April 22, 2025

Solarcraft Power India 23 Private Limited: [ICRA]A- (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	157.07	[ICRA]A- (Stable); assigned
Total	**157.07**	

**Instrument details are provided in Annexure I*

Rationale

The assigned rating factors in the high revenue visibility and low offtake risk for the 46.875-MWDc solar power project of Solarcraft Power India 23 Private Limited (SC 23) because of the long-term (25 years) power purchase agreement (PPA) signed with Dalmia Cement (Bharat) Limited (rated at [ICRA]AA+ (Stable)/A1+) for the entire capacity at a fixed tariff of Rs. 2.97 per unit. The ratings draw comfort from the presence of a strong counterparty along with the superior tariff competitiveness offered by the project, which mitigates the counterparty credit risk for the company to a large extent.

The rating further derives comfort from the presence of an experienced sponsor, Blupine Energy Pvt Ltd (BEPL), which is held by Actis PE (Actis) through its Actis Energy – 5 Fund. Actis is a UK-based private equity firm with investments in India, China, Africa and Southeast Asia. In India, it has efficiently managed renewable 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, SC 23'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 long-term PPA, the long tenure of the debt and competitive interest rate. Also, the liquidity profile of the company, post commissioning, is expected to be supported by the presence of a two-quarter debt service reserve with one quarter funded upfront and the expectation of timely payments from the customer.

The rating is, however, constrained by the execution risks associated with the project, given the under-construction status of the project and delays in commissioning against the scheduled commercial operations date (SCOD) of March 31, 2025 as per the debt sanctioned terms. Nonetheless, ICRA notes that the lender has granted an extension of the SCoD to June 30, 2025 from March 31, 2025. Also, the entire land for the project has been acquired, and ~90% of solar module installation is completed. With respect to the transmission line, the company has acquired right of way (RoW) for 17 out of the 26 locations and balance are under progress. Timely commissioning and stabilisation of the project without further delays and cost overrun would remain a key monitorable. Also, the project is delayed from the timelines defined in the PPA, which could risk invocation of liquidated damages (LDs). Nonetheless, the company has informed the customer on the reasons for the delay and the management does not expect any such invocation of the LD by the customer.

Further, the company's revenues and cash flows would remain sensitive to the variation in weather conditions, seasonality and equipment performance, post commissioning, because of the single-part fixed tariff under the PPA. Additionally, the company remains exposed to asset concentration risk, as the entire capacity is located at a single site in Karnataka. Therefore, the ability of the project to achieve the design P-90 PLF, post commissioning, on a sustained basis remains crucial from a credit perspective. Herein, comfort is drawn from the sourcing of critical equipment such as modules from established players.

ICRA also takes note of the sensitivity of the debt coverage metrics to the movement in interest rates considering the leveraged capital structure and fixed tariffs under the PPA. Further, the company remains exposed to regulatory risks associated with forecasting & scheduling regulations, regulations for captive projects and open access charges. While the open access charges are to be paid by the customers under the PPAs, any significant increase in these charges would impact the competitiveness of the tariffs.

The Stable outlook assigned to the long-term rating of the company factors in the construction progress achieved by the project with expected commissioning in the next quarter, and benefits from the long-term PPA with a strong counterparty thereby providing revenue visibility, post commissioning.

Key rating drivers and their description

Credit strengths

Experienced sponsor with a demonstrated track record in developing and operating renewable assets – SC23 is ultimately held by Actis PE (Actis) through BEPL, which has committed to 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 under-development capacity of ~1.9 GW, which is expected to be commissioned over the next two years.

Low offtake risk with presence of long-term PPA with an industrial customer at highly competitive tariff – The solar power capacity under Solarcraft Power India 23 Private Limited (SC 23) has tied-up a long-term PPA with Dalmia Cement (Bharat) Limited under the captive mode at a fixed tariff, thereby limiting the demand and pricing risks. The PPA includes a provision for termination payments which cover for a certain portion of the debt under the SPV. Further, comfort is drawn from the competitive tariff offered by the project to the customer against the grid tariff rates. Moreover, the PPA would enable the customer to meet its renewable purchase obligations**.**

Adequate debt coverage metrics and liquidity profile – Post commissioning, the debt coverage metrics of the company are expected to be adequate with the cumulative DSCR estimated at ~1.2x over the debt tenure, supported by the availability of long-term PPA, the long tenure of the debt and competitive interest rate. 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 project is exposed to execution risks given its under-construction status. The entire land has been acquired, and around ~90 % of solar module installation is completed. However, right of way (RoW) and the construction of the transmission line for part of the transmission corridor is pending. The lender has granted an extension of COD to June 30, 2025 from March 31, 2025 earlier. The commissioning and stabilisation of the project without further delays would remain a key monitorable.

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 module and inverter performance may impact the power generation and consequently the cash flows. Additionally, the company remains exposed to asset concentration risk. 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 risk – The interest rates on the term loans availed by the company for its project is floating and subject to regular reset. Given the fixed tariffs under the PPA and the leveraged capital structure, the debt coverage metrics for the company remained exposed to the movements in interest rates.

Regulatory risks – The company's operations remain exposed to regulatory risks pertaining to scheduling and forecasting requirements applicable for solar power projects. However, the risk of variation is relatively low for solar power projects compared to wind power projects. Also, the projects are exposed to any revision in policies & regulations for captive projects as well as revision in open access charges, which could impact the competitiveness of the tariff offered

Liquidity position: Adequate

The liquidity position of the company is supported by the infusion of equity/promoter contribution and the debt tie-up for the project. The promoters (including offtakers) have infused Rs. 48.1 crore in the company as on April 16, 2025. Further, more than 90% of the sanctioned term debt has been drawn. The sponsor is expected to support the project in case of any cost overrun. Moreover, post commissioning, the company is expected to generate adequate cash flow from operations against the debt repayment obligation.

Rating sensitivities

Positive factors – ICRA could upgrade the company's rating if the project achieves commissioning without any major cost overruns, along with the demonstration of generation performance in line or above P-90 estimates, post commissioning, resulting in comfortable debt coverage metrics. Further, ICRA could upgrade the company's rating if the credit profile of the parent improves.

Negative factors – The rating could be downgraded if there are significant delays in commissioning the project, resulting in cost overruns, or if the generation performance remains below the P-90 level, post commissioning, adversely impacting the debt coverage metrics. A specific credit metric for downgrade is the cumulative DSCR falling below 1.15 times on a sustained basis. 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 - Solar
Parent/Group support	The rating is based on the implicit support from the parent company, Blupine Energy Private Limited
Consolidation/Standalone	The rating is based on the standalone financials of the company

About the company

Solarcraft Power India 23 Private Limited (SC 23), incorporated in 2023, is a special purpose vehicle (SPV) promoted by Blupine Energy Private Limited (BEPL) for setting up a 37.5 MWac Solar Project (46.875MW DC), on a captive basis, at Jawalgera Village, Sindhnur Taluka in Raichur District of Karnataka State. The Module Supplier for 46.875 MW is Premier Energies Photovoltaic Private Limited and Sungrow is the inverter supplier. The SPV has signed a 25-year PPA Dalmia Cement (Bharat) Limited for power offtake.

Key financial indicators (audited): Not applicable as the company is in project stage

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	April 22, 2025	Date	Rating	Date	Rating	Date	Rating
Term loan	Long-term	157.07	[ICRA]A- (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**	NA	NA	FY2046	157.07	[ICRA]A- (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 Kashiram Kadam
+91 22 6114 3441
girishkumar@icraindia.com

Vikram V
+91 40 6939 6410
vikram.v@icraindia.com

Sumit Jhunjhunwala
+91 33 6521 6814
sumit.jhunjhunwala@icraindia.com

Soumya Satapathy
+91 33 6521 6809
soumya.satapathy@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