April 17, 2025

Solarcraft Power India 14 Private Limited: [ICRA]BBB+ (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	270.00	[ICRA]BBB+ (Stable); assigned
Total	**270.00**	

**Instrument details are provided in Annexure I*

Rationale

The assigned rating factors in the high revenue visibility and low offtake risk for the 90-MW wind power capacity of Solarcraft Power India 14 Pvt Ltd (SC14) because of the long-term (25 years) power purchase agreements (PPAs) signed with Gujarat Urja Vikas Nigam Ltd (GUVNL; rated [ICRA] AA-/Stable/[ICRA]A1+) for the entire capacity at a fixed tariff of Rs. 3.17 per unit for the 40-MW capacity and Rs. 3.01 per unit for the 50-MW capacity. Further, the rating draws comfort from the presence of a strong counterparty like GUVNL and the payment security mechanism under the PPAs, with a provision for letter of credit equal to average one-month billing. Also, the additional provisions in the PPAs related to compensation in case of grid curtailment or backdown and the termination liability provide comfort. These factors, along with the superior tariff competitiveness of the projects, mitigate the counterparty credit risk for the company.

The rating further derives comfort from the presence of an experienced sponsor in the form of the Blupine Energy Private Limtied (BEPL) which is held by Actis PE (Actis) through its Actis Energy-5 fund. Actis is a UK-based private equity firm with a total investment fund of $25 billion raised since its incorporation. It specialises in longer tenure investments in developing/emerging economies, including India, China, Africa and Southeast Asia. In India, it has efficiently managed RE investment platforms like Ostro and Sprng in the past. BEPL has an operating renewable power capacity of 1.1 GW and an under-development capacity of 1.9 GW. The platform has an equity commitment of $800 million from Actis, of which $400 million has been drawn so far.

Post commissioning, SC14's debt coverage metrics are expected to be adequate with the cumulative debt service coverage ratio (DSCR) at ~1.2x over the debt tenure, supported by the long-term PPAs, the long tenure of the debt and competitive interest rates. Also, the liquidity profile of the company is expected to be supported by the presence of a two-quarter debt service reserve, with one quarter being funded upfront and the expectation of timely payments from the customer.

The rating is, however, constrained by the execution risks given the under-construction status of the two wind power projects. While comfort is drawn from the progress made in land acquisition for the 40-MW asset as well as in construction of transmission line and pooling substation, the land acquisition is pending for the 50-MW asset, exposing the company to the risk of delays in execution. The scheduled commercial operational date (SCOD) for the 40-MW is February 2026 and for the 50-MW asset October 2025. Hence, the 50-MW project must make significant progress over the next few months to be commissioned as per the SCOD. The timely completion of the projects remains a key monitorable for the company. Any delay in commissioning the projects beyond the scheduled CoD without commensurate extension in the CoD timelines by the offtaker and the lender would necessitate funding support from the parent.

ICRA notes that the debt funding has been tied up for both the projects. While the company has received 77% of the promoter contribution and has drawn down ~75% of the debt for the 40-MW project, the equity infusion and debt drawdown is pending for the 50-MW project as the land is yet to be acquired. Further, the sanctioned term loans for both the projects have a repayment tenure of ~15 years post the moratorium period, with a bullet payment at the end of the tenor, exposing the company to refinancing risks. However, comfort is drawn from the tail period available in the PPAs.

Post commissioning, the company's revenues and cash flows would remain sensitive to the variation in weather conditions, seasonality and equipment performance because of the single-part fixed tariff under the PPAs. Additionally, the company remains exposed to asset concentration risk as both the projects are located in Gujarat. Hence, the ability of the project to achieve the design P-90 PLF, post commissioning, on a sustained basis remains crucial from a credit perspective.

Further, the project credit metrics would remain exposed to the movement in interest rates, given the fixed tariff under the PPA, the floating interest rates and a leveraged capital structure with the project cost being funded through debt to equity of 73:27. Further, the company's operations remain exposed to the regulatory risk associated with forecasting & scheduling regulations.

The Stable outlook assigned to the long-term rating of the company is supported by the long-term PPAs in place for the entire capacity, providing revenue visibility post commissioning, and a strong counterparty, i.e., GUVNL, along with the track record of the Group in developing renewable power projects.

Key rating drivers and their description

Credit strengths

Experienced sponsor with a demonstrated track record in developing and operating renewable assets – SC14 is ultimately held by Actis PE (Actis) through BEPL, which has committed an investment of $800 million in India for the development of around 4 GW of renewable power projects through its energy fund (Actis Energy-5). Actis is a UK-based private equity firm with investments in India, China, Africa and Southeast Asia. The investments by Actis are spread across diverse sectors, such as real estate, long life infrastructure, energy infrastructure, digital infrastructure, etc. In India, it has efficiently managed renewable energy platforms like Ostro Energy (1.1 GW) and Sprng Energy (2.4 GW) in the past. At present, BEPL has an operational capacity of ~1.1 GW and an under-development capacity of ~1.9 GW, which is expected to be commissioned over the next two years.

