



**Press Release**  
**SAI MAITHILI POWER COMPANY PRIVATE LIMITED**  
**May 19, 2025**  
**Rating Reaffirmed**

| Product                            | Quantum (Rs. Cr) | Long Term Rating                                       | Short Term Rating |
|------------------------------------|------------------|--|-------------------|
| Bank Loan Ratings                  | 65.02            | ACUITE BBB-   Stable   Reaffirmed   Negative to Stable | -                 |
| Total Outstanding Quantum (Rs. Cr) | 65.02            | -  | -                 |
| Total Withdrawn Quantum (Rs. Cr)   | 0.00             | -  | -                 |

**Rating Rationale**

Acuité has reaffirmed its long-term rating of 'ACUITE BBB-' (read as ACUITE triple B minus) on Rs 65.02 Cr. bank facilities of Sai Maithili Power Company Private Limited (SMPCPL). The outlook is revised to 'Stable' from 'Negative'.

**Rationale for the rating reaffirmation and revision in outlook:**

The revision in rating outlook takes into account improvement in PLF recorded in 11MFY2024, resulting in higher power generation.

Further, the rating reaffirmation takes into account the established market presence of the Refex group in the Renewable energy sector, the extensive experience of the management and the, expected support in business operations to be derived from them, presence of a long term (25 years) power purchase agreement (PPA) with a strong counter party, NTPC Vidyut Vyapar Nigam Limited (NVTN) for its 10 megawatt -MW power plant based in Rajasthan and the structured payment mechanism.

The rating strengths are partly offset by high customer concentration risk in the revenue profile, and susceptibility of power generation to climatic conditions.

**About the Company**

Established in August 2002, Sai Maithili Power Company Private Limited (SMPCPL) operates a 10 MW solar power plant utilizing photovoltaic technology, located in Gurha, Kolayat Tehsil, Bikaner District, Rajasthan. SMPCPL is promoted by V S Lignite Power Private Limited, the majority shareholder, and is currently part of the Refex Group. The Board of Directors includes Mr. G Satyanarayana and Mr. Navaluru Venkata Sreenivas.

**Unsupported Rating**

Not applicable

**Analytical Approach**

Acuité has considered the standalone business and financial risk profiles of SMPCPL to arrive at this rating.

**Key Rating Drivers**

**Strengths**

- **Experienced management and assured off-take through long term power purchase agreement (PPA)**

The Refex Group is involved in the business of refrigerant gases, renewable energy utility-grade EPC projects, O&M of solar power plants, solar IPP businesses, ash disposal management, power trading, and trading of coal. The Refex Group has commissioned approximately 1 GW of projects under varying conditions in Tamil Nadu, Maharashtra, Gujarat, Uttar Pradesh, Andhra Pradesh, and Rajasthan. The group has

a strong pipeline of over 250 MW in various stages of execution. The Refex Group follows a conservative approach towards its capital management and manages operations primarily through equity and internal accruals. SMPCPL entered into a 25-year long PPA at a fixed tariff of Rs. 8.28 per unit (kWh) of power supplied, with NTPC Vidyut Vyapar Nigam Limited (NVVN). This substantially mitigates the demand and price risk associated with the project. The company entered into the agreement in January 2012, and the plant commenced operations in February 2013. Furthermore, the PPA is secured by an irrevocable revolving letter of credit (LC) opened by NVVN in favor of SMPCPL for payment assurance. SMPCPL raises invoices to NVVN on or before the fifth of the succeeding month, and payments are to be received within 30 days of the bill submission date. The Refex Group is expected to manage the O&M activity of the solar plant and will ensure an efficient cost structure to aid the financial risk profile of the company. Acuité believes that the presence of strong management, assured off-take, long-term PPA, and moderate counterparty receivable risk is expected to support the business risk profile over the medium term.

- **Strong counter-party profile**

SMPCPL has entered into a 25-year long PPA at a fixed tariff of Rs. 8.28 per unit with NTPC Vidyut Vyapar Nigam Limited (NVVN). NTPC Vidyut Vyapar Nigam Ltd. (NVVN) was formed by NTPC Ltd in 2002 as its wholly-owned subsidiary to tap the potential of power trading in the country. NVVN holds the highest Category 'I' power trading license as per the latest CERC regulation. NVVN is also the nodal agency for the sale of 1,000 MW (733 MW operational) of solar bundled power under Jawaharlal Nehru National Solar Mission (JNNSM) Phase I. SMPCPL has a strong payment track record from its counterparty- NVVN, thereby leading to low counterparty risk. NVVN has been making all the payments within a week's time from the submission of the invoice and availing a prompt payment discount of 2 percent.

- **Presence of structured payment mechanism**

The bank facilities availed by SMPCPL are backed by a Debt Service Reserve Account (DSRA) in the form of a fixed deposit worth Rs. 2.65 Cr. In addition, the bank facilities are supported by an escrow account through which all receipts from NVVN shall be routed. The order regarding the manner in which funds shall be utilized has been clearly laid down by the lender. Furthermore, there is a cash sweep clause that allows the lender to utilize the surplus amount in the escrow account towards the prepayment of the debt undertaken by the company. Acuité derives comfort from the structure envisaged to ensure timely repayment of the bank facilities over the medium term.

## **Weaknesses**

- **Susceptibility of operating performance to climatic risks**

The performance of the solar plant is highly dependent on favorable climatic conditions, including solar radiation levels, which have a direct impact on the plant load factor (PLF). These risks include variations in solar irradiance, extreme weather conditions, and natural disasters. The entire capacity is already commissioned, and the project has an operational track record of more than 12 years. Revenue for the 9MFY2025 stood at Rs. 8.51 Cr. The average PLF stood at 17.52 percent in 11MFY2025, and the average PLF for FY2024 was 14.46 percent. The fluctuation in the PLF is mainly due to climatic conditions.

