

February 03, 2026

Omega Solar Projects 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	39.76	36.85	[ICRA]A+ (Stable); reaffirmed
Total	39.76	36.85	

*Instrument details are provided in Annexure I

Rationale

ICRA has taken a consolidated view of the co-obligor pool comprising Belgaum Renewable Energy Private Limited (BREPL), Omega Solar Projects Private Limited (OSPPL), Sadipali Solar Private Limited (SSPL) and Samyama Jyothi Solar Energy Private Limited (SJSEPL). In line with ICRA's methodology for rating co-obligor structures having a defined mechanism for the sharing of surplus cash flows prior to the due date of debt servicing among the cash pooling SPVs, the ratings for the pool, are assessed and assigned on a consolidated basis. Further, the SPVs also have cross-default linkages among them. The four SPVs collectively operate ~76-MWp capacity across Karnataka, Punjab and Odisha. SSPL has a long-term PPA with SECI {rated [ICRA]AAA(Stable)/[ICRA]A1+}, BREPL with commercial & industrial (C&I) customers, and OSPPL & SSPL with state-run discoms (Punjab and Odisha).

The rating reaffirmation takes comfort from the presence of cash pooling mechanism. All the SPVs are in co-obligor structure with each other and can share the surplus cash available with them to another SPV in the pool. This provides cushioning to the SPVs in case of a shortfall in fulfilling their debt obligation due to unforeseen factors. Further, the rating factors in the satisfactory operational performance of the pool and the limited demand risk arising from the presence of 25-year long-term power purchase agreements (PPA) at healthy tariffs with a diversified customer mix, supporting revenue visibility. The pool also benefits from the diversified geographic presence of the assets across different states, mitigating the risk of cash flow timing mismatches due to any region-specific issue like natural calamities or force majeure events. Moreover, the rating derives comfort from the pool's healthy debt coverage metrics with a cumulative DSCR above 1.4x over the debt tenure, backed by the availability of long-term PPAs at healthy tariffs and a satisfactory generation performance.

The rating considers the pool's strong sponsor profile, being a part of the NextEnergy Capital (NEC) Group, with the SPVs held under NextPower III Singapore Holdco Pte Ltd. (NP-III), a global investor group with extensive experience in developing, investment and operating renewable assets across multiple geographies. The Group provides strong sponsor strength and operational expertise to the pool.

The operating performance of the pool's generation, though moderated, remained satisfactory with a blended pool PLF of 15.41% in FY2025 compared to 15.99% in FY2024. The moderation was due to unforeseen infrastructural issues at some of the sites on account of vintage equipment, module degradation and an extended monsoon. Further, there was a fire incident at SSPL in February 2024 and another at BREPL in June 2024, both triggered by inverter malfunctioning, resulting in partial idling of the capacity during the period. In addition, at SJSEPL, the generation performance was subdued due to frequent grid outages in Karnataka. These disruptions collectively impacted the pool's overall generation. The restoration and rectification costs were met through insurance claims, the equipment maintenance reserve (EMR) and surplus cash at the SPV level. Nevertheless, the moderation was temporary, with the generation improving to 15.07% in 8M FY2026 (from 14.52% in 8M FY2025), while the collection track record across assets remains satisfactory.

ICRA notes that the infrastructural outages pushed up the overhead expenses much higher than the budgeted rates for the pool in FY2025 and 8M FY2026. A combination of these factors adversely impacted the pool's earnings in FY2025 and 8M

FY2026. Nevertheless, the earnings are expected to inch up gradually going forward, supported by the renegotiated O&M contracts and mitigation of the infrastructural issues that would help reduce the consumption of spares and help the generation rebound to the P-90 levels.

The rating is, however, 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. Further, the pool remains exposed to tariff renewal risks as the residual lock-in period (~2 years) for the PPAs of BREPL is shorter than its debt tenure, exposing it to the possibility of cash flow mismatches. ICRA also notes that the pool's debt coverage metrics are exposed to adverse variation in interest rates, given the leveraged capital structure. Also, the pool would remain exposed to the variation in open access charges or regulations, which may impact the landed cost of electricity for the C&I consumers. While the levies (transmission/wheeling charges, banking charges and cross subsidy surcharge) are waived for BREPL till March 2028 under the Karnataka Solar Policy- 2014, the exemption may not be available thereafter, which can impact the tariff competitiveness for ~46% of the pool's generation capacity.

