

July 1, 2026

## FPEL MAHA 2 Private Limited: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
LT – Fund based – Term loan	31.50	31.50	[ICRA]A (Stable); reaffirmed
<b>Total</b>	<b>31.50</b>	<b>31.50</b>	

\*Instrument details are provided in Annexure-II

### Rationale

While arriving at the rating, ICRA has considered the consolidated financials of four cash pooling special purpose vehicles (SPVs) viz, FPEL Stellar Energy Private Limited (FPEL Stellar), FPEL MAHA2 Private Limited (FPEL MAHA2), VSV offsite Private Limited (VSV Offsite) and FP Ampere Energy Private Limited (FP Ampere), which are a part of a cash pooling structure with a pre-defined mechanism for the sharing of surplus cash flow among themselves prior to the due date of debt servicing. Further, FPEL MAHA2 is expected to benefit from the operational and financial strengths available from the parent, Fourth Partner Energy Private Limited {FPEPL; rated [ICRA]A (Stable)/[ICRA]A2+}. The four SPVs collectively have an operational solar capacity of 22.30 MWP at Katol, Maharashtra.

The rating further notes the improved operational track record and satisfactory generation performance of the pool of four SPVs in FY2026, with the average PLF since commissioning remaining in line with the P-90 level. Further, comfort is drawn from the limited demand risks due to the presence of 25-year long-term power purchase agreements (PPAs) at a fixed tariff with creditworthy offtakers under the group captive mode which is expected to result in a timely receipt of payments, as demonstrated so far. Also, the tariff offered is highly competitive, being at a significant discount to the grid tariff rates.

The rating is, however, constrained by the sensitivity of generation to solar irradiation levels as the revenues are linked to the actual units generated and exported, in view of the single-part tariff structure in the PPAs. This constraint is amplified by the geographic concentration of the assets. The ability of the companies to demonstrate generation in line or above the design PLF levels on a sustained basis remains important.

The rating also factors in the risk of cash flow mismatch as the PPAs have a lock-in period of 10-15 years, while the debt repayment is spread across ~18.5 years. Nonetheless, comfort can be drawn from the highly competitive tariff offered by the company to its customers against the HT industrial grid tariff and the track record of the sponsor in securing PPAs with large commercial and industrial (C&I) customers.

The companies are also exposed to interest rate risks, given the leveraged capital structure and floating interest rates that are subject to regular resets. Further, the company's operations remain exposed to the regulatory risks associated with forecasting & scheduling regulations, norms for captive projects and open access charges. Any significant increase in the open access charges or imposition of new charges will be borne by the offtaker and would impact on the savings of the customer. Additionally, the recent regulatory developments in Maharashtra — particularly the proposed tightening of banking norms and implementation of time-of-day (ToD) settlement — could moderate realisations and dilute the savings for open access consumers, with potential implications for project cash flows; these developments remain the key rating monitorables.

The Stable outlook reflects the revenue visibility provided by the long-term PPAs, a stable generation performance and the timely payments from the offtakers of the cash pooling SPVs.

## Key rating drivers and their description

### Credit strengths

**Operational and financial strength from parentage** –VSV Offsite is a subsidiary of FPEPL that has an established track record in the solar power sector. FPEPL is backed by strong sponsors which provides financial flexibility to the Group in securing equity and debt funding. Hence, FPEL Stellar is expected to benefit from the operational and financial strength of its parentage. In addition, ICRA expects FPEPL to extend support to the company in the event of any cash flow mismatch due to reduced generation or collections.

**Benefits of being part of a co-obligator structure** - The company benefits from being part of a cash pooling with three other SPVs of the group, wherein surplus cash from any of the three SPVs can be used to meet the shortfall in debt servicing of any other SPV in this pool. The total operational solar portfolio under the three companies is 22.30 MWp.

**Revenue visibility from long-term PPAs** –Long-term PPAs (25 years) have been signed for all the four projects at a fixed tariff under the group captive mode, providing revenue visibility and limiting the demand as well as pricing risks. The customers have also subscribed to the equity capital of the respective projects, as required under the group captive regulations.

However, in the case of FP Ampere, 4.75 MWp out of the total contracted capacity of 5.75 MWp is currently being supplied to the offtaker, while the balance capacity is being sold to a third party under a bilateral PPA due to incomplete infrastructure at the offtaker's end. The infrastructure is expected to be fully operational by Q2 FY2027, which should enable offtake of the entire contracted capacity.

