

January 7, 2013

**CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF  
SOLARFIELD ENERGY PVT. LTD.****Ratings**

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Fund-based Bank Facilities – Term Loan	201.00	CARE BBB- [Triple B Minus]	Reaffirmed
<b>Total Facilities</b>	<b>201.00</b>		

**Rating Rationale**

The rating continues to derive strength from strong and experienced promoters of Solarfield Energy Pvt. Ltd., successful implementation of the project eliminating construction-related risk, satisfactory operations at the plant during the period March to October 2012, long-term offtake arrangement and government-led reforms and incentives provided to encourage investments in solar power segment.

The rating is, however, tempered by limited operational track record of utility-scale solar power projects in India, technological risk due to absence of adequate performance record of equipments in Indian conditions, dependence on favourable climatic conditions for power generation, limited track record of the group in the power sector, exposure to interest rate risk and client concentration risk as Gujarat Urja Vikas Nigam Ltd. (GUVNL; rated CARE A / CARE A1) is the sole off taker.

Ability of the company to operate the power plant efficiently at the envisaged PLF and achieve the expected generation is a key rating sensitivity.

**Background**

Solarfield Energy Pvt. Ltd. (SEPL), promoted by Kiran Energy Solar Power Pvt. Ltd. (KEPL) has set-up a 20 MW Thin Film Photovoltaic (PV) power plant at Patan District, Gujarat. The plant was successfully commissioned on January 25, 2012.

SEPL is a Special Purpose Vehicle (SPV) and a wholly-owned subsidiary of KEPL. In addition to SEPL, KEPL has also commissioned other solar PV project of 5 MW in Phalodi, Rajasthan in January 2012 through, Mahindra Solar One, a 74:26 Joint Venture (JV) between KEPL and Mahindra Group. Although the plant got commissioned in January 2012, it started generating power from mid March 2012 on account of delay in implementation of transmission infrastructure. The company generated 21.56 Million Units (MUs) during the period March'12 to October'12.

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<sup>1</sup> Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

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