November 18, 2026

Suryadeep RJ1 Project Private Limited: [ICRA]A- (Stable); assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long term fund based- Rupee term loan	73.54	[ICRA]A- (Stable); assigned	RBI
Total	**73.54**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments that fall under the regulatory purview of financial sector regulators other than SEBI.

Rationale

ICRA has adopted a consolidated rating approach for August Energy MH One Private Limited (AEMHOPL), along with two other special purpose vehicles (SPVs), Metavasi Energy Private Limited (MEPL) and Suryadeep RJ1 Project Private Limited (SRJOPPL), collectively referred to as the pool. This is in line with ICRA's methodology on rating co-obligor structures that have a defined mechanism for sharing surplus cash flows among the cash pooling SPVs, prior to the due date of debt servicing. Accordingly, the rating is assigned on a consolidated basis. Moreover, the three SPVs have cross-default linkages among them. The three SPVs collectively operate 29.9 MWp of solar power capacity as well as a 1.5 MWh battery energy storage system (BESS).

The assigned rating factors in the benefits of the co-obligor structure, wherein the SPVs are part of a cash pooling arrangement that enables debt service shortfalls in any SPV to be supported by surplus cash flows from other SPVs in the pool. The comfort derived from this structure is further supported by the sponsorship of the projects by August Energy India Private Limited (AEIPL), the Indian arm of August Energy. August Energy is an energy-as-a-service platform serving commercial and industrial customers. It is backed by institutional investors, including Sustainability & Decarbonisation Infrastructure Equity Fund (SDIEF; an SMBC-sponsored fund), Green Tower, Proparco[1], InfraCo Asia Investment Pte. Ltd. (InfraCo) and Finnish Fund for Industrial Cooperation Limited (Finnfund), which gives the group access to long-term capital. As of September 2026, the group's portfolio in India stood at 229.3 MWp, of which 29.9 MWp is operational and the rest is at various stages of development.

The rating further accounts for the limited offtake and tariff risks for the pool, supported by the presence of long-term power purchase agreements (PPAs) with industrial customers at fixed tariffs which are competitive with grid tariffs. The rating also factors in the satisfactory credit profile of the customer, mitigating the counterparty risks. Also, the debt coverage metrics are expected to stay adequate, with the cumulative debt service coverage ratio (DSCR) of the pool projected to remain above 1.2x over the loan tenure. This is supported by stable cash flow visibility arising from long-term PPAs and the anticipation of satisfactory generation performance.

The rating is, however, constrained by the limited operational track record of the portfolio. Of the total installed capacity, only 5.9 MWp has been operational for around two years, while the majority of the balance capacity commenced commercial operations only in August 2026. AEMHOPL (5.9 MWp), the only project with an established operating track record, has demonstrated satisfactory operational performance, with generation broadly in line with the P-90 estimates. Consequently, the ability of the pool to demonstrate sustained generation performance in line with or above the P-90 estimates on a sustained basis remains a key rating monitorable.

[1] *Société de Promotion et de Participation pour la Coopération Economique*

Further, the pool remains exposed to tariff renewal risks as the PPA lock-in period is shorter than the debt tenure for majority of the portfolio, exposing it to the possibility of cash flow mismatches. Nonetheless, comfort can be drawn from the competitive tariffs offered by the project. Further, the rating is constrained by the exposure of the generation performance of the solar projects to module performance and weather conditions, which is an uncontrollable factor, and any adverse climate changes shall directly impact the power generation and the cash flows of the SPVs and ultimately the pool. ICRA also notes that the pool's debt coverage metrics are exposed to adverse variation in interest rates, given the leveraged capital structure and the periodic reset of floating interest rates. Further, the pool remains exposed to regulatory risks related to forecasting and scheduling requirements, captive consumption norms and open-access regulations. Any adverse changes in open-access charges or the regulatory framework could increase the landed cost of power for group captive consumers and impact the competitiveness of the arrangement.

The Stable outlook on the rating reflects ICRA's expectation the pool will maintain a stable operating performance supporting adequate debt coverage metrics, going forward.

Key rating drivers and their description

Credit strengths

Access to cash surplus from cash pooling mechanism; parentage of August Energy – The company benefits from being part of a cash pooling mechanism with the other SPVs in the pool, wherein surplus cash from either of the SPVs can be used to meet the shortfall in debt servicing obligations for the other SPVs. This pool has three solar power assets with an aggregate capacity of 29.9 MWp and 1.5 MWh BESS, distributed across Maharashtra, Rajasthan, Uttar Pradesh and Andhra Pradesh.

The SPVs are subsidiaries of AEIPL, the Indian arm of August Energy. It is backed by institutional investors which gives the group access to long-term capital. As of September 2026, the group's portfolio in India stood at 229.3 MWp, of which 29.9 MWp is operational and the rest is at various stages of development.

