

February 27, 2026

## Sudiva Industries Private Limited: Rating upgraded to [ICRA]BBB(Stable)

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Action
Long-term - Fund-based - Term loan	30.80	30.80	[ICRA]BBB(Stable); upgraded from [ICRA]BBB-(Stable)
<b>Total</b>	<b>30.80</b>	<b>30.80</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The rating upgrade of Sudiva Industries Private Limited (SIPL) reflects its healthy performance during the first full year of operation in FY2025 and 9M FY2026 along with tariff hike approved by its parent, Sudiva Spinners Private Limited (SSPL), in the current year. The rating continues to be supported by strong operational and financial linkages with the parent entity with a long-term power purchase agreement (PPA) for 25 years for its entire capacity. The rating also considers the in-house operations and maintenance (O&M) of the plant, which helped improve power generation in the current year, and timely collections from SSPL, which adequately support its operating expenses. The rating further factors in the low counterparty credit risk, given the captive nature of consumption, and the favourable PPA terms, including a lock-in period of around 10 years, which is longer than the debt tenure, along with a 100% offtake guarantee. In addition, the debt coverage metrics are expected to remain comfortable over the repayment period, supported by competitive interest rates. The rating also draws comfort from the experienced management team and the likely support from the parent entity, if required.

The rating, however, remains constrained as cash flows and debt protection metrics are sensitive to generation performance. Any adverse variation in weather conditions or module performance could impact the plant load factor and, consequently, cash flows. The ability of the company to consistently generate power in line with or above the design plant load factor will remain a key monitorable. The rating also takes note of the sensitivity of debt coverage metrics to interest rate movements, given the leveraged capital structure of the project.

The Stable outlook reflects the revenue visibility, supported by the operational status of the project, long-term PPA in place, and timely collection from the off-taker. Further, the outlook underlines ICRA's expectation that the entity's incremental capex, if any, will be funded in a manner that it is able to durably maintain its debt protection metrics.

### Key rating drivers and their description

#### Credit strengths

**Support from parent with SIPL catering to Group's captive power consumption requirements** – SIPL was incorporated in FY2023 as a subsidiary of SSPL and is engaged in generation of solar power for the captive consumption of SSPL. This linkage provides financial flexibility, and ICRA expects SSPL to extend support to SIPL in case of any cash flow mismatches arising from lower generation or delays in collections.

**Long-term PPA at competitive tariff with low counterparty credit risk; steady power generation** – A long-term power purchase agreement has been executed with SSPL for the entire capacity at a competitive tariff for a tenure of 25 years, providing strong revenue visibility and mitigating demand and tariff risks. The recent upward revision in tariff is expected to support incremental revenue generation, going forward. The counterparty credit risk remains low, given the captive nature of consumption, with the collection period remaining healthy since April 2024, in line with the PPA terms. Further, the PPA carries a lock-in period of around 10 years, which is longer than the debt tenure, along with a 100% offtake guarantee, thereby further mitigating counterparty credit risk. Post commencement of operations in March 2024, the first full year of operations was in FY2025, during which the company generated 13.3 million units (MU), translating into a plant load factor of 15.6%, and reported revenue of around Rs. 6.7 crore. In 9M FY2026, the company recorded revenue of about Rs. 5.9 crore. With improving generation efficiency, the tariff has been revised to Rs. 5.75 per unit w.e.f. November 2025 from Rs. 5.05 per unit earlier. Accordingly, the company expects to generate around 14.8 MU in FY2026 with the PLF likely to improve to above 17%.

**Debt coverage expected to remain comfortable** – The company’s consolidated leverage is expected to remain high owing to the largely debt-funded nature of the solar power project. However, the debt coverage metrics are expected to remain comfortable, supported by the long-term PPA at a remunerative tariff and competitive interest rates. The interest coverage stood at 2.4 times as on March 31, 2025, and is expected to improve, going forward. The same is driven by healthy operating margins on the back of lower operating costs following the transition to an in-house O&M team.

### Credit challenges

**Cash flow vulnerable to irradiance levels** – The cash flow generation of solar power projects is closely linked to irradiance level. Cash flows may be adversely impacted if irradiance is lower than expected due to unfavourable weather conditions, seasonal variations, or location-specific factors.

**Exposure to interest rate and regulatory risks** – The company’s debt coverage metrics remain sensitive to movements in interest rates due to its leveraged capital structure and exposure to floating interest rates. Further, the operations are exposed to regulatory risks related to scheduling and forecasting norms applicable to solar power projects, given the inherent variability in solar generation. The company is also subject to regulatory changes governing captive power projects, which could impact the competitiveness of the tariff offered.

### Liquidity position: Adequate

The liquidity is expected to remain Adequate, aided by the positive cash flow from operations. The long-term PPA with SSPL for the solar power project and expectation of timely receipt of payments are likely to ensure a steady cash flow. In case of a shortfall in cash flow generation, ICRA expects the parent, SSPL, to meet the mismatch.

