AMPSolar Renewable Energy Private Limited (Revised)

January 30, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	2.51 (Reduced from 2.59)	CARE BBB-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating reaffirmation on the bank facilities of AMPSolar Renewable Energy Private Limited (ASREPL) which is operating a net metering-based rooftop solar power capacity of 2.2 MWp across 14 different sites, factors in the satisfactory operational track record of more than four years with operational performance remaining satisfactory. The combined generation performance, although marginally lower in FY24 on a y-o-y basis, remains in-line with the past trends. Further, the company has been receiving payments on a timely basis within 60 days of raising invoice.

The rating continues to factor in the strong parentage by virtue of ASREPL being a subsidiary of AMPSolar Technology Private Limited (ASTPL, rated CARE A-; Stable/A1). CARE Ratings further positively factors in revenue visibility on account of long term (25 years) power purchase agreements (PPAs) with multiple offtakers. Moreover, the rating is supported by moderate debt coverage indicators as reflected by average Debt Service Coverage Ratio (DSCR) being upwards of 1.2x for the tenor of the term debt. Further, the entity is maintaining liquidity reserves in the form of Debt Service Reserve Account (DSRA) equivalent to two quarters of debt servicing obligations.

The rating is, however, constrained on account of the leveraged capital structure due to higher share of debt funding that is typical to such projects. Going forward, CARE Ratings expects the capital structure to remain leveraged with Total Debt / EBITDA expected to remain range-bound between 7.6x-7.8x over the next three years. Given the leveraged capital structure, single part nature of the fixed tariff in the PPA, and floating interest rates, the company's profitability remains exposed to increase in interest rates. CARE Ratings also factors in exposure of project cash flows to adverse variations in weather conditions.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in actual generation levels in line with the P-90 generation estimate resulting in significant improvement in average DSCR
- Faster than expected deleveraging of the project

Negative factors

- Significant underperformance in generation and/or any increase in the debt levels of the entity thereby weakening the cumulative DSCR on project debt to less than 1.15 times, on a sustained basis
- Weakening of the credit profile of the parent, or any change in linkages/support philosophy of ASTPL towards ASREPL
- Non-adherence to the power purchase agreement (PPA) terms by the off taker

Analytical approach: Standalone plus factoring in parent support

CARE Ratings expects ASREPL's parent, ASTPL, to be willing to support ASREPL, should there be a need, given the high strategic importance of ASREPL to ASTPL

Outlook: Stable

The stable outlook on the CARE BBB- ratings of ASREPL reflects CARE Ratings' opinion that the company would benefit from its long-term PPA with multiple government institution. Also, the expectations of satisfactory generation and collection performance supports the outlook.

[1]Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

ARESPL benefits on account of being a part of AMPIN Group

ASREPL is a wholly owned subsidiary of ASTPL. ASTPL has recently become a wholly owned subsidiary of AMPIN Energy Transition Private Limited (AETPL) whereas previously, it had investments from SMBC and CIIF apart from AETPL. ASTPL develops, owns, and operates solar energy projects, both ground mounted as well as rooftop solar projects and has an installed capacity of ~245 MWp as on December 2024 end. ASREPL benefits by virtue of its strong and resourceful parentage.

Revenue visibility on account of long term PPAs and presence of provisions for termination payment

The company has low offtake risks on account of long-term PPAs with multiple strong counterparties for offtake of the entire capacity at a weighted average tariff of Rs. 1.7 per unit with 3% annual escalation CARE Ratings notes that the projects tariff is notably low as the project also had a capital subsidy component which was to be received partly from the state government and the remaining from the central government. CARE Ratings notes that while the company has received the full state subsidy dues, the central subsidy amounting to ~Rs. 3.0 crore remains outstanding. No progress has been made in this regard, and the timely receipt of the central subsidy continues to be a key monitorable

The offtakers of the company comprises Power Grid Corporation of India Limited (PGCIL), Office of the Accounts General (AG) and Sports Authority of India (SPA) along with educational institutions including National Law University (NLU), Bhopal; Indian Institute of Information and Management (IIIM), and Indian Institute of Information Technology, Design, and Manufacturing (IIITDM). Moreover, the presence of enabling clauses like termination payments as per agreed upon terms act as necessary safeguards. Further, the presence of strong counterparty portfolio is expected to ensure timely receipt of payments from the offtakers.

Track record of more than four years with satisfactory operational performance

The project was commissioned in a phased manner with actual COD ranging from August 2020 till February 2022 and has a weighted average operational track record of more than four years. The generation performance, although marginally lower at actual DC PLF of 11.9% in FY24 as against 12.0% in FY23, remains in-line with the past trends. With an actual DC PLF of 11.5% for 9M-FY25 period, CARE Ratings expects slight moderation in generation performance in FY25, however generation is expected to inch up to historical levels for subsequent years based on past years' generation performance

CARE Ratings favourably factors the strong credit profile and receivable cycle of the off-takers with the company realizing payments within ~60 days of invoicing on a consistent basis.

Key weaknesses

Leveraged capital structure along with exposure to interest rate risks

ASREPL's capital structure is leveraged on account of debt-funded capex incurred for setting-up the project, with the Total Debt / EBITDA expected to remain range-bound between 7.6x-7.9x over the next three years. Given the leveraged capital structure, single part nature of the fixed tariff in the PPA, and floating interest rates, the company's profitability remains exposed to increase in interest rates.

Vulnerability of cash flows to variation in weather conditions

As tariffs are one part in nature, the company may book lesser revenues in the event of non-generation of power due to variation in weather conditions and/or equipment quality. This, in turn, would affect its cash flows and debt servicing ability.

Liquidity: Adequate

As on December 2024 end, the company had a cash balance of Rs 0.41 crore which is inclusive of DSRA worth Rs. 0.18 crore in the form of FD which is equivalent to two quarters of debt service obligation. As per CARE base case scenario, GCA for FY25 & FY26 is expected to be Rs. 0.10 and Rs 0.13 crore as against annual repayment of Rs. 0.08 and Rs. 0.10 crore respectively.

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch

[Financial Ratios – Non financial Sector](#)
[Infrastructure Sector Ratings](#)
[Solar Power Projects](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power Generation

ASREPL, incorporated in September 2018, is a special purpose vehicle (SPV) promoted by ASTPL, wherein ASTPL holds 100% stake. ASREPL has set up rooftop solar power plants with a capacity of 2.2 MWp to supply power to multiple government institutions at a weighted average tariff of Rs 1.7 per unit with 3% annual escalation. The plants are located on multiple rooftops spanned across the state of Madhya Pradesh.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	0.78	0.85
PBILDT	0.42	0.53
PAT	-0.41	-0.30
Overall gearing (times)	1.06	0.99
Interest coverage (times)	0.63	0.77

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	31/03/2038	2.51	CARE BBB-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	2.51	CARE BBB-; Stable	-	1)CARE BBB-; Stable (14-Mar-24)	1)CARE BBB-; Stable (07-Feb-23)	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:
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