January 15, 2026

Sungaze Power 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	13.14	12.24	[ICRA]AA-(Stable); reaffirmed
Total	**13.14**	**12.24**	

Instrument details are provided in Annexure I

Rationale

ICRA's rating for the bank facilities of Sungaze Power Private Limited (SPPL) takes a standalone view of the business and financial risk profile of SPPL along with an implicit support of the ultimate parent i.e. PETRONAS. The strong focus of PETRONAS towards scaling up the renewable capacities, coupled with the demonstration of consistent financial and operational support to its Indian SPVs, strengthens the credit profile of the company. PETRONAS, through its dedicated clean energy solutions platform, Gentari, intends to build a significant renewable energy capacity globally. At present, Gentari has a 7-GW renewable energy capacity portfolio in India, including the under-construction projects. The rating considers the benefits arising from the Gentari Group's established track record, technical experience and strategic focus on the development and operations of rooftop and ground-mounted solar photovoltaic projects for commercial and industrial segments.

The rating also factors in the healthy revenue visibility and low offtake risk with a firm long-term power purchase agreement (PPA) at a competitive tariff. Further, the strong financial risk profile of the offtaker and a track record of timely payments mitigate the counterparty credit risk. The project remains attractive for the customer due to its tariff competitiveness. ICRA also notes that the generation of the project has remained satisfactory and is in line with the degraded P-90 estimates in CY2024 along with timely and healthy collection efficiency since commissioning.

The rating also draws comfort from the expectations of comfortable debt protection metrics with the cumulative debt service coverage ratio (DSCR) seen to remain at ~1.20x over the debt tenure. Creation of a debt service reserve account (DSRA) of two quarters (principal and interest) and the stipulated cash sweep clause in case of any breach of the specified DSCR level provide additional comfort. ICRA also derives liquidity comfort from the fact that there is a defined utilisation mechanism for the DSRA, as per the trust & retention agreement (TRA) (prior to default). In addition, ICRA notes that the cash flows of the project will not be utilised for funding any expenses over and above the budgeted/approved operations and maintenance (O&M) expenses, or for any investments in other projects/SPVs.

The rating, however, is constrained by the sensitivity of generation to the solar irradiation levels, given that the revenues 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 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. The tariff for the project is single part in nature and it remains exposed to interest rate risk as the interest rate is floating in nature.

The company remains exposed to the regulatory risk pertaining to changes in open access charges levied for captive/onsite solar assets by the respective state electricity regulatory commissions (SERCs). The levy of these charges in the future, while payable by the customer, will bring down the tariff competitiveness of the project and will be a key rating sensitivity. The attractive PPA tariff and the economics of such tariff vis-à-vis the grid tariff, the strong financial profile of the offtaker and the presence of termination/buyout clause in the PPA act as the risk mitigants. The ability of the project to demonstrate a sustained and satisfactory operational performance against the base case assumptions and timely payments from the counterparty shall remain the key rating monitorable.

The Stable outlook on the long-term rating reflects the revenue visibility provided by the long-term PPA being in place, a satisfactory generation performance of the operational asset as well as the timely cash collections expected from the offtaker.

Key rating drivers and their description

Credit strengths

Strong parent support – SPPL 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 Gentari Group. PETRONAS formed a separate vertical, named Gentari, which will focus on three core areas - renewable energy, hydrogen and green mobility solutions. The Gentari Group is a strategically important business segment which aligns with PETRONAS's strategic focus towards renewable energy. Hence, ICRA expects PETRONAS to provide financial support to the various subsidiaries under the Gentari Group, if required.

Healthy revenue visibility from firm PPA at competitive tariff – The company has signed a long-term PPA for 20 years with J.K. Lakshmi Cement Limited (AIGL) at a fixed tariff of Rs. 3.40 per unit. This provides revenue visibility and mitigates the demand risk. The remaining PPA tenor is higher than the debt tenor, leading to tail period. Further, the presence of a termination/buyout clause in the PPA and the favourable economics of the PPA tariff vis-à-vis the grid tariff for the offtaker are the mitigating factors.

Low counterparty credit risk – The counterparty credit risk for the project is low on account of the offtaker's strong financial profile. The collection period for each month has been satisfactory, in line with its PPA terms. The PPA has termination/buyback clauses, which further mitigate the counterparty credit risk.