### Rating sensitivities

**Positive factors** – ICRA could upgrade the rating if there is an improvement in the credit profile of its parent, SSPL, and the actual generation level is higher than the P-90 estimate on a sustained basis, leading to an improvement in SIPL’s credit metrics.

**Negative factors** – Pressure on the rating could arise if generation is lower than the P-90 PLF estimates, resulting in moderation in the liquidity position. The rating could also be revised downward if the linkage with the parent weakens and/or the credit profile of SSPL weakens.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Power - Solar and Wind</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/group Support	Parent Company: Sudiva Spinners Private Limited (SSPL). The rating factors in the potential financial support from the SSPL, should the need arise.
Consolidation/standalone	Standalone

### About the company

In FY2023, Mr. J. C. Laddha and Mr. Varun Laddha established Sudiva Industries Private Limited (SIPL) as a subsidiary of Sudiva Spinners Private Limited (SSPL). SIPL is engaged in production of solar power for captive consumption of SSPL. The company operates a 9.75-MW DC solar power plant in SSPL’s premises. The plant was operational from March 24, 2024.

The total cost incurred stood at Rs. 38.62 crore, of which Rs. 30.80 crore was funded through debt and the balance through equity contribution. SSPL currently holds a 100% stake in SIPL with an equity investment of Rs. 8.01 crore.

### Key financial indicators (audited)

Sudiva Industries Private Limited (Standalone)	FY2024	FY2025
Operating income	0.1	6.7
PAT	0.0	1.7
OPBDITA/OI	81.3%	91.4%

<b>PAT/OI</b>	13.6%	25.6%
<b>Total outside liabilities/Tangible net worth (times)</b>	4.2	2.9
<b>Total debt/OPBDIT (times)</b>	259.9	4.5
<b>Interest coverage (times)</b>	1.9	2.4

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

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

**Any other information: Not applicable**

### Rating history for past three years

Current rating (FY2026)			Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	FY2025		FY2024		FY2023		
			Feb 27, 2026	Date	Rating	Date	Rating	Date	Rating
<b>Fund-based - Term loan</b>	Long-term	30.80	[ICRA]BBB(Stable)	November 05, 2024	[ICRA]BBB- (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/ Sanction	Coupon Rate	Maturity date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan	Oct -2023	8.70%	March 2032	30.80	[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

Not Applicable

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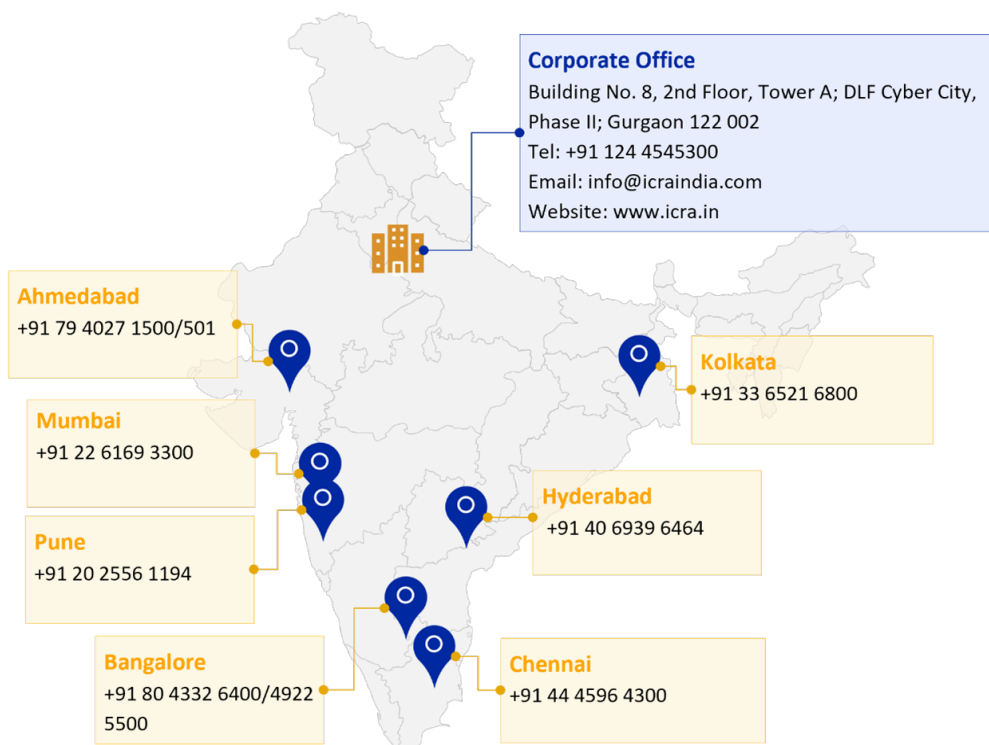


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