

November 18, 2025

Sorion Solar Private Limited: Ratings Reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - Fund based – Term loan	27.05	27.05	[ICRA]A- (Stable); Reaffirmed
Total	27.05	27.05	

*Instrument details are provided in Annexure I

Rationale

The rating action for Sorion Solar Private Limited (SSPL) factors in the strengths arising from the company's parentage, being a part of the Cleantech Solar Group, an experienced management, established track record in developing and operating renewable power projects and a diversified solar & wind project portfolio of ~1083 MWp tied up with large commercial & industrial customers. The capacity under the holding company Cleantech India OA Pte Ltd (CIOA) stands at ~374MW with the entire capacity being operational. Recently, Keppel Corporation has acquired the balance 49% stake from Shell Plc, thereby gaining full ownership of the platform.

Further, the rating favourably factors in the long-term power purchase agreement (PPA) signed by SSPL with Galaxy Surfactants Limited (GSL), at a fixed tariff under the captive mode, thereby limiting the demand and pricing risks for its 7.45MW solar power projects. The tariff offered under the PPA is highly competitive in relation to the grid tariff for this customer and the PPA would enable the customer to meet its sustainability goals. Further, the rating draws comfort from the strong credit profile of GSL, which is expected to lead to timely realisation of payments for the company. Going forward, the debt metrics are expected to remain adequate, supported by the PPA at a fixed tariff rate and the long tenure of the project debt.

While a top-up term loan of Rs 7.1 crore availed during the debt refinancing is likely to adversely impact the company's debt coverage indicators, they are expected to remain adequate and commensurate with the rating level, supported by the PPAs at fixed tariff rates, a satisfactory generation performance and the long tenure of the project debt. Also, comfort is drawn from the presence of a debt service reserve account (DSRA) equivalent to one quarter of debt servicing. However, any additional leveraging by the entity, impacting its debt coverage metrics would remain a key rating sensitivity, going forward.

However, the rating is constrained by the vulnerability of the cash flows and debt coverage metrics of the solar power project to the generation performance, given the single part tariff under the PPA. Any adverse variation in weather conditions or equipment performance or inability to ensure adequate O&M practices for the solar assets would impact generation and consequently the cash flows. Herein, comfort is drawn from the healthy generation performance achieved so far for 5.6MW capacity operational since August 2021, with the PLF remaining above the P90 estimate. The balance capacity of 1.85 MW was recently commissioned in December 2024. Thus, demonstration of generation performance in line with, or above the P90 estimate remains a key monitorable.

ICRA notes that the termination payments under the PPA do not cover for the entire debt outstanding. Nonetheless, comfort can be drawn from the competitive tariff offered by the SPV 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 long-term rating of SSPL factors in the steady cash flow visibility, aided by the long-term PPA and timely cash collections expected from the customer.

Key rating drivers and their description

Credit strengths

Strengths by virtue of being part of Cleantech Solar Group – SSPL is part of the Cleantech Solar Group, which in turn is promoted by Keppel Consortium. Recently, Keppel Corporation has acquired the balance 49% stake from Shell Plc, thereby gaining full ownership of the platform. The platform benefits from a diversified portfolio of more than ~1083 MWp across seven countries in South Asia and the presence of strong shareholders, who are focused on growing their renewable energy portfolio. SSPL is expected to benefit from the strengths of the Group, given the cross-default linkages with the parent (CIOA) and other group SPVs.

Low offtake risk with presence of long-term PPA with a industrial customer at highly competitive tariff – The solar project under SSPL has tied-up a long-term PPA with GSL 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 tariffs 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.

Strong credit profile of the customer – The presence of a strong counterparty like, GSL, is expected to result in timely payments, as demonstrated so far.

Adequate debt coverage metrics and liquidity profile, despite moderation post refinancing – While the top-up term loan availed during the debt refinancing is likely to adversely impact the company's debt coverage indicators, they are expected to remain adequate and commensurate with the rating level, supported by the presence of PPAs at fixed tariff rates, a satisfactory generation performance and the long tenure of the project debt. However, any additional leveraging by the entity, impacting its debt coverage metrics would remain a key rating sensitivity. Also, the liquidity profile of the company is supported by the presence of DSRA equivalent to one quarter and timely payments from the customer.

Credit challenges

Vulnerability of cash flows to solar radiation – Given the single part tariff under the PPAs, the revenues and cash flows of the project would remain vulnerable to the actual generation, which in turn is exposed to the variability in solar radiation. While comfort is drawn from the performance so far for, demonstration of generation in line with or above the appraised estimate on a sustained basis remains a key monitorable.

Exposed to interest rate risk – The interest rates on the term loans availed by the company for its projects 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 SSPL is expected to be adequate, with sufficient buffer between cash flows from operations and the debt repayment obligation. Moreover, the presence of one quarter DSRA and timely payments from the customer is expected to support the liquidity position. The company had cash and liquid investments of Rs. 1.52 crore as on July 31, 2025, including DSRA of Rs 0.22 crore.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the company is able to demonstrate a generation performance in line or higher than the historical average along with timely payments from the customer, leading to improvement in credit metrics. Also, the rating would remain sensitive to the credit profile of its parent, CIOA.