The Stable outlook on the rating reflects ICRA's expectations that following the corrective measures taken towards the O&M of the solar assets, the generation performance is likely to improve FY2027 onwards. The improved generation, along with the reduction in O&M expenses, is expected to keep the cumulative DSCR of the co-obligor pool at a comfortable level of more than 1.4x over the tenure of the debt.

Key rating drivers and their description

Credit strengths

Extensive experience of promoting solar energy assets – The pool is a 100% subsidiary of NP-III, which is a part of NEC. NEC is a London-based investment manager which manages solar investments for large pension funds. NP-III is a fund which has raised over USD 896 million against its initial target of USD 750 million. NEC, through NP-III, has acquired these assets over the period FY2020 to FY2021 and has adequate experience in operating solar projects with a global presence in the US, Spain, Portugal, Chile, Poland, Italy and India with an aggregate installed capacity of over 3.5 GW.

Access to cash surplus from cash pooling mechanism and diversified geographical presence partly mitigate risks associated with cash flow mismatches – All the four SPVs have been funded by India Infradebt Limited, wherein all the SPVs are in co-obligor structure with each other and can share the surplus cash available with them to another SPV in the pool. This provides cushioning to the SPVs in case of shortfall in fulfilling their debt obligation due to unforeseen factors like seasonality, natural calamities and force majeure event, impacting its power generation and thus the cashflows. Further, the pool also benefits from the diversified geographic presence of the assets across different states, mitigating the risk of cash flow timing mismatches due to any region-specific force majeure events.

Satisfactory track record of generation; long-term PPAs and diversified customer mix mitigates counterparty and offtake risks – All the SPVs in the pool are backed by long-term 25-year PPAs with well-established and diversified offtakers, providing visibility to stable cash flows. The PPAs for SJSEPL, OSPPL and SSPL are tied up with state DISCOMs or central intermediaries, while BREPL has tied-up PPAs with C&I offtakers with relatively modest credit profiles. Although BREPL's PPAs are also for 25 years, the lock-in period for majority of its C&I customers is 10 years (with a residual lock-in of around two years), which exposes the asset to offtake and price risks beyond the lock-in period.

Further, comfort is drawn from the satisfactory track record for power generation and collection from majority of the offtakers, wherein the realisation of invoices was within 60 days of the billing date and the generation performance has been close to the P-90 levels. The generation performance in FY2025 was partially offset by technical issues across the plants and an extended monsoon. Nevertheless, the management has addressed the issues, thus resulting in an improved generation performance in 8M FY2026.

Healthy debt coverage metrics – The debt coverage metrics of the pool is expected to remain comfortable with a cumulative DSCR above 1.4x over the debt tenure, supported by the availability of long-term PPAs at healthy tariffs and a satisfactory generation performance.

Additionally, the pool maintains a liquidity balance equivalent of the debt servicing (principal and interest) for the two upcoming quarters in a debt servicing reserve account (DSRA) in the form of fixed deposits and accrue the surplus cash at the SPV level, providing liquidity comfort in terms of debt servicing.

Credit challenges

Risk of cash flow mismatch from shorter PPA lock-in period than debt tenure for BREPL - BREPL accounts for ~46% of the pool's total capacity, wherein the PPAs are tied up for 25 years with a residual lock-in period of ~2 years for majority of the offtakers against a residual debt tenure of ~12 years, giving rise to risks associated with PPA renewal and cash flow mismatch post the lock-in period. Nevertheless, comfort can be drawn from the long-standing healthy relationship with the offtakers and notice period at the end of the lock-in period, which provides cushioning to re-negotiate or replace the offtakers.

Cash flows vulnerable to solar irradiance levels and interest rate environment – The power generation and consequent cash flow of the pool is contingent upon the solar irradiance levels. Given the fixed part nature of the tariff, any adverse variation in the irradiation levels could constrain the cash flows. Nevertheless, comfort can be drawn from the satisfactory performance of the pool so far. Further, the debt coverage metrics are also exposed to the adverse variation in interest rates on loans. However, ICRA notes that the interest rates are fixed for 5 years i.e. till mid of 2027, thus mitigating the interest rate risk in the near term.

Regulatory risks – The co-obligor pool is exposed to industry-specific risks, such as regulatory risks associated with implementing the scheduling and forecasting framework for solar power projects, given the variable nature of solar energy generation, and changes in open access charges for onsite solar assets by the respective state electricity regulatory commissions (SERC). While the levies (transmission/wheeling charges, banking charges and cross subsidy surcharge) have been waived for BREPL till March 2028 under the Karnataka Solar Policy-2014, the exemption may not be available thereafter, which will adversely impact the tariff competitiveness.

