

September 29, 2025

Solarcraft Power India 2 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	476.00	476.00	[ICRA]A- (Stable); reaffirmed
Total	476.00	476.00	

*Instrument details are provided in Annexure I

Rationale

The reaffirmation of the rating for SolarCraft Power India 2 Pvt Ltd (SC2) factors in the full commissioning of the 120-MWac solar power project in Gujarat in August 2024 (72.6 MW was commissioned in June 2024 and remaining capacity was commissioned in August 2024) against the scheduled commissioning date of June 2024. The rating also factors in the high revenue visibility and low offtake risk for the solar power project of the company because of the long-term (25 years) power purchase agreement (PPA) signed with Gujarat Urja Vikas Nigam Ltd (GUVNL; rated [ICRA] AA/Stable/[ICRA]A1+) for the entire capacity at a fixed tariff of Rs. 2.49 per unit.

The rating also draws comfort from the presence of a strong counterparty like GUVNL and the payment security mechanism under the PPA, with a provision for letter of credit equal to average one-month billing. This is also reflected in the timely receipt of payments from GUVNL, post the commissioning of the project. Further, the additional provisions in the PPA 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. Further, SC2's debt coverage metrics are expected to be adequate with a cumulative debt service coverage ratio (DSCR) of 1.25-1.30x over the debt tenure, supported by the long-term PPA, the long tenure of the debt and competitive interest rates. Also, the liquidity profile of the company is supported by the presence of a two-quarter debt service reserve.

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.

The rating is, however, constrained by the limited track of the company as the solar power plant became fully operational from August 2024. Further, the generation performance of the solar asset has remained below the P-90 estimates primarily due to lower solar irradiance and initial stabilisation issues. However, the generation has improved in the last few months and the same is expected to be satisfactory, going forward. Further, 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. Hence, demonstration of a generation performance in line with the P-90 estimate remains a key monitorable. Also, the project credit metrics would remain exposed to the movement in interest rates, given the fixed tariff under the PPA, the floating interest rate and a leveraged capital structure with the project cost being funded through a mix of debt and equity. Also, the company remains exposed to the regulatory challenges of implementing the scheduling and forecasting framework for the solar power sector.

The Stable outlook assigned to the long-term rating of the company is supported by the long-term PPA in place for the entire capacity providing revenue visibility and a strong counterparty, i.e., GUVNL.

Key rating drivers and their description

Credit strengths

Experienced sponsor with a demonstrated track record in developing and operating renewable assets – SC2 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 from long-term PPA with GUVNL at a competitive tariff rate – SC2 has signed a long-term (25 years) power purchase agreement (PPA) with GUVNL, rated [ICRA] AA-/Stable/[ICRA]A1+, for the entire capacity at a fixed tariff of Rs. 2.49 per unit, providing high revenue visibility and low offtake risk for the 120-MW_{AC} solar power project. The tariff offered by the project 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 PPA, with a provision for letter of credit equal to average one-month billing. This is also reflected in the timely receipt of payments from GUVNL, post the commissioning of the project. Further, the additional provisions in the PPA 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 – SC2's debt coverage metrics are expected to be adequate with a cumulative DSCR of 1.25-1.30x over the debt tenure, supported by the availability of a long-term PPA, the long tenure of the debt and competitive interest rates. The liquidity profile of the company is supported by the presence of a two-quarter debt service reserve over the tenure of the term loan. Additionally, BEPL is expected to extend funding support in case of any cash flow mismatch.

Credit challenges

Limited track record of operations – The project has a limited track record as it became fully operational from August 2024. Further, the generation performance of the solar asset has remained below the P-90 estimates primarily due to lower solar irradiance and initial stabilisation issues. However, the generation has improved in the last few months and the same is expected to be satisfactory, going forward. Hence, demonstration of a generation performance in line with the P-90 estimate remains a key monitorable.

Debt metrics of solar projects 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 and/or module performance may impact the power generation and consequently the cash flows. The geographic concentration of the asset amplifies the generation risk. Therefore, the ability of the project to achieve the design P-90 PLF on a sustained basis remains crucial.

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 SC2's debt coverage metrics to the movement in interest rates.

Regulatory risks – The company's operations are exposed to regulatory risks pertaining to the scheduling and forecasting requirements of solar power projects. However, the risk of variation is relatively low for solar power projects compared to wind power projects.

Liquidity position: Adequate

The company's liquidity profile is likely to remain adequate with sufficient buffer between the cash flows from the project and debt servicing obligations, supported by expected satisfactory generation performance and timely realisation of payments. The liquidity is further supported by free cash & bank balances of Rs. 4.46 crore, and a debt service reserve account (DSRA) of Rs. 30.92 crore as on August 31, 2025.

Rating sensitivities

Positive factors – Demonstration of a generation performance in line with or above the P-90 level, along with timely payments from the offtaker, leading to comfortable debt coverage metrics could lead to an upgrade for SC2. Further, ICRA could upgrade SC2's rating if the credit profile of the parent improves.

Negative factors – The rating can be downgraded if the generation performance of the company remains below the P-90 level, adversely impacting the debt coverage metrics. A specific credit metric for downgrade is the cumulative DSCR falling below 1.15 times on a sustained basis. Further, any large delays in realising payments from the offtaker, adversely impacting the liquidity profile of the company, will be a negative factor. The rating could also be revised downwards if the credit profile of the parent weakens.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	The rating is based on the implicit support from the parent company, Blupine Energy Private Limited
Consolidation/Standalone	The rating is based on the standalone financials of the company

About the company

SC2, incorporated in 2021, is a special purpose vehicle (SPV) promoted by BEPL. BEPL is the renewable energy platform promoted and wholly owned by Actis Energy Fund-5, which is a part of Actis Private Equity Fund based out of United Kingdom. The SPV has developed a 120 MW (AC)/157-MW (DC) solar power project in Gujarat and has signed a 25-year PPA with GUVNL for power offtake. The project became fully operational in August 2025.

Key financial indicators (audited)

SC2 – Standalone	FY2025*
Operating income	26.28
PAT	-25.24
OPBDIT/OI	88.1%
PAT/OI	-96.1%
Total outside liabilities/Tangible net worth (times)	10.83
Total debt/OPBDIT (times)	23.84
Interest coverage (times)	0.75

Source: Company, ICRA Research; * Provisional numbers; only FY25 numbers have been mentioned since the project became fully operational from August 2024; 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	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Sep 29, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based- Term loan	Long term	476.00	[ICRA]A-(Stable)	Jun 26, 2024	[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	FY2024	NA	FY2045	476.00	[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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