Long-term PPAs at competitive tariffs with offtakers having satisfactory credit profiles mitigate the counterparty, offtake and price risks – All the SPVs in the pool are backed by long-term 25-year PPAs with well-established offtakers having satisfactory credit profiles, offering stability in revenues and reducing counterparty risks. Further, the PPAs have a 15-year lock-in period in AEMHOPL, 10 years in SRJPPL and 25 years in MEPL at a fixed and competitive tariff, mitigating the offtake and price risk for the projects. The offtakers' equity participation under the group captive framework further supports offtake.

Adequate debt coverage metrics – The debt coverage metrics of the pool are expected to remain adequate with a cumulative DSCR above 1.2x over the debt tenure, supported by the availability of long-term PPAs and an anticipation of satisfactory generation performance.

Credit challenges

Limited operational track record – Of the total capacity, only 5.9 MWp has been operational for around two years, while the majority of the balance capacity commenced commercial operations only in August 2026. AEMHOPL was commissioned on August 21, 2024, while SRJOPPL achieved commissioning on August 6, 2026. MEPL was partially commissioned on January 12, 2026 (0.99 MWp), with the balance 1.0 MWp capacity commissioned on September 30, 2026. AEMHOPL has demonstrated satisfactory operational performance, with generation broadly in line with the P-90 estimates. Its plant load factor (PLF) stood at ~15.8% in FY2026 against the P-90 estimate of ~16.9%. The variance was primarily attributable to lower solar irradiation during the monsoon season and a one-time grid outage in March 2026, which impacted generation. Further, the generation for initial three months for SRJOPPL has been in line with P90 estimates. Consequently, the ability of the pool to demonstrate sustained generation performance in line with or above the P-90 remains a key rating monitorable.

Risk of cash flow mismatch, with debt tenure being longer than PPA lock-in period – The PPAs have a 10-year lock-in period in SRJOPPL and 15 years in AEMHOPL against a debt tenure of ~20 years, giving rise to risks associated with PPA renewal and cash flow mismatch. Nevertheless, comfort can be drawn from the competitive tariffs offered.

Vulnerability of cash flows to solar irradiation, exposure to interest rate risk and regulatory risk – The power production and thus the cash flow generation of solar power projects remains exposed to the irradiance levels. While the company does not have control over weather-related factors, the cash flow will face headwinds in a scenario of lower-than-expected irradiance, given the single-part tariff under the PPAs. The cash flow would also remain susceptible to the changes in interest rates. The fixed tariff under the PPA and a leveraged capital structure expose the debt coverage metrics to the movement in interest rates. Therefore, a sharp or sustained increase in interest rates could weaken the project returns and coverage metrics. While the interest rate is fixed for the initial two years from the date of first disbursement for each SPV, the projects remain exposed to interest rate risk thereafter. Further, the lender's put option exercisable at the end of seven years from the scheduled commercial operations and every three years thereafter exposes the projects to refinancing risk and potentially adverse movements in borrowing costs at the time of refinancing.

Further, 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. Further, the majority capacity of the project has been developed under the group captive model and currently benefits from exemptions from cross-subsidy surcharge (CSS) and additional surcharge (AS), which keep the landed cost competitive for the offtaker. However, the landed tariff remains exposed to regulatory risks as any adverse change could increase the cost of power for consumers. While the PPA provides for pass-through of these levies to the offtakers, any such development may moderate the relative competitiveness of the project's tariff vis-à-vis the grid tariff.

Liquidity position: Adequate

The liquidity profile of the company is expected to remain Adequate, supported by stable cash flows from operations under the long-term PPAs, leading to an adequate buffer against scheduled debt repayments in FY2027 and FY2028. Further. the liquidity is supported by a debt service reserve account (DSRA) of two quarters in the form of fixed deposits created in MEPL (amounting to Rs 0.24 crore) and AEMHOPL (amounting to Rs 1.1 crore). SRJOPPL has created a DSRA fixed deposit of Rs. 1.6 crore, equivalent to one quarter of debt servicing obligations. Also, ICRA expects AEIPL to support the pool as and when required.

Rating sensitivities

Positive factors - ICRA could upgrade the company's rating upon a sustained generation at or above P-90 PLF levels across all SPVs, along with in timely receipt of payments from the offtakers, leading to an improvement in the debt coverage metrics of the pool.

Negative factors - The rating could face downward pressure in case of deterioration in operational performance resulting in the cumulative DSCR declining below 1.2 times. Any material delays in receipt of payments from the offtakers, adversely impacting on the company's liquidity profile, would also be a negative factor.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered consolidated financials of three cash pooling SPVs namely AEMHOPL, MEPL and SRJOPPL

About the company

SRJOPPL is an SPV promoted by AEIPL for developing, owning and operating a 22-MWp solar PV power project, coupled with a 1.5-MWh BESS in Rajasthan. The project achieved commercial operations on August 6, 2026. The entire capacity is tied up under a long-term captive PPA with Mangalam Cement Limited.

About the companies in the cash pooling structure

Metavasi Energy Private Limited

MEPL is an SPV promoted by AEIPL for developing, owning and operating rooftop solar PV power projects. It has developed rooftop solar projects across two locations in India with an aggregate installed capacity of ~2 MWp. The power generated from these projects is supplied to Amber Enterprises India Limited under long-term PPAs.

August Energy MH One Private Limited

AEMHOPL is a SPV promoted by AEIPL for the developing, owning, and operating a solar photovoltaic power project in Maharashtra. It developed a 5.90 MWp grid-connected solar power project at Maharashtra which achieved commercial operations on August 21, 2024. The entire capacity is tied up under long-term PPAs with C&I customer - ACG Pharmapack Private Limited.

Key financial indicators (audited)

Consolidated – AEMHOPL, MEPL & SRJOPPL Cash Pooling	FY2025	FY2026
Operating income	1.5	2.8
PAT	-0.9	-1.7
OPBDITA/OI	67%	63.5%
PAT/OI	-62.8%	-60.7%
Total outside liabilities/Tangible net worth (times)	3.0	4.1
Total debt/OPBDIT (times)	26.0	54.4
Interest coverage (times)	0.5	0.6

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current ratings (FY2027)				Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	**Type**	**Amount rated (Rs. crore)**	**Nov 18, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund based – Rupee Term loan	Long term	73.54	[ICRA]A-(Stable)	-	-	-	-	-	-
				-	-	-	-	-	-

Complexity level of the rated instrument

Instrument	Complexity indicator
Long term fund based- Rupee 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	Financial sector regulator#
NA	**Long term fund based- Rupee term loan**	FY2027	NA	FY2047	73.54	[ICRA]A- (Stable)	RBI

Source: Company

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Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company Name	Consolidation
August Energy MH One Private Limited	Full Consolidation
Metavasi Energy Private Limited	Full Consolidation
Suryadeep RJ1 Project Private Limited	Full Consolidation

Note: ICRA has taken a consolidated view of the companies mentioned above

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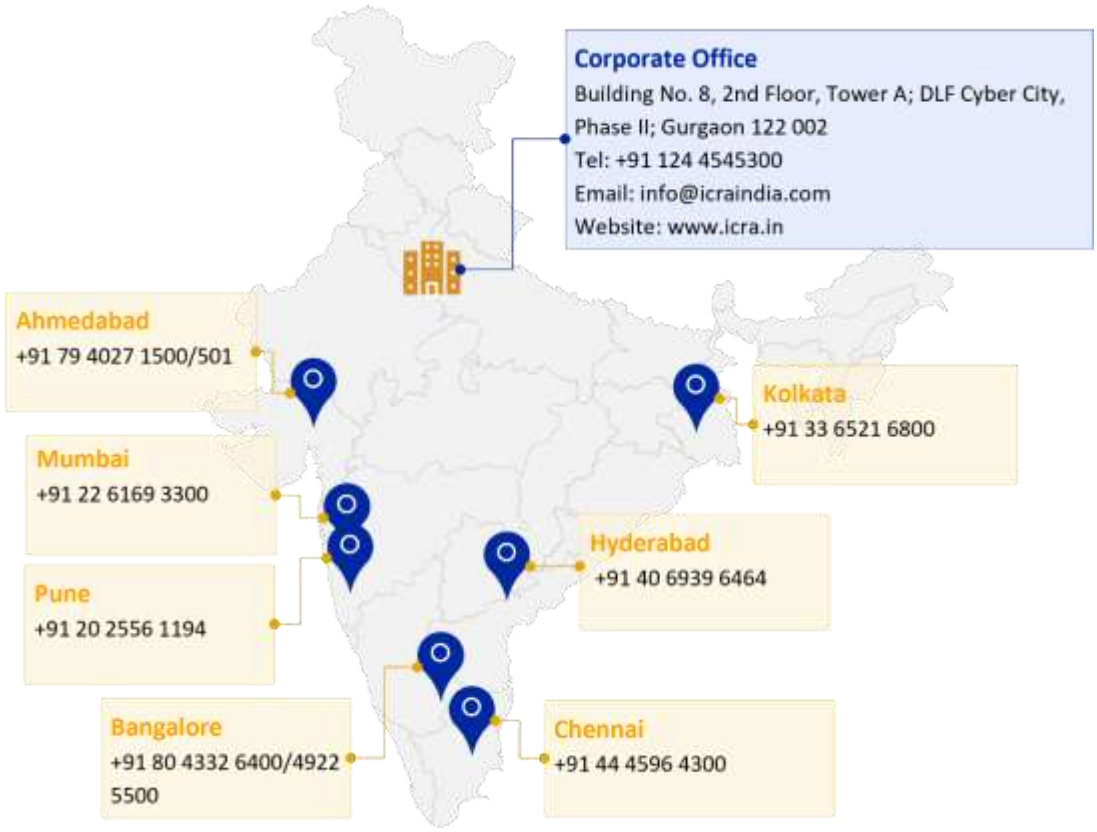
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