

December 18, 2025

Sunlock Solar Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Pervious rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based – Term loans	131.00	131.00	[ICRA]BBB+ (Stable); reaffirmed
Total	131.00	131.00	

*Instrument details are provided in Annexure-I

Rationale

The reaffirmed rating for Sunlock Solar Private Limited (SLSPL) factors in the strengths arising from the company's parentage. The company is part of the Cleantech Solar Group. It has an experienced management, an established track record in developing renewable power projects, and a diversified solar and wind project portfolio of ~1,086 MWp tied up with large commercial and industrial customers. There are cross-default linkages among the various special purpose vehicles (SPVs) of the Group in India, held by Cleantech Solar India OA 2 Pte. Ltd. (CSIOA2) under the co-obligor structure of the project debt financing. Recently, Keppel Corporation acquired the balance ~49% stake from Shell Plc, thereby gaining full ownership of the platform.

Further, the rating favourably factors in the long-term power purchase agreement (PPA) signed by SLSPL with Mando Automotive India Private Limited (MAIPL) & HL Mando Anand India Private Limited, at a fixed tariff under the captive mode. This limits the demand and pricing risks for the 32-MW solar and wind power capacity. The tariff offered under the PPA is highly competitive compared with the grid tariff applicable to the customer. The PPA also enables the customer to meet its sustainability goals. Further, the rating draws comfort from the comfortable credit profile of MAIPL, which is expected to lead to timely realisation of payments for the company. Going forward, the debt metrics are expected to remain adequate, supported by the PPA at a fixed tariff rate and the long tenure of the project debt.

The rating is, however, constrained by the execution risks, given the under-construction status of the 4.8-MW wind project. Nonetheless, comfort is drawn from non-avilment of debt for this project as on date. The project is expected to be operational by the end of March 2026. The company's revenues and cash flows would remain sensitive to the variation in weather conditions and seasonality, post commissioning, because of the single-part fixed tariff under the PPA. Hence, the ability of the project to achieve the design P-90 PLF, post commissioning, on a sustained basis remains crucial from a credit perspective. Post commissioning, the debt coverage metrics are expected to be adequate with a cumulative debt service coverage ratio (DSCR) of over 1.2x over the debt tenure.

The rating also takes note of the risk of cash flow mismatch owing to the lower lock-in period under the PPA in relation to the debt tenure. Nonetheless, comfort is drawn from the competitive tariff offered by the company and the Group's track record in securing PPAs with large industrial and commercial customers. ICRA also notes the sensitivity of the debt coverage metrics to movements in interest rates, considering the leveraged capital structure and fixed tariffs under the PPA. Further, the company remains exposed to regulatory risks associated with forecasting and scheduling regulations, norms for captive projects and open access charges. While the customers have to pay open access charges under the PPAs, any significant increase in these charges would impact the competitiveness of the tariffs.

The Stable outlook assigned to the long-term rating of SLSPL factors in the in the expected timely commissioning of the wind project without any cost overruns, supported by the long-term PPA with a strong counterparty, thereby providing revenue visibility, post commissioning.

Key rating drivers and their description

Credit strengths

Strengths by virtue of being part of Cleantech Solar Group – SLSPL is part of the Cleantech Solar Group, which in turn is promoted by the Keppel Consortium. Recently, Keppel Corporation has acquired the balance 49% stake from Shell Plc, thereby gaining full ownership of the platform. The platform benefits from a diversified portfolio of ~1,086 MW across seven countries in South Asia. It is supported by the presence of strong shareholders, who are focused on growing their renewable energy portfolio. SLSPL is expected to benefit from the strengths of the Group, given the cross-default linkages with the parent CSA-2 and other group SPVs.

Low offtake risk with presence of long-term PPA with an industrial customer at highly competitive tariff – The solar & wind power capacity under SLSPL has tied up a long-term PPA with HL Mando Anand India Private Limited under the captive mode at a fixed tariff, thereby limiting the demand and pricing risks. The PPA includes a provision for termination payments that cover a certain portion of the debt of the SPVs. Further, comfort is drawn from the competitive tariff offered by the project to the customer against the grid tariff rates. Moreover, the PPA would enable the customer to meet its renewable purchase obligations.

Adequate debt coverage metrics and comfortable liquidity profile – The debt coverage metrics of SLSPL are expected to be adequate, supported by the PPA at a fixed rate and the long tenure of the debt. Also, the liquidity profile of the company is supported by a DSRA equivalent to two quarters, created upfront from the project cost.

Credit challenges

Cash flows vulnerable to solar & wind radiation – Given the single part tariff under the PPA, the revenues and cash flows of the power project remain vulnerable to actual generation, which in turn is exposed to the variability in solar and wind radiation. This risk is amplified by the geographic concentration of the asset. Demonstration of generation in line with or above the appraised estimate on a sustained basis remains a key monitorable.

