

January 22, 2026

Sun Photo Voltaic Energy India Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term fund based – Term loan	284.76	253.86	[ICRA]A (Stable); reaffirmed
Total	284.76	253.86	

*Instrument details are provided in Annexure I

Rationale

The reaffirmation of the rating for Sun Photo Voltaic Energy India Private Limited (SPVEIPL, the company) continues to factor in the presence of a long-term power purchase agreement (PPA) with Bangalore Electricity Supply Company Limited (BESCOM) for its 78-MW wind power project. The PPA is at a fixed tariff of Rs. 4.5 per unit for 20 years, thus limiting the demand and pricing risks. The rating also factors in a satisfactory generation by SPVEIPL's wind power project, which despite a decline in generation to 26.1% in FY2025 from 27.9% in FY2024 continues to be comfortable to meet the company's debt servicing requirements. Notably, the gross generation improved to 139.5 MUs in H1 FY2026 from 130.2 MUs in H1 FY2025. Importantly, machine and grid availability remained high in FY2025 and H1 FY2026, indicating that the dip in PLF in FY2025 was primarily on account of lower wind power density rather than operational constraints. Nevertheless, the average PLF since commissioning remains below the P-90 estimate, thereby adversely impacting the returns for the project. Going forward, the company's ability to improve its generation performance from the historical levels remains a key monitorable for an improvement in its credit profile.

ICRA also takes note of the improvement in the realisation period for the payments from BESCOM in the last two years ending September 2025. The payments were being delayed by BESCOM during a large part of FY2022 and H1 FY2023. However, BESCOM has been clearing payments in a timely manner over the past two years on the back of the implementation of the late payment surcharge (LPS) rules by the Government of India.

The rating also factors in the company's managerial and technical strengths from being a part of the Acciona Group. Corporacion Acciona Energias Renovables S.A. (CAER) is the holding company of the Acciona Energia Group and is one of the leading renewable energy (RE) companies globally, with an installed RE capacity of ~15.1 GW across multiple countries. The credit profile of CAER is supported by a diversified RE portfolio, the long-term contracts driving majority of its revenues and the comfortable credit metrics.

Further, the presence of a long-term operations and maintenance (O&M) contract with Acciona Energy India Private Limited (AEIPL) for 10 years, with a guarantee for minimum machine availability, limits the company's operating risks. The long repayment tenure of the project debt, competitive interest rates and the conservative funding structure are expected to lead to comfortable debt coverage metrics for SPVEIPL, with an estimated cumulative DSCR of over 1.3 times over the debt tenure.

The rating is, however, constrained by the vulnerability of the project's cash flows to the seasonality and possible variation in wind power density across the years, given the single-part tariff under the PPA. Further, the fixed tariff of the project exposes the company to variations in interest rates on the project debt. This apart, the rating factors in the exposure to a single counterparty - BESCOM. A timely realisation of payments from BESCOM and maintaining a comfortable liquidity profile to tide over any temporary cash flow timing mismatches remains a monitorable for the credit profile of the company.

The rating also factors in the regulatory challenges arising from the scheduling and forecasting framework for wind power projects in Karnataka, given the variable nature of wind energy generation. Nonetheless, the company has demonstrated a satisfactory track record so far by keeping the extent of deviation relatively low. ICRA takes note that a part of the promoter funding is in the form of euro-denominated debt, with annual interest and repayment obligations. Nonetheless, the servicing

of the promoter debt is subordinated to project debt and is subject to the availability of surplus cash in the distribution account. Further, in December 2025, the company has made ECB interest payments of ~Rs. 22 crore to the promoter, covering the period from December 2023 to September 2025.

The Stable outlook on the long-term rating of SPVEIPL reflects the high revenue visibility from the long-term PPA with BESCOM at a fixed tariff, an established generation track record and the company's comfortable liquidity profile.

Key rating drivers and their description

Credit strengths

Long-term PPA with BESCOM for 20 years at a fixed tariff – The company's PPA with BESCOM for 20 years at an approved feed-in tariff of Rs. 4.5 per unit for the entire capacity mitigates the demand and pricing risks. The company is also registered for a generation-based incentive (GBI) of 50 paise per unit, which is expected to be received until FY2026, for the 60-MW capacity with Indian Renewable Energy Development Agency (IREDA), which would augment the cash flows.

Strengths arising from being part of Acciona Group – The Group has significant experience in developing and operating renewable power projects across the globe, with an aggregate operational capacity of ~15.1 GW. The Group has a diversified portfolio across multiple countries with long-term contracts driving majority of the revenues and comfortable credit metrics. The Group is expected to support SPVEIPL, in case of any cash flow mismatches, as observed in the past.

Comfortable debt coverage metrics expected over the debt tenure – The company's debt coverage metrics are expected to be comfortable with a projected cumulative DSCR of over 1.3 times over the debt repayment tenure, supported by the long-term PPA at reasonable tariffs providing revenue visibility and the long tenure of the project debt.

