

September 12, 2025

## Solarcraft Power India 5 Private Limited: [ICRA]A- (Stable); assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	376.12	[ICRA]A- (Stable); assigned
<b>Total</b>	<b>376.12</b>	

\*Instrument details are provided in Annexure I

### Rationale

The assigned rating factors in the high revenue visibility and low offtake risk for the 180-MWac solar power capacity of Solarcraft Power India 5 Pvt Ltd (SC5) 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. 2.64 per unit for the 100-MW capacity and Rs. 2.655 per unit for the 80-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 an experienced sponsor in the form of the Blupine Energy Private Limited (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 1.3 GW and an under-development capacity of 1.6 GW. The platform has an equity commitment of \$800 million from Actis, of which \$500 million has been drawn so far.

Post commissioning, SC5's debt coverage metrics are expected to be adequate with the cumulative debt service coverage ratio (DSCR) of 1.25-1.30x 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 solar power projects. While comfort is drawn from the progress made in land acquisition for the 100-MW asset as well as in construction of transmission line, pooling substation and grid sub-station bay extension, the land acquisition is in initial stages for the 80-MW asset, exposing the company to the risk of delays in execution. The scheduled commercial operational date (SCOD) for the 100-MW is April 2026 and for the 80-MW asset is October 2026. 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 on the project (100 MW), while the same is under process for other project (80 MW). While the company has received 100% of the promoter contribution and has drawn down ~50% of the debt for the 100-MW project, the debt drawdown is pending and promoter contribution has been partly infused for the 80-MW project.

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 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, floating interest rate and a leveraged capital structure with the project cost being funded through a debt-to-equity ratio of 80:20 for 100-MW. Further, SC5's operations remain exposed to the regulatory risk associated with forecasting and 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** – SC5 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 ~1.3 GW and an under-development capacity of ~1.6 GW, which is expected to be commissioned over the next two years.

**Revenue visibility with long term PPAs with GUVNL at competitive tariff rate for entire capacity** – SC5 has signed long-term (25 years) PPAs with GUVNL for the entire capacity at a fixed tariff of Rs. 2.64 per unit for the 100 MW asset and Rs. 2.655 per unit for the 80-MW asset, providing high revenue visibility and low offtake risks for the solar 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 after commissioning** – SC5's debt coverage metrics are expected to be adequate with the cumulative DSCR estimated at 1.25-1.3x 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 solar power projects. While comfort is drawn from the progress made in land acquisition for the 100-MW asset as well as in the construction of the transmission line, pooling substation and grid sub-station bay extension, the land acquisition is in initial stages for the 80-MW asset, exposing the company to the risk of delays in execution. The SCOD for the 100-MW project is April 2026 and for the 80-MW project is October 2026. The timely completion of the projects remains a key monitorable for the company.

**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 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 SC5’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 and complete infusion of promoter contribution for the 100-MW project and part promoter infusion for 80 MW project. ICRA expects BEPL to bring in the promoter contribution for the 80 MW depending on the construction progress and tie-up of debt funding. 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 major cost overruns, or if the generation performance remains below the P-90 level, after commissioning, adversely impacting the debt coverage metrics. Further, any significant delays in receiving payments from the offtaker adversely impacting its liquidity profile, after the commissioning, would be a negative rating trigger. 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 Power - Solar and Wind</a>
Parent/Group support	Parent Company: Blupine Energy Private Limited ICRA expects SC5’s parent, BEPL, to extend financial support to SC5, should there be a need.
Consolidation/Standalone	The rating is based on the standalone financials of the company

### About the company

SC 5, incorporated in 2021, is a special purpose vehicle (SPV) promoted by BEPL for setting up 100 MW and 80 MW solar power projects in Gujarat. Both these projects were won by BEPL through the competitive bidding route, awarded by Gujarat Urja Vikas Nigam Limited (GUVNL) with signed PPAs for 25 years. The SCOD for the 100-MW project is April 2026 and for the 80-MW project is October 2026.

**Key financial indicators (audited)** - Not meaningful, since the project is currently under construction.

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** None

### Rating history for past three years

Instruments	Type	Current (FY2026)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Sep 12, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based – Term loan	Long Term	376.12	[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	Long-term fund based – Term loan	FY2026	NA	FY2047	376.12	[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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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.

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