

**November 17, 2025**

## **Talettutayi Solar Projects Five Private Limited: Rating reaffirmed; removed from rating watch with developing implications, Stable outlook assigned**

### **Summary of rating action**

<b>Instrument*</b>	<b>Previous rated amount (Rs. crore)</b>	<b>Current rated amount (Rs. crore)</b>	<b>Rating action</b>
<b>Long term – Fund based – Term loan</b>	208.99	208.99	[ICRA]BBB (Stable); reaffirmed and removed from rating watch with developing implications; Stable outlook assigned
<b>Total</b>	<b>208.99</b>	<b>208.99</b>	

*\*Instrument details are provided in Annexure I*

### **Rationale**

To arrive at ratings, ICRA has taken a consolidated view of the three cash pooling special purpose vehicles (SPVs) (pool) - Talettutayi Solar Projects Private Limited (TT), Talettutayi Solar Projects Five Private Limited (TT5) and Talettutayi Solar Projects Six Private Limited (TT6). The rating takes comfort from the presence of a cash pooling structure with a defined mechanism for the sharing of surplus cash flows prior to the due date of debt servicing among TT, TT5 and TT6 in case of a shortfall in meeting the debt servicing requirements in any of the three SPVs, enabling ICRA to take a consolidated view.

ICRA had earlier placed the rating on watch with Developing implications, pending the change in shareholding of Solar Arise India Projects Private Limited (SAIPPL). Earlier, a share purchase agreement was signed between Asia Energy Impact Trust Plc (AEIT), which holds a 100% stake in SAIPPL, and Neo Infra Income Opportunities Fund (NIIOF) for the transfer of the entire shareholding in SAIPPL. SAIPPL is the holding company for the solar assets of AEIT in India and is the parent company for TT, TT5 and TT6. ICRA has now removed the rating watch with developing implications subsequent to NIIOF's full acquisition of SAIPPL, marking the completion of the ownership transition and providing clarity on the change in sponsor profile.

The rating reaffirmation continues to factor in the presence of long-term power purchase agreements (PPAs) for the entire solar capacity of the pool, mitigating the offtake and tariff risks. The rating also considers the moderate benefits accruing from the geographic and customer diversification of the pool. Further, there is a healthy tail period of ~5 years between the residual PPA and the debt tenure. The debt availed by the cash pooling SPVs has a blended tenure of 16 years and a fixed rate of interest till FY2028.

The rating is, however, constrained by the moderate debt coverage indicators of the pool owing to the under-performance in power generation by the 70-MW solar power capacity of the pool against the appraised P-90 generation estimate. The under-performance is prominent for TT5 (50 MW) and TT6 (10 MW) due to issues such as lower-than-expected radiation, inverter issues and waterlogging at project site (for TT6). The average plant load factor (PLF) for TT5 over the past three years ended FY2025 stood at 23.7% against the P-90 estimate of 25.5%. Also, the average PLF for TT6 stood at 17.3% over the past three years ended FY2025 against the P-90 estimate of 18.2%.

The company has implemented several corrective measures, including entering into a service agreement with the inverter OEM to improve spare part availability and reduce the turnaround time for repairs. Additionally, the drainage system has been redesigned to mitigate the risk of flooding in TT6. The effectiveness of these initiatives in enhancing generation and plant availability remains a key monitorable, going forward.

The rating would remain constrained by the sensitivity of the pool's performance to any adverse variation in weather conditions, which may impact the PLF levels and consequently affect the cash flows and debt servicing. Additionally, the debt coverage metrics remain sensitive to any adverse variation in interest rates beyond FY2028. Further, the rating factors in the exposure to the state distribution utilities of Uttar Pradesh and Telangana, which have a modest credit profile. Nonetheless, comfort is drawn from the timely receipt of payments, post the implementation of the late payment surcharge (LPS) rules in 2022.

The Stable outlook on the rating factors in the steady cash flow visibility, aided by the long-term PPAs and timely collections from the offtakers which are expected to support the credit profile, going forward.

## Key rating drivers and their description

### Credit strengths

**Long-term PPAs for entire 70-MW capacity mitigate demand and pricing risks** – The SPVs have signed 25-year PPAs with Telangana State Southern Power Distribution Company Limited (TSSPDCL) for TT & TT6 at a fixed tariff of Rs. 6.89 per unit for the entire capacity of 10 MW each. For TT5, the PPA has been signed with Uttar Pradesh Power Corporation Ltd. (UPPCL) at a fixed tariff of Rs. 3.21 per unit for the entire capacity of 50 MW. This limits the demand and pricing risks for this project.

