch with positive implications	Dec 18, 2023	[ICRA]A+(Stable)	Nov 22, 2022	[ICRA]A+(Stable)
						Dec 30, 2024	[ICRA]A+(Stable)				

Complexity level of the rated instrument

Instrument	Complexity indicator
Term loan	Simple
Cash Credit	Very 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	August 2025	-	FY2040	119.50	[ICRA]AA- (Stable)
NA	Cash credit/Overdraft	-	-	-	10.00	[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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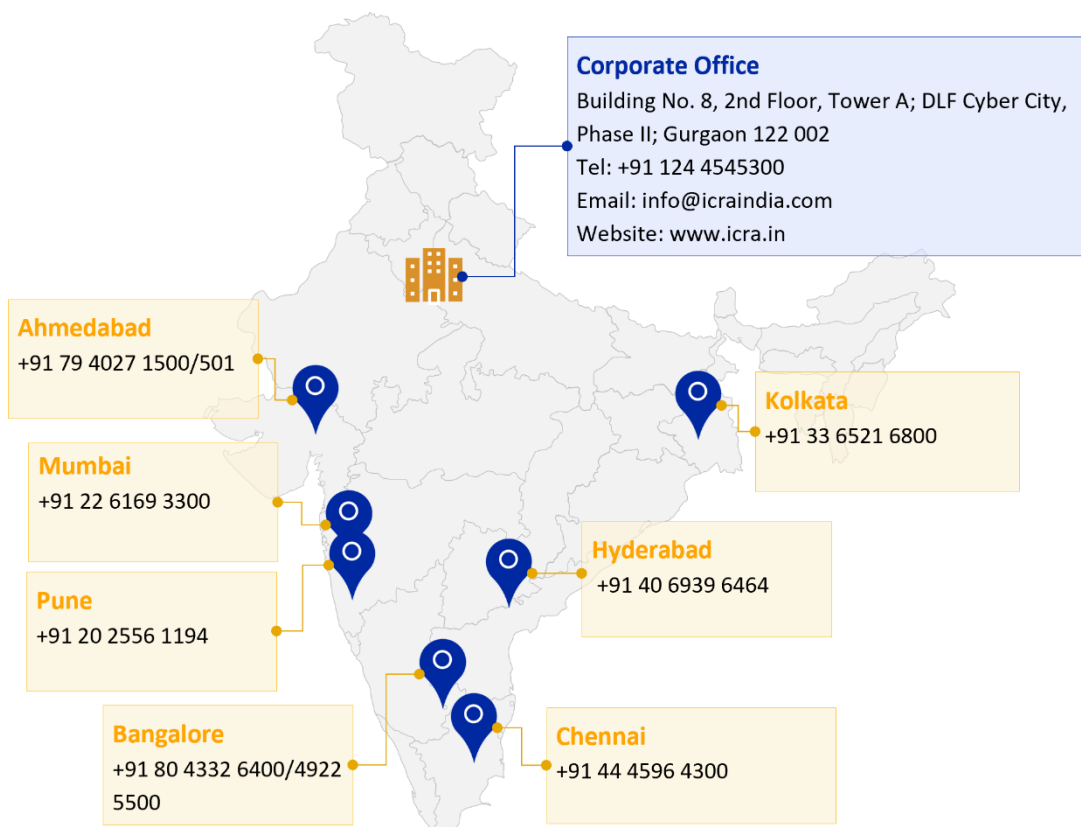
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