Credit challenges

Sensitivity of debt metrics to energy generation – The generation by the wind farm and consequently the cash flows of the project are susceptible to the seasonality and variation in wind power density, given the one-part tariff structure in the PPA with BESCOM. This risk is amplified by the geographic concentration of the asset. The average PLF since commissioning is also lower compared to the P-90 estimate for the project. Nonetheless, the generation has remained adequate in relation to the debt servicing obligations.

Counterparty credit risk associated with exposure to single offtaker – The counterparty risk for the company arises from its exposure to a single entity - BESCOM. The credit profile of BESCOM is dependent on the timely pass-through of cost variations to customers and timely collections. The payments from BESCOM were timely till FY2021; however, the collection period increased in FY2022 and H1 FY2023 owing to the financial challenges faced by BESCOM. Nonetheless, the payments from the discom have been timely for the bills raised since November 2022, following the implementation of the LPS rules. This remains a key monitorable for the company, going forward.

Sensitivity to interest rate movements; regulatory challenges of implementing scheduling and forecasting framework in Karnataka – The debt coverage metrics would remain sensitive to the interest rate movement, given the fixed nature of the tariff under the long-term PPA with BESCOM and the leveraged capital structure. Further, the regulatory challenges of implementing the scheduling and forecasting framework for wind power projects in Karnataka pose a risk, given the variable nature of wind energy generation. However, the risk is mitigated to some extent by the presence of an experienced team and a satisfactory track record demonstrated so far, in keeping the extent of the deviation relatively low.

Liquidity position: Adequate

The liquidity position of SPVEIPL is expected to remain adequate, supported by a healthy buffer between the cash flows from operations and debt servicing requirements. The company has unencumbered free cash & bank balances of ~Rs. 48.6 crore as on November 30, 2025. The company further maintains an O&M reserve of Rs. 3 crore. The presence of a DSRA equivalent to two-quarter interest and principal obligations (in the form of fixed deposits of Rs. 10 crore and a bank guarantee of Rs. 18.4

crore as on November 30, 2025) provides additional headroom to tide over any temporary cash flow timing mismatches. However, ICRA has not factored the same in its liquidity assessment, given that the transaction documents are open-ended on ensuring DSRA availability prior to default.

Further, the company is scheduled to begin repaying the principal on its euro-denominated debt obligations to the parent from FY2027. In December 2025, it paid ~Rs. 22 crore of accumulated interest relating to the accrual from December 2023 to September 2025. Importantly, servicing of the promoter debt is structurally subordinated to the project debt, and any servicing will occur only to the extent of the surplus cash balances in the distribution account. Therefore, maintenance of healthy free cash and bank balances by the company (over and above the DSRA and O&M reserve) would be a key monitorable from a liquidity perspective, going forward.

Rating sensitivities

Positive factors – ICRA could upgrade SPVEIPL’s rating if it achieves a generation performance higher than the historical average along with timely payments from the offtaker, leading to an improvement in the credit metrics and a comfortable liquidity profile. Also, the rating could be upgraded if the credit profile of its parent Group, led by CAER, improves.

Negative factors – Pressure on SPVEIPL’s rating could arise in case of any delays in realising payments from BESCO, adversely impacting its liquidity position. Further, any under-performance in generation by the wind power project adversely impacting the debt coverage metrics and liquidity position of SPVEIPL would be a negative trigger. A specific credit metric for downgrade is the cumulative DSCR falling below 1.25 times. Also, the rating could be downgraded if the credit profile of its parent Group, led by CAER, deteriorates.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Wind
Parent/Group support	The rating for SPVEIPL considers the implicit benefit of being a part of the Acciona Energia Group, led by CAER. ICRA expects the Group to extend financial support to SPVEIPL, should such a need arise
Consolidation/Standalone	The rating is based on the standalone financial profile of the company.

About the company

SPVEIPL, promoted by the Spain-based Acciona Group, is operating a 78-MW wind power plant at Bannur in the Bijapur district of Karnataka. The project was commissioned in two phases, with 60 MW being commissioned by March 31, 2017, and the remaining 18 MW commissioned by September 30, 2017. The project was set up at a cost of about Rs. 770 crore and funded through a debt of Rs. 399 crore (against the appraised debt of Rs. 454 crore), equity of Rs. 164 crore, sponsor debt of 15 million euros and reimbursement from Group entities for the development of common evacuation infrastructure. The WTGs for the project were supplied by Acciona Windpower India Private Limited (Nordex –Acciona company), while the operations and maintenance are managed by AEIPL.

Key financial indicators (audited)

SPVEIPL Standalone	FY2024	FY2025
Operating income	92.74	86.23
PAT	21.09	-33.07
OPBDIT/OI	76.53%	75.65%
PAT/OI	22.74%	-38.35%
Total outside liabilities/Tangible net worth (times)	3.56	4.26
Total debt/OPBDIT (times)	6.02	6.23
Interest coverage (times)	1.61	1.53

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

Current (FY2026)						Chronology of rating history for the past 3 years							
						FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Jan 22, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating		
Term loan	Long term	253.86	[ICRA]A (Stable)	-	-	Nov-26-24	[ICRA]A (Stable)	Sep-01-23	[ICRA]A (Stable)	Jul-28-22	[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	FY2018	-	FY2036	253.86	[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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