**Moderately diversified counterparty mix** – The cash pooling SPVs consist of 50-MW solar power capacity in Uttar Pradesh and 20-MW solar power capacity in Telangana with long-term PPAs in place with the respective state distribution utilities. The diversification benefits with respect to the location and counterparty remain moderate as a major portion of the capacity of the pool is at a single location and with a single offtaker.

**Long-tenure debt tied up with interest rates fixed for the 5-year period till FY2028** The debt availed by the cash pooling SPVs carries a blended tenure of 16 years, with a fixed interest rate applicable until FY2028. Additionally, the structure benefits from a healthy tail period of approximately five years between the residual tenure of the PPAs and the debt maturity, supporting the overall credit profile.

### Credit challenges

**Moderate debt coverage metrics on account of underperformance in operational metrics** – The debt coverage indicators of the pool have remained moderate owing to the under-performance in power generation by the 70-MW solar power capacity of the pool against the appraised P-90 generation estimate. As per ICRA estimates, the cumulative DSCR of the pool is expected to remain at ~1.1 times. The under-performance is prominent for TT5 (50 MW) and TT6 (10 MW) owing to issues such as lower than-expected irradiation, inverter issues and waterlogging at the project site (for TT6). ICRA notes that the company has implemented several corrective measures, but the effectiveness of these initiatives in enhancing generation and plant availability remains a key monitorable, going forward.

**Vulnerability of cash flows to solar irradiation and exposure to other climatic risks** – Variability in solar irradiation may affect the generation, which may impact the revenues and the cash flows of the projects as the revenues are directly linked to the actual generation. The risk is mitigated to a limited extent by the geographically diversified asset base of the overall portfolio.

**Exposure to counterparty credit risk and moderate tariff competitiveness** – The entire capacity under the cash pooling SPVs has been contracted with the state distribution utilities of UP and Telangana. While the payments from the discoms have improved with the implementation of the LPS rules in 2022, the collection performance of the pool shall remain vulnerable to the weak credit profiles of the beneficiaries. While the tariff competitiveness of the pool is supported by the competitive PPA tariff for a sizeable capacity contracted with the UP discom, the tariff competitiveness remains weak for the capacity in Telangana.

**Exposure to interest rate movement, post FY2028** – The leveraged capital structure and fixed tariffs under the PPAs for the pool expose the debt coverage metrics to the interest rate movement. While the interest rate on the long-term loans is fixed for a period of five years till FY2028, it will be exposed to the interest risk movement thereafter.

### Liquidity position: Adequate

The liquidity of the cash pooling SPVs remains adequate with the presence of a one-quarter debt service reserve and an inverter replacement reserve of ~Rs. 12.6 crore. Also, comfort is drawn from the available free cash and bank balances (excluding reserves) of ~Rs. 27.3 crore as on October 14, 2025 for the overall pool, which covers for over 12 months of debt servicing and operating costs. Moreover, the cash flow from operations is expected to remain adequate to meet the annual debt servicing requirements of the pool in FY2026 and FY2027.

### Rating sensitivities

**Positive factors** – The rating could be upgraded if the pool demonstrates sustained improvement in generation performance thereby strengthening the credit metrics. Specific credit metric that may lead to rating upgrade include cumulative DSCR above 1.20x (for external debt).

**Negative factors** – Pressure on the rating could arise if there is a deterioration in the generation performance of the solar assets under the pool, weakening the debt coverage indicators of the pool (for external debt). Any significant delay in receiving the payments from the offtakers, adversely impacting the liquidity profile of the pool, will also affect the rating.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Power - Solar and Wind</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of the three cash pooling SPVs listed in Annexure II

### About the company

TT5 has set up a 50-MW AC (75 MW DC) grid-connected solar photovoltaic (PV) power project in Uttar Pradesh using the mono-crystalline silicon photovoltaic technology. Uttar Pradesh New & Renewable Energy Development Agency (UPNEDA) had initiated a competitive bidding process and TSPFPL was the successful bidder. Accordingly, UPNEDA had issued an LOI dated November 22, 2018, for the construction, operation & maintenance and supply of power for the 50MW (AC)/75MW (DC) Solar power project at Kheda village in the Badaun district of Uttar Pradesh.

### About the cash pooling SPVs

The SPVs under the cash pooling arrangement have an aggregate installed solar power capacity of 70 MW, with 50 MW installed in UP and the balance 20 MW installed in Telangana. The entire capacity of the pool has been contracted with the respective state distribution companies for a period of 25 years.