**Strong credit profile of customers**– The PPAs are signed with commercial and industrial customers with satisfactory credit profiles. This is expected to result in timely receipt of payments, as demonstrated in the past. The tariff rate offered by the company is at a significant discount to the state grid tariff rates.

### Credit challenges

**Debt metrics of solar projects sensitive to PLF levels** –The debt coverage metrics of the pool 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. The ability of the company to demonstrate generation in line or above the design PLF levels on a sustained basis remains important.

**Risk of cash flow mismatch owing to lower lock-in period in PPAs in relation to debt tenure** – The PPAs have a lock-in period of 10-15 years, lower than the debt repayment tenure of 18.5 years, which could lead to a risk of cash flow mismatch. Also, the termination payment under the PPA does not cover the entire debt outstanding. Nonetheless, comfort can be drawn from the significant discount offered by the company to its customers against the HT industrial grid tariff, the track record of the sponsor in securing PPAs with large industrial and commercial customers and the notice period available at the time of PPA termination to enable the pool companies to replace the customer.

**Exposed to interest rate risks** – The interest rate on the term loan availed by the companies for its projects are floating and subject to regular resets. The debt coverage metrics are exposed to movements in interest rates, given the fixed nature of the tariff under the PPAs and a leveraged capital structure.

**Regulatory risks** – The company's operations are exposed to regulatory risks pertaining to the scheduling and forecasting requirements of solar power projects. Also, the company remains exposed to regulations related to captive power projects and the adverse variation in open access charges, which could impact the competitiveness of the tariff offered. Additionally, the recent regulatory developments in Maharashtra—particularly the proposed tightening of banking norms and implementation of time-of-day (ToD) settlement—could moderate realisations and dilute the savings for open access consumers, with potential implications for project cash flows; these developments remain key rating monitorables.

## Liquidity position: Adequate

The liquidity position is expected to be adequate, with sufficient buffer between the cash flow from operations and debt servicing obligations, supported by a satisfactory generation performance and timely realisation of payments. The liquidity is further backed by a debt service reserve account (DSRA) equivalent to two quarter's debt servicing. The cash balances, including a DSRA of Rs. 3.09 crore, stood at Rs. 9.70 crore as on April 30, 2026.

## Rating sensitivities

**Positive factors** – ICRA could upgrade the rating if the actual generation level is in line or higher than the P-90 estimate on a sustained basis and if the payments from the offtakers are timely, leading to an improvement in the pool's credit metrics. The rating will also remain sensitive to the credit profile of the parent, FPEPL.

**Negative factors** - The rating can be downgraded if the actual generation performance is lower than the P-90 level on a sustained basis, or if there are delays in payments from the customers, thereby adversely impacting the liquidity profile. A specific credit metric for downgrade includes the cumulative DSCR on the pool debt falling below 1.20 times on a sustained basis. Moreover, any adverse regulatory development could exert pressure on the rating. Further, the rating will also remain sensitive to the credit profile of the parent, FPEPL.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Power - Solar and Wind</a>
Parent/Group support	Parent Company: Fourth Partner Energy Private Limited. The rating assigned to FPEL MAHA2 factors in the implicit support available from FPEPL, if needed
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of FP Ampere Energy Private Limited, VSV Offsite Private Limited, FPEL MAHA 2 Private Limited and FPEL Stellar Energy Private Limited

## About the company

FPEL MAHA 2 is a subsidiary of FPEPL, wherein FPEPL holds a 73.21% shareholding, while the balance is held by offtakers. The company has tied up long-term PPAs (25 years) at a fixed tariff with reputed commercial and industrial customers. FPEL MAHA 2 owns and operates an 11.36-MWp solar power project at Katol tehsil in the Nagpur district of Maharashtra. The project was fully commissioned on August 6, 2021. As required under the group captive regulations, the customers have subscribed to the company's shareholding in proportion to their procurement from the project.

## About the companies in the cash pooling structure

Under the cash pooling portfolio, there are four SPVs – FP Ampere Energy Private Limited, VSV Offsite Private Limited, FPEL MAHA 2 Private Limited and FPEL Stellar Energy Private Limited. The combined portfolio includes solar projects with a capacity of 22.30 MWp in Maharashtra, India. The companies have signed PPAs with various reputed commercial and industrial customers.