Negative factors – Negative pressure on the rating could arise if the generation performance of SSPL remains below the appraised estimate on a sustained basis, thereby adversely impacting the debt coverage metrics. Also, delay in payments from counterparties adversely impacting the liquidity profile of the pool is another negative trigger. Further, the rating would remain sensitive to the credit profile of its parent, CIOA. A specific credit metric for downgrade is cumulative DSCR on the project debt falling below 1.15x.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	The rating assigned to SSPL factors in the implicit support from holding company, CIOA, with support expected to be forthcoming in case of any cash flow mismatch, given the cross-default linkages with CIOA and other SPVs of the Group.
Consolidation/Standalone	Standalone

About the company

SSPL is a subsidiary of CIOA, Singapore, wherein CIOA holds a 71.51% stake and the remaining 28.49% is held by the sole customer, Galaxy Surfactants Limited. CIOA is a 100% subsidiary of Cleantech Solar Asia Pte. Ltd. (CSA), which in turn is 100.0% owned by Keppel consortium. CSA has a solar power portfolio of ~1,083 MWp across India, Thailand, Malaysia, Cambodia, Indonesia, Vietnam and Singapore.

SSPL owns and operates a 5.6 MW (DC capacity) solar power project in the Beed district of Maharashtra, commissioned on August 1, 2021. The company has signed a 25-year long-term PPA with Galaxy Surfactants Limited. The company added another 1.85-MW solar project, which is currently operational. As required under the group captive regulations, the customer has subscribed to the shareholding of the company.

Key financial indicators (audited)

Standalone	15M FY2024	FY2025
Operating income (All lower except first letter and bold)	4.1	3.2
PAT	0.6	-0.0
OPBDIT/OI	85.4%	83.7%
PAT/OI	13.8%	-0.2%
Total outside liabilities/Tangible net worth (times)	2.4	4.5
Total debt/OPBDIT (times)	4.8	13.7
Interest coverage (times)	1.8	1.4

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amounts 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

Current (FY2026)				Chronology of rating history for the past 3 years							
				FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Nov 18, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	27.05	[ICRA]A-(Stable)	Apr 03, 2025	[ICRA]A-(Stable)	Sep 27, 2024	[ICRA]A-(Stable)	Jun 30, 2023	[ICRA]A-(Stable)	Jun 06, 2022	[ICRA]A-(CE) (Stable)
				Aug 26, 2025	[ICRA]A-(Stable)					Sep 23, 2022	[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	FY2044	20.15	[ICRA]A- (Stable)
NA	Term loan	NA	NA	FY2045	6.90	[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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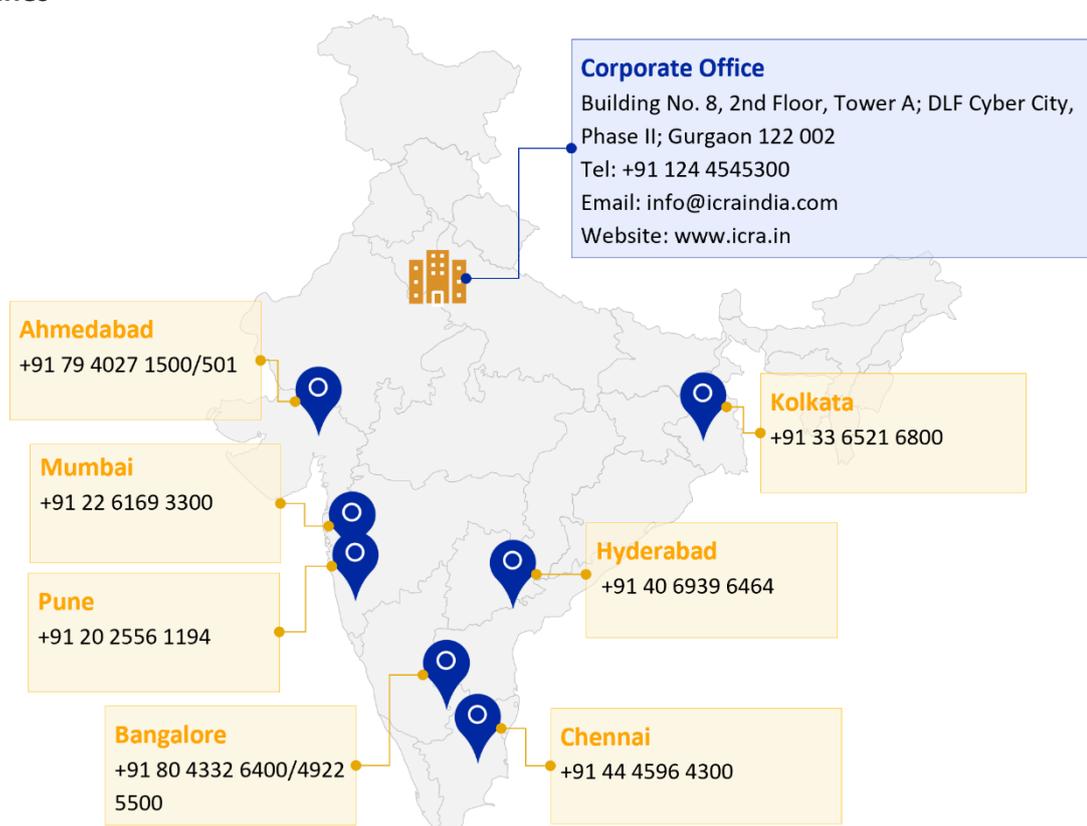
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