Execution risks for residual under-construction capacity – Of the 32 MW portfolio, 27.2 MW of solar capacity was commissioned by August 2024, and the balance 4.8 MW is under construction. Timely commissioning and stabilisation of this asset remains important from a credit perspective. Any delays in commissioning would impact the cash flow generation and debt coverage metrics. Nonetheless, comfort is drawn from the availability of connectivity and the advance progress made in the construction of the transmission line. The company expects to commission the project capacity by March 2026.

Risk of cash flow mismatch owing to lower lock-in period under the PPA in relation to debt tenure – The PPA capacity signed by HL Mando Anand India Private Limited has a lock-in period of 15 years, lower than the debt repayment tenure of ~20 years. Nonetheless comfort can be drawn from the significant discount offered by the company to its customers against the grid tariff and the track record of the sponsor in securing PPAs with large industrial and commercial customers.

Exposed to interest rate risk – The interest rates on the term loans availed by the company for its projects are floating and subject to periodic resets. Given the fixed tariffs under the PPA and the leveraged capital structure, the debt coverage metrics remain exposed to interest rate movements, as seen in the past.

Regulatory risks – The company's operations remain exposed to regulatory risks pertaining to scheduling and forecasting requirements applicable to solar power projects. However, the risk of variation is relatively low for solar power projects compared to wind power projects. The projects are also exposed to changes in policies and regulations governing captive projects. A revision in the open access charges could further impact the competitiveness of the tariff.

Liquidity position: Adequate

The liquidity position of SLSPL is expected to be adequate, with sufficient buffer between the cash flows from operations and debt repayment obligation. Moreover, the presence of a two-quarter DSRA and timely payments from the customer is

expected to support the liquidity profile. The company had cash and liquid investments of Rs. 10.56 crore as on October 31, 2025, including a DSRA of Rs. 6.77 crore.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the company demonstrates a generation performance in line or higher than the appraised estimate along with timely payments from the customer, leading to healthy credit metrics. Also, the rating would remain sensitive to the credit profile of the other SPVs of the pool and its parent, Cleantech Solar Asia 2 Pte. Ltd (CSA -2).

Negative factors – Pressure on the rating could arise if the generation performance of SLSPL remains below the appraised estimate on a sustained basis, thereby adversely impacting the debt coverage metrics. Delay in timely commissioning of the asset would affect the cash flow generation and liquidity profile. Also, delay in payments from counterparties adversely impacting the liquidity profile of the pool is another negative trigger. Further, the rating would remain sensitive to a deterioration in the credit profile of the other SPVs of the pool and its parent, Cleantech Solar Asia 2 Pte. Ltd (CSA-2). A specific credit metric for downgrade is the cumulative DSCR on the project debt falling below 1.15x.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	The rating factors in the presence of cross-default linkages among a pool of 11 SPVs of the Group - Strongsun Solar Private Limited, Sunflip Solar Private Limited, Sunpound Solar Private Limited, Sunseed Solar Private Limited, Ulric Renewables Private Limited, Sunlock Solar Private Limited, Zonrenew Solar Private Limited, Sunsole Solar Private Limited, Suncloud Solar Private Limited, Sunrange Solar Private Limited, Rihmaze Renewables Private Limited. The rating for the SPV is based on an assessment of the standalone credit profile of SLSPL. An assessment of the pool's credit profile is being carried out by undertaking a consolidated assessment of the pool of 11 SPVs in view of the linkages among them, and then further notching up the pool rating based on expectations of implicit support from the parent company, CSA-2. The final rating for the bank facilities of SLSPL is arrived at by suitably notching up the standalone rating after duly considering the pool's rating and the linkages between the standalone entity and the pool
Consolidation/Standalone	Standalone

About the company

Sunlock Solar Private Limited (SLSPL), incorporated in July 2022, is a special purpose vehicle (SPV) promoted by Cleantech India OA 2 Pte. Ltd., Singapore (CSIOA2), which, in turn, is held by Cleantech Solar Asia 2 Pte Ltd (CSA 2). SLSPL owns and operates both solar and wind power projects - comprising 27.2-MW solar and 4.8-MW wind capacity in Tamil Nadu. The first project was fully commissioned on August 14, 2024 (27.2 MW) and the second project is in pre-construction stage and is expected to be commissioned by March 2026. The company has signed a 25-year long-term power purchase agreement (PPA) with Mando Automotive India Private Limited & HL Mando Anand India Private Limited for the entire capacity. As required under the group captive regulations, the customer has subscribed to the shareholding of the company.

Key financial indicators (audited)

SSPL Standalone	FY2024	FY2025
Operating income	0.7	13.4
PAT	0.5	0.1
OPBDIT/OI	40.9%	89.4%
PAT/OI	67.3%	0.7%
Total outside liabilities/Tangible net worth (times)	2.0	2.6
Total debt/OPBDIT (times)	217.9	6.4
Interest coverage (times)	0.9	1.5

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

Current (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Dec 18, 2025	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	131.00	[ICRA]BBB+ (Stable)	Jan 23, 2025	[ICRA]BBB+ (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term fund based – Term loans	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	Term loans	May 08, 2023	NA	FY2042- FY2044	131.00	[ICRA]BBB+ (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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