- **High customer concentration risk**

SMPCPL has entered into a PPA agreement for the sale of power generated from the 10 MW solar plant located in Rajasthan with NTPC Vidyut Vyapar Nigam Ltd. (NVVN), along with 100 percent assured offtake. However, it can be observed that the contribution from a single customer (i.e., NVVN) is 100 percent in a given financial year, thereby leading to significant customer concentration risk. This risk, however, is mitigated to an extent due to the strong credit profile of the counterparty.

## **Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)**

SMPCPL maintains a Debt Service Reserve Account (DSRA) for three months' worth repayment obligation along with the ESCROW mechanism.

### **Stress case Scenario**

Acuite believes that, given the presence of DSRA mechanism MPPL will be able to service its debt on time, even in a stress scenario.

## **Rating Sensitivities**

- Substantial improvement in PLF while maintaining profitability margins over the medium term.
- Any significant delays in receipt of payments from counterparty, thereby impacting the liquidity position of the company
- Significant deterioration in the operating performance of the plant leading to lower-than-expected PLF.

**Liquidity Position: Adequate**

During FY2024, the company generated insufficient cash accruals against its debt repayment obligation. The company generated cash accruals of Rs.2.48 Cr. in FY2024, while its maturing debt obligations were Rs. 4.40 Cr. during the same period. However, the repayments were supported by VS Lignite Power Private Limited (VSLP), the holding company, which infused funds to bridge the gap and meet the shortfall in debt obligations. The liquidity is further supported by presence of secured payment mechanism with Trust and retention account to monitor the cash flows generated from the projects, presence of waterfall mechanism, and Debt Service Reserve Account (DSRA) equivalent to three months of repayment obligation in the form of a fixed deposit towards interest and principal coupled with moderate DSCR expected until FY2032. Acuité believes that the liquidity of the company is likely to improve over the medium term on account of expected stable plant operations, support from management and gradual repayment of principal amount leading to reduction in interest obligations.

**Outlook: Stable****Other Factors affecting Rating**

None

## Key Financials

| Particulars                   | Unit    | FY 24 (Actual) | FY 23 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income              | Rs. Cr. | 9.95           | 12.42          |
| PAT                           | Rs. Cr. | (1.24)         | 0.87           |
| PAT Margin                    | (%)     | (12.46)        | 6.97           |
| Total Debt/Tangible Net Worth | Times   | 11.56          | 8.96           |
| PBDIT/Interest                | Times   | 1.46           | 1.84           |

**Status of non-cooperation with previous CRA (if applicable)**

Not Applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**Not applicable**

**Any other information**

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

| Date        | Name of Instruments/Facilities   | Term      | Amount (Rs. Cr) | Rating/Outlook  |
|-------------|----------------------------------|-----------|-----------------|---|
| 26 Feb 2024 | Proposed Long Term Bank Facility | Long Term | 0.38            | ACUITE BBB-   Negative (Reaffirmed(Stable to Negative)) |
|             | Term Loan                        | Long Term | 60.54           | ACUITE BBB-   Negative (Reaffirmed(Stable to Negative)) |
|             | Term Loan                        | Long Term | 3.60            | ACUITE BBB-   Negative (Reaffirmed(Stable to Negative)) |
|             | Secured Overdraft                | Long Term | 0.50            | ACUITE BBB-   Negative (Reaffirmed(Stable to Negative)) |
| 06 Dec 2022 | Non-Convertible Debentures (NCD) | Long Term | 5.61            | ACUITE BBB- (Reaffirmed & Withdrawn)                    |
|             | Term Loan                        | Long Term | 56.52           | ACUITE BBB-   Stable (Reaffirmed)                       |
|             | Term Loan                        | Long Term | 4.02            | ACUITE BBB-   Stable (Assigned)                         |
|             | Term Loan                        | Long Term | 3.60            | ACUITE BBB-   Stable (Assigned)                         |
|             | Secured Overdraft                | Long Term | 0.50            | ACUITE BBB-   Stable (Assigned)                         |
|             | Proposed Long Term Bank Facility | Long Term | 0.38            | ACUITE BBB-   Stable (Assigned)                         |

## Annexure - Details of instruments rated

| Lender's Name  | ISIN                 | Facilities                       | Date Of Issuance     | Coupon Rate          | Maturity Date        | Quantum (Rs. Cr.) | Complexity Level | Rating  |
|----------------|----------------------|----------------------------------|----------------------|----------------------|----------------------|-------------------|------------------|---|
| Not Applicable | Not avl. / Not appl. | Proposed Long Term Bank Facility | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 0.38              | Simple           | ACUITE BBB-   Stable<br>  Reaffirmed   Negative to Stable |
| HDFC Bank Ltd  | Not avl. / Not appl. | Secured Overdraft                | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 0.50              | Simple           | ACUITE BBB-   Stable<br>  Reaffirmed   Negative to Stable |
| HDFC Bank Ltd  | Not avl. / Not appl. | Term Loan                        | Not avl. / Not appl. | Not avl. / Not appl. | 31 Mar 2033          | 60.54             | Simple           | ACUITE BBB-   Stable<br>  Reaffirmed   Negative to Stable |
| HDFC Bank Ltd  | Not avl. / Not appl. | Term Loan                        | Not avl. / Not appl. | Not avl. / Not appl. | 31 Mar 2033          | 3.60              | Simple           | ACUITE BBB-   Stable<br>  Reaffirmed   Negative to Stable |

## Contacts

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|---|---|
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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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