Satisfactory generation, comfortable coverage and strong liquidity – The generation of the project has remained satisfactory, in line with the degraded P-90 estimates in CY2024. A long-term PPA signed with assured offtake (deemed generation present in PPA) at a remunerative tariff is expected to result in a comfortable debt service coverage ratio over the debt tenor. Further, a DSRA for two quarters of debt servicing is in place which is created from the external debt disbursement. The liquidity is also supported by the presence of PETRONAS, which will continue to provide financial support to the company, if required.

Credit challenges

Single-asset operations; cash flow vulnerable to variability in solar irradiance – SPPL is entirely dependent on power generation for its revenues and cash accruals. Given the single-part tariff, the company may lose revenues and profits if the power generation declines due to variability in solar irradiance. The single location and single-asset operations exacerbate this risk. The generation has remained satisfactory in the last three years.

Exposure to interest rate and regulatory risk – The company remains exposed to the regulatory risk pertaining to changes in open access charges for captive/onsite solar assets by the SERC. Any increase in the levy of these charges in the future could bring down the tariff competitiveness of the project. Additionally, the tariff for the project is single part in nature and it remains exposed to interest rate risk as the interest rate is floating in nature.

Liquidity position: Strong

SPPL's liquidity is strong, aided by the presence of a two-quarter DSRA and timely payment from the counterparty. The cash flow from operations is expected to be adequate to meet the company's debt servicing requirement in FY2026 and FY2027. The liquidity is further supported by the presence of PETRONAS, which is expected to provide financial support to the company, if required.

Rating sensitivities

Positive factors – ICRA could upgrade the company's rating if the generation is in line or above the P-90 PLF estimates on a sustained basis, or if there is a material reduction in the debt levels and improvement in its debt coverage metrics.

Negative factors – Pressure on the company's rating could arise if there are adverse regulatory developments that affect the tariff competitiveness of the project, or if there is a deterioration in its operational performance, pulling down the cumulative DSCR (for external debt) below 1.20 times on a sustained basis. A weakening in the credit profile of PETRONAS and/or any weakening in the linkages with ultimate parent PETRONAS will also create pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	[Corporate Credit Rating Methodology](#) [Power - Solar and Wind](#)
Parent/Group support	Parent/Group Company: Amplus Energy Solutions Private Limited, which is owned by Gentari (a 100% subsidiary of PETRONAS); ICRA expects PETRONAS to be willing to extend financial support to the company, through Gentari, if required, given the business linkages, strategic importance of the renewable business.
Consolidation/Standalone	The rating is based on the standalone financial statements of the rated entity

About the company

Sungaze Power Private Limited (SPPL), incorporated in October 2018, has developed an onsite ground-mounted solar power project of 6.51-MW capacity at Durg, Chhattisgarh. The plant has been developed under the group captive model wherein Amplus Energy Solutions Pvt Ltd holds a 65% stake and the remaining 35% is held by JK Lakshmi Cement Limited (JKLCL). The project was commissioned in September 2020 and has a PPA for 20 years with JKLCL at a fixed tariff of Rs 3.40 per unit.

Key financial indicators (audited)

SPPL Standalone	CY2023	CY2024
Operating income	3.2	3.0
PAT	-0.4	-0.6
OPBDIT/OI	85.0%	81.1%
PAT/OI	-12.8%	-19.1%
Total outside liabilities/Tangible net worth (times)	16.4	28.0
Total debt/OPBDIT (times)	7.2	7.7
Interest coverage (times)	1.2	1.1

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

	FY2026			FY2025		FY2024		FY2023	
Instrument	**Type**	**Amount rated (Rs crore)**	**Jan 15, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund based - Term loan	Long Term	12.24	[ICRA]AA- (Stable)	Jan 10, 2025	[ICRA]AA- (Stable)	Dec 08, 2023	[ICRA]AA- (Stable)	Sep 30, 2022	[ICRA]AA-(CE) (Stable) withdrawn and [ICRA]AA- (Stable) assigned simultaneously

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**	Feb 2021	NA	FY2037	12.24	[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

ANALYST CONTACTS

Girishkumar Kadam
+91 22 6114 3441
girishkumar@icraindia.com

Ankit Jain
+91 124 4545 865
ankit.jain@icraindia.com

Asmita Pant
+91 124 4545 856
asmita.pant@icraindia.com

Falak Gupta
+91 124 4545 392
falak.gupta@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches