

April 22, 2025

## Solarcraft Power India 25 Private Limited: [ICRA]A- (Stable) assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	54.11	[ICRA]A- (Stable); assigned
<b>Total</b>	<b>54.11</b>	

\*Instrument details are provided in Annexure I

### Rationale

The assigned rating factors in the high revenue visibility and low offtake risk for the 18.75-MWdc (revised from 15.625 MW) solar power project of Solarcraft Power India 25 Private Limited (SC 25) because of the long-term (25 years) power purchase agreement<sup>1</sup> (PPA) with strong counterparties for the entire capacity at a fixed tariff of ~Rs. 3.08 per unit. The rating draws 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 25's debt coverage metrics are expected to be adequate, with the cumulative debt service coverage ratio (DSCR) at ~1.2 times over the debt tenure, supported by long-term PPA, the long tenure of the debt and competitive interest rates. 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 its under-construction status 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 ~21% of solar module installation is completed. The company has acquired right of way (RoW) for 17 out of the 26 locations of the transmission line, while the balance is under progress. 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.

The company's revenues and cash flows would remain sensitive to variations in weather conditions and seasonality, after commissioning, because of the single-part fixed tariff under the PPA. Additionally, the company remains exposed to asset

<sup>1</sup> While the PPA is signed for 15.625 MW at present, the PPA is expected to be amended shortly to revise the capacity. Moreover, the contracted generation under the PPA is expected remain same, given that the company has revised the configuration from tracking module structure to fixed-tilt module structure.

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, after commissioning, on a sustained basis, remains crucial.

The rating also takes note of the risk of cash flow mismatch, owing to the lower lock-in period under the PPAs in relation to the debt tenure. Nonetheless, comfort can be drawn from the competitive tariff offered by the company and the Group's track record in securing PPAs with large industrial and commercial customers.

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 rating factors in the expected timely commissioning of the project without any cost overruns, supported by the long-term PPA with strong counterparties thereby providing revenue visibility, after commissioning.

## Key rating drivers and their description

### Credit strengths

**Experienced sponsor with a demonstrated track record in developing and operating renewable assets** – SC 25 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 an 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 SC 25 has tied-up a long-term PPA with CTRL S Bangalore Private Limited, APL Apollo Tubes Limited and Ask Automotive Private 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 SPVs. Further, comfort is drawn from the competitive tariff offered by the project to the customer against the grid tariffs. Moreover, the PPA would enable the customer to meet its renewable purchase obligations tariff.

**Adequate debt coverage metrics and liquidity profile** – The debt coverage metrics are expected to be adequate with the cumulative DSCR estimated at 1.2 times over the debt tenure, supported by the availability of long-term PPA, 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 extend funding support in case of any cash flow mismatch.

### Credit challenges

**Project execution risks** – The project is exposed to execution risks, given its under-construction status. The entire land has been acquired, and ~21% of solar module installation is complete. 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 the COD to June 30, 2025 from March 31, 2025. The commissioning and stabilisation of the project without further delays would remain key monitorable factors.

**Debt metrics sensitive to PLF levels** – The company's revenues and cash flows would remain sensitive to variations 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 risks. Hence, the ability of the project to achieve the design P-90 PLF, after commissioning, on a sustained basis, remains crucial.

**Risk of cash flow mismatch owing to lower lock-in period under the PPA in relation to debt tenure** –The PPA signed by SC 25 has a lock-in period of 15 years against debt repayment tenure of ~20 years for the loan availed. The company's inability to continue the PPA beyond the lock-in period or tie-up PPA with new customers, could result in risk of cash flow mismatch for debt servicing. Nonetheless, comfort can be drawn from the significant discount offered by the company to its customers against the grid tariff and the track record of the sponsor in securing PPAs with large industrial and commercial customers.

**Exposed to interest rate risk** – The interest rates on the term loans availed by the company for its projects are floating and subject to regular reset. The fixed tariffs under the PPA and leveraged capital structure keep the debt coverage metrics for the company 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 revision in policies & regulations for captive projects as well as 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. 13.90 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 cost overruns. Moreover, the company, after commissioning, 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, after commissioning, leading to 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, after 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	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Power - Solar</a>
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 25 Private Limited (SC 25), incorporated in 2023, is a special purpose vehicle (SPV) promoted by Blupine Energy Private Limited (BEPL) for setting up an 18.75-MW DC solar project, on a captive basis, at Jawalgera village, Sindhnur Taluka in Raichur district of Karnataka. The SPV has signed a 25-year PPA with APL Apollo Building, CTRL S and Ask Automotive Private 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	54.11	[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	54.11	[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**

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