SAIPPL is the holding company for the solar assets of AEIT in India and is the parent company for TT, TT5 and TT6. In August 2025, NIIOF completed the acquisition of SAIPPL from AEIT.

### Key financial indicators (audited)

Cash pooling SPVs (Consolidated)	FY2024	FY2025
Operating income	56.4	54.4
PAT	1.1	(7.4)
OPBDIT/OI	68.8%	72.8%
PAT/OI	1.9%	-13.6%
Total outside liabilities/Tangible net worth (times)	-27.31	-43.69
Total debt/OPBDIT (times)	10.41	9.90
Interest coverage (times)	1.06	1.14

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

**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)	Nov 17, 2025	Date	Rating	FY2025		FY2024		FY2023	
						Date	Rating	Date	Rating	Date	Rating
<b>Fund based – Term loan</b>	Long term	208.99	[ICRA]BBB (stable)	Jul 07, 2025	[ICRA]BBB rating watch with developing implications	June 25, 2024	[ICRA]BBB+ rating watch with developing implications	May 29, 2023	[ICRA]BBB+ (Stable)	Oct 12, 2022	[ICRA]BBB+ rating watch with developing implications

### 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	Mar 2022	-	FY2041	208.99	[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**

Company name	Ownership	Consolidation approach
Talettutayi Solar Projects Private Limited	100.00%	Full consolidation
Talettutayi Solar Projects Six Private Limited	100.00%	Full consolidation
Talettutayi Solar Projects Five Private Limited	100.00%	Full consolidation

Source: Company data

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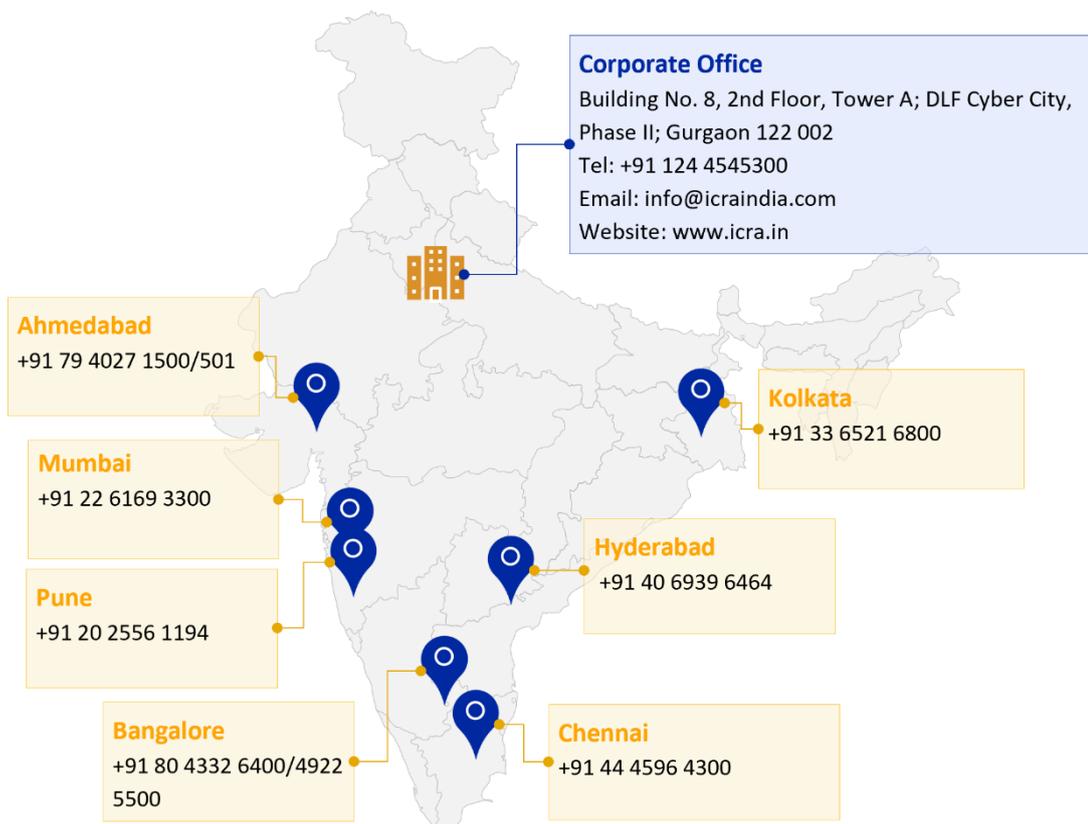
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