

GMR Gujarat Solar Power Limited

January 30, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	27.52 (Reduced from 31.82)	CARE BBB+; Positive	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of the rating on bank facilities of GMR Gujarat Solar Power Limited (GGSPL), which is operating 25-MW solar power project in Gujarat, factors in satisfactory operational performance as evident from plant load factor (PLF) of 13.39% in FY25 (PY: 13.57%) and 12.24% in 8M FY26 (PY: 12.48%). The machine and grid availability remained satisfactory above 98% in the recent past. The payment from off-taker, Gujarat Urja Vikas Nigam Limited (GUVNL, rated 'CARE AA+/ CARE A1+') remained timely with average collection days of 5-10 days and GUVNL claiming rebate for early payment. The positive outlook factors in the expected improvement in generation in the near term as the company has replaced 3.5 MW in FY25 and another 4.5 MW shall be replaced in FY26 via internal accruals. The company's revenue is linked to actual generation per the power purchase agreement (PPA) and improvement in generation will lead to higher revenue and cash flows.

The rating assigned to bank facilities of GGSPL continues to derive strength from presence of long-term PPA for its 25-MW solar power project at a pre-determined tariff for 25 years from commercial operations date (COD), leading to revenue visibility. Applicable tariff is ₹15 per unit for first 12 years from COD (till February 2024) and ₹5 per unit for the remaining 12 years.

Debt coverage indicators remain comfortable with average debt service coverage ratio (DSCR) above 1.41x over loan tenor. The company's liquidity remained satisfactory with debt service reserve account (DSRA) of ₹3.2 crore equivalent to four months of debt servicing and cash and bank balances of ₹3.7 crore as on December 31, 2025. The company is a part of the GMR group, which has experience in power, airport, and transportation.

However, the rating is constrained by operations susceptible to climatic risks and continuing exposure of GGSPL to group companies. The company's operational performance declined to 13.39% in FY24 (PY: 13.57%) and 13.56% in H1FY26 (H1FY25: 13.67%). This decline was due to the Module degradation and Biparjoy cyclone in Gujarat. The generation is expected to stabilise per the management, post replacement of modules. The company has outstanding loans and advances of ₹93.87 crore to GMR Energy (parent company) as on March 31, 2025 (PY: ₹93.87 crore). Interest on such loans is accrued and not paid in cash. While exposure to the parent company remains high, it has not increased in the last three years.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Material reduction in exposure to group companies leading to better-than-base case deleveraging of the company.
- Improvement in PLF to 14.50% on a sustained basis with DSCR of over 1.2x.

Negative factors

- Significantly lower PLF or increased operations and maintenance (O&M) expenses or increase in cost of borrowing, leading to average DSCR below 1.1x on a sustained basis.
- Significant deterioration in credit profile of the off-taker, leading to increase in average collection period of beyond 90 days.
- Material increases in exposure to group companies.

Analytical approach: Standalone

Outlook: Positive

The positive outlook reflects the company's ability of anticipating stabilisation in generation going forward considering replacement of modules by the company in FY25 and FY26. The outlook continues to factor in presence of long-term PPA and timely payment from GUVNL.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Long-term PPA entered with GUVNL and satisfactory payment track record from off-taker

GG SPL signed a PPA with GUVNL for its 25-MW solar power project for 25 years, leading to long-term revenue visibility. The PPA has been signed at a tariff of ₹15 per kWh for the first 12 years (till February 2024) and ₹5 per kWh for the remaining 13 years. Counterparty risk is low as exhibited by comfortable credit profile of the off-taker and receipts of payment by GG SPL in 5-10 days from date of billing with GUVNL claiming rebate for early payments.

Satisfactory operational track record

The project has a track record of over ~14 years of satisfactory generation levels. The project's capacity utilisation factor (CUF) stood at 13.39% in FY25 (PY: 13.57%) and 13.56% in H1FY26 (H1FY25: 13.67%), lower than past trends. The generation was lower considering module degradation and Biparjoy cyclone in Gujarat in FY24.

The company replaced solar modules in FY25 and FY26 from internal accruals without availing incremental debt. Per the management, PLF is expected to improve to 14.5-15% annually post replacement of modules.

Improved leverage and coverage metrics

Leverage indicators remain comfortable the total debt/PBILDT at 2.27x in FY25. Average projected DSCR is over 1.4x in projection period per CareEdge Ratings' base case. The sanction has stipulated maintenance of DSRA equivalent to four ensuing months of debt servicing and O&M reserve of three months, which has been maintained.

Promoter's experience in power generation business

GG SPL is a part of the GMR group. Founded in 1978 and promoted by G.M. Rao, the group is a leading business house having interest in infrastructure sector with presence in energy, road, airport, and special economic zone (SEZ). GG SPL is a special purpose vehicle (SPV) promoted by GMR Energy Limited (GEL), which holds 100% stake in the company. The group has demonstrated ability to execute and successfully commission power projects in the past.

Key weaknesses

Exposure to climatic risk

Achievement of desired CUF going forward would be subject to changes in climatic conditions, amount of degradation of modules, and other technological risks. Revenue is linked to actual generation and decline in generation may impact debt coverage indicators.

Continuing exposure to group companies

The company has extended support to its holding company, GEL in the form of inter corporate deposits (ICDs). The company has outstanding loans and advances of ₹93.87 crore to GEL (parent company) as on March 31, 2025 (PY: ₹93.87 crore). Interest on such loans is accrued and not paid in cash. While exposure to the parent company remains high, it has not increased in the last three years. GG SPL's cash flows are routed through trust, and retention account and payments made by GG SPL are approved by lenders.

Liquidity: Adequate

The company's projected cash accrual against its debt repayment obligations from FY25 remains comfortable, which is backed by timely receipt of funds from off-taker, as GUVNL clears the invoices within 5-10 days. The company has DSRA balance of ₹3.20 crore and free cash and a bank balance of ₹3.7 crore as on December 31, 2025.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Infrastructure Sector Ratings](#)

[Solar Power Projects](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

GG SPL was incorporated on March 26, 2008, as GMR Gujarat Solar Power Private Limited. The company was later renamed, when it was converted into a public limited company on June 09, 2016. GG SPL is promoted by GEL belonging to the GMR group. GG SPL has set-up a 25-MW grid interactive solar power project based on crystalline photo voltaic (PV) technology at Gujarat Solar Park, at Village Charanka, District Patan, Gujarat. The plant was successfully commissioned and achieved commercial operation on March 04, 2012.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)
Total operating income	28.9	28.5	13.1
PBILDT*	21.5	12.8	10.7
Profit after tax (PAT)	10.9	6.7	7.7
Overall gearing (x)	0.5	0.4	NA
Interest coverage (x)	3.8	3.6	NA

A: Audited UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	June 2031	27.52	CARE BBB+; Positive

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	27.52	CARE BBB+; Positive	-	1)CARE BBB+; Positive (10-Feb-25)	1)CARE BBB+; Stable (12-Feb-24)	1)CARE BBB+; Stable (17-Mar-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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