Liquidity position: Adequate

The liquidity position of the pool remains adequate, with DSRA equivalent to two quarters of debt obligation (principal + interest) in place (Rs. 12.66 crore in the form of fixed deposits) and an unencumbered cash & bank balance of Rs. 42.37 crore as on December 31, 2025. The pool's free cash flows in FY2026/FY2027 are expected to remain adequate to meet its annual debt servicing requirements ranging from Rs. 29-31 crore, as the generation is likely to inch up to the blended P-90 levels.

Rating sensitivities

Positive factors – ICRA could upgrade the rating of the pool, if it demonstrates a generation performance above the blended P-90 levels on a sustained basis, along with timely realisation of invoices from the offtakers that would strengthen the debt coverage metrics and liquidity position.

Negative factors – Pressure on the pool's rating could arise due to underperformance in the power generation levels that would pull down the cumulative DSCR below 1.30x on a sustained basis. Payment delays from the offtakers, resulting in a deterioration of the pool's liquidity profile, could also weigh on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	NA
Consolidation/Standalone	For arriving at the rating, ICRA has considered the consolidated financials of the 4 SPVs of the Co-obligor pool due to the defined mechanism for sharing of surplus cash flows prior to due date of debt servicing

About the company

Omega Solar Projects Private Limited (OSPPL) is a special purpose vehicle that operates a 10-MW (AC) solar project in Sangatpura, Punjab since March 2015. The special purpose vehicle was acquired by NextEnergy Capital (NEC) through its subsidiary, NextPower III Singapore Holdco Pte. Ltd. (the holding company is a direct subsidiary of NextPower III LP, a UK based LP.), from the earlier investors – JV SUN Clean Technology Investments Limited, Jersey (56%) and ORIX Corporation, Japan (44%) in FY2021.

About the cash pooling structure

Under the cash pooling portfolio, there are four SPVs – Belgaum Renewable Energy Private Limited, Samyama Jyothi Solar Energy Private Limited, Sadipali Solar Private Limited and Omega Solar Projects Private Limited. The cash pooling SPVs have been acquired by NextEnergy Capital (NEC) through its entity, NextPower III Singapore Holdco Pte. Ltd., the holding company which in turn is a direct subsidiary of NextPower III LP, a UK based LP.

NEC is a private equity firm with assets under management of \$4.5 billion as of May 2025. The project is being managed by WiseEnergy Asset Management (a subsidiary of NEC). WiseEnergy manages more than 1,600 plants with an overall capacity of 3.5GW in renewable assets.

Key financial indicators (audited)

Consolidated – BREPL, SSPL, SJSEPL & OSPPL (Cash pooling)	FY2024	FY2025
Operating income	56.6	54.1
PAT	-5.0	-3.3
OPBDIT/OI	70%	64%
PAT/OI	-9%	-6%
Total outside liabilities/Tangible net worth (times)	33.5	52.4
Total debt/OPBDIT (times)	6.8	7.3
Interest coverage (times)	1.4	1.4

Source: Company, ICRA Research; 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

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years						
	Type	Amount rated (Rs. crore)	FY2025		FY2024		FY2023			
			Date	Rating	Date	Rating	Date	Rating		
Fund based – Term loan	Long term	36.85	Feb 03, 2026	[ICRA]A+ (Stable)	Feb 27, 2025	[ICRA]A+ (Stable)	Jan 31, 2024	[ICRA]A (Stable)	Dec 02, 2022	[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	Fund based – Term loan	June 2022	NA	March 2036	36.85	[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

Company Name	Consolidation approach
Belgaum Renewable Energy Private Limited	Full consolidation
Samyama Jyothi Solar Energy Private Limited	Full consolidation
Sadipali Solar Private Limited	Full consolidation
Omega Solar Projects Private Limited	Full consolidation

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

ANALYST CONTACTS

Girishkumar Kadam

+91 022 6114 3441

girishkumar@icraindia.com

Ankit Jain

+91 124 4545 865

ankit.jain@icraindia.com

Sankalpa Mohapatra

+91 40 6939 6409

sankalpa.mohapatra@icraindia.com

Soaham Gundawar

+91 22 6169 3363

soaham.gundawar@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.