**Key financial indicators (audited)**

Consolidated for 4 SPVs*	FY2024	FY2025	FY2026^
<b>Operating income</b>	8.4	9.4	12.7
<b>PAT</b>	-7.1	-1.9	-1.1
<b>OPBDIT/OI</b>	76.0%	75.4%	77.4%
<b>PAT/OI</b>	-83.9%	-20.0%	-8.3%
<b>Total outside liabilities/Tangible net worth (times)</b>	33.4	234.5	18.6
<b>Total debt/OPBDIT (times)</b>	6.5	5.7	5.7
<b>Interest coverage (times)</b>	1.0	1.1	1.3

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; \* Consolidated by ICRA; ^Provisional

Note: FY2024 and FY2025 includes only FPEL Stellar, FPEL MAHA2 and VSV Offsite

**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 1, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund based - Term loan	Long term	31.50	[ICRA]A (Stable)	Sep 25, 2025	[ICRA]A (Stable)	Jun 27, 2024	[ICRA]A-(Stable)	-	-
				-	-	Jan 15, 2025	[ICRA]A-(Positive)	-	-

**Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026**

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

## 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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	September 2022	-	FY2042	31.50	[ICRA]A (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

### Annexure III: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
FPEL Stellar Energy Private Limited	-	Full consolidation
FPEL MAHA 2 Private Limited	-	Full consolidation
VSV Offsite Private Limited	-	Full consolidation
FP Ampere Energy Private Limited	-	Full consolidation

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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](http://www.icra.in)

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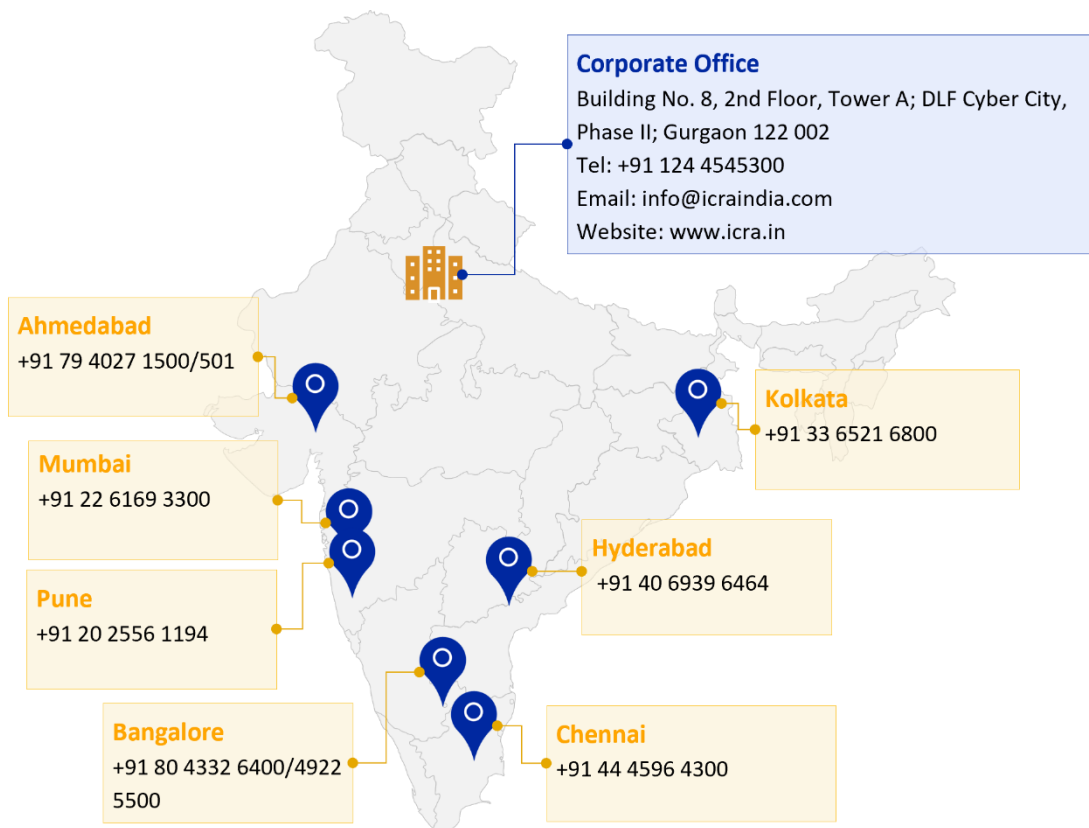
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