Revenue visibility from long-term PPAs and competitive tariff rate for entire capacity – SC14 has signed long-term (25 years) PPAs with GUVNL for the entire capacity at a fixed tariff of Rs. 3.17 per unit for the 40 MW asset and Rs. 3.01 per unit for the 50-MW asset, providing high revenue visibility and low offtake risks for the wind power projects. The tariff offered by the projects remains highly competitive in relation to the average power purchase cost of GUVNL.

Low counterparty risk – The rating draws comfort from the presence of a strong counterparty like GUVNL and the payment security mechanism under the PPAs, with a provision for letter of credit equal to average one-month billing. Further, the additional provisions in the PPAs related to compensation in case of grid curtailment or backdown and the termination liability provide comfort. These factors, along with the superior tariff competitiveness of the project, mitigate the counterparty credit risk for the company.

Adequate debt coverage metrics and liquidity profile post commissioning – SC14's debt coverage metrics are expected to be adequate with the cumulative DSCR estimated at ~1.2x over the debt tenure, supported by the availability of long-term PPAs, the long tenure of the debt and competitive interest rates. The liquidity profile of the company is expected to be supported by the presence of a two-quarter debt service reserve over the tenure of the term loan. Additionally, BEPL is expected to extent funding support in case of any cash flow mismatch.

Credit challenges

Project execution risk – The company remains exposed to execution risks, given the under-construction status of the two wind power projects. While comfort is drawn from the progress made in land acquisition for the 40-MW asset as well as in the construction of the transmission line and pooling substation, the land acquisition is pending for the 50-MW asset, exposing the company to the risk of delays in execution. The scheduled SCOD for the 40-MW asset is February 2026 and it's October 2025 for the 50-MW asset. Hence, the 50-MW project must make significant progress over the next few months to be commissioned as per the SCOD. The timely completion of the projects remains a key monitorable for the company.

Refinancing risks – The sanctioned term loans for both the projects have a repayment tenure of ~15 years post the moratorium period, with a bullet payment at the end of the tenor, exposing the company to refinancing risk. However, comfort is drawn from the fact that the loan can be refinanced, given the tail period available in the PPAs.

Debt metrics sensitive to PLF levels – The company's revenues and cash flows would remain sensitive to the variation in weather conditions and seasonality because of the single-part fixed tariff under the PPA. Any adverse variation in weather conditions and/or wind turbine performance may impact the power generation and consequently the cash flows. Additionally, the company remains exposed to asset concentration risk as both the projects are located in Gujarat. Hence, the ability of the project to achieve the design P-90 PLF, post commissioning, on a sustained basis remains crucial from a credit perspective.

Exposed to interest rate risks – The interest rate on the term loan availed by the company for its project is floating and subject to regular resets. The fixed tariff under the PPA and a leveraged capital structure expose SC14's debt coverage metrics to the movement in interest rates.

Regulatory risks – The company's operations remain exposed to regulatory risks pertaining to the scheduling and forecasting requirements applicable for renewable power projects, given the variable nature of power generation.

Liquidity position: Adequate

The liquidity position of the company is supported by the debt tie-up for both the projects and part infusion of promoter contribution for the 40-MW project. ICRA expects BEPL to bring in the pending promoter contribution for both the projects depending on the construction progress. Further, BEPL is expected to support the projects in case of any cost overrun. Post commissioning, the liquidity of the company is expected to be supported by the presence of a two-quarter DSRA, with one quarter being funded upfront. Moreover, the company is expected to generate adequate cash flow from operations against a debt repayment obligation, backed by the long-term PPA and a strong counterparty.

Rating sensitivities

Positive factors – The rating could be upgraded if the projects achieve timely commissioning without any cost overruns, along with stabilisation of operations, post commissioning, resulting in comfortable debt coverage metrics. Further, ICRA could upgrade the company's ratings if the credit profile of the parent improves.

Negative factors – The rating could be downgraded if there are significant delays in commissioning the projects, resulting in cost overruns, or if the generation performance remains below the P-90 level, post commissioning, adversely impacting the debt coverage metrics. The rating could also be revised downwards if the credit profile of the parent weakens.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Wind
Parent/Group support	Parent Company: Blupine Energy Private Limited ICRA expects SC14's parent, BEPL, to extend financial support to SC14, should there be a need
Consolidation/Standalone	The rating is based on the standalone financials of the company

About the company

SC14, incorporated in 2022, , is a special purpose vehicle (SPV) promoted by Blupine Energy Private Limited (BEPL) for setting up 40-MW and 50-MW wind power projects in Gujarat. The SPV has signed 25-year PPAs with GUVNL for both the projects. The SCOD for the 40-MW asset is February 2026 and for the 50-MW asset October 2025. Envision Wind Power Technologies India Private Limited will be supplying 12-3.3-MW wind turbine generators for the 40-MW project.

Key financial indicators (audited) - Not meaningful as project is under construction

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Apr-17-2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	270.00	[ICRA]BBB+ (Stable)	-	-	-	-	-	-

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**	August 2024	NA	FY2042	270.00	[ICRA]BBB+ (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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