January 20, 2026

Radiance DC Sun Energy Pvt Ltd: Rating downgraded to [ICRA]BBB+ (Negative)

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term - Fund based – Term loan	600.42	600.42	[ICRA]BBB+(Negative); downgraded from [ICRA]A-(Negative)
Total	**600.42**	**600.42**	

**Instrument details are provided in Annexure I*

Rationale

The rating downgrade of Radiance DC Sun Energy Private Limited (DC Sun) considers the moderation in the credit profile of the parent entity, Radiance Renewable Private Limited {RRPL, [ICRA]BBB+ (Negative)/ [ICRA]A2}. Further, the Negative outlook on the rating reflects the Negative outlook on the parent, RRPL. The rating also considers the delay in the commissioning of the solar power project under DC Sun, wherein ~179 MWp has been commissioned so far against a total capacity of 217.5 MWp. The scheduled commercial operations date (SCOD) for the project was March 2025. The project is now expected to be commissioned in March 2026.

While a capacity of ~179 MWp has been commissioned under phase 1 and phase 2 of DC Sun, the rating remains constrained by the execution risks for the balance portion under construction. ICRA understands that the balance portion of ~38 MWp (from phase 2) is currently under construction and is expected to be commissioned by March 2026. Around 111.7 acres of land will be required for the balance capacity under construction, of which 43.7 acres have been acquired as of November 2025, and the balance is in advanced stages of acquisition. The transmission infrastructure is completed for phase 2.

In line with ICRA's methodology on 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 special purpose vehicles (SPVs), the rating approach for DC Sun and Radiance MH Solar Park Pvt Ltd (MS Park), collectively referred to as the Pool, has been assessed on a consolidated basis and the rating has been assigned after factoring in the implicit support from the parent. Moreover, the two SPVs have cross-default linkages among them and parent RPPL. MS Park has developed the solar park and the associated infrastructure and leased the same to DC Sun and derives revenue through the leasing charges.

The company benefits from being part of a cash pooling mechanism with the other SPV in the pool i.e. MS Park, wherein surplus cash from either of the SPVs can be used to meet the shortfall in debt servicing obligations for the other SPVs. The rating also factors the limited demand and tariff risks for the pool, given the availability of long-term power purchase agreements (PPAs) with industrial customers at largely fixed tariffs. The entire generation capacity is tied up with a creditworthy offtaker i.e. NTT Global Data Centers & Cloud Infrastructure India Private Limited {[ICRA]AA+ (Stable)/[ICRA]A1+} under a 25-year long-term power purchase agreement (PPA). Given the group captive status of the project, the offtaker is exempted from the payment of cross-subsidy surcharge (CSS) and additional surcharge (AS), which makes the landed tariff highly competitive for the offtaker against the grid tariff.

ICRA takes note of the satisfactory track record of operations for the pool. The DC plant load factor (DC PLF) for phase 1 of DC Sun for the trailing 12 months (TTM) ended November 2025 is at 16.85% against a P-90 estimate of 17.41%. The shortfall was primarily due to irradiation volatility and initial stabilisation period for the project, despite healthy machine and grid availability. Nonetheless, the generation remains close to the P-90 estimate, leading to comfortable debt coverage metrics. This, along with the long repayment tenure at a competitive interest rate, is expected to lead to adequate debt service coverage metrics for the pool, with the cumulative DSCR estimated at over 1.25 times.

The rating is, however, constrained by the exposure of the generation performance of the solar projects to module performance and weather conditions, which are uncontrollable factors, and any adverse climate changes shall directly impact the power generation and the cash flows of the pool. This is amplified by the geographic concentration of the asset as the entire capacity is at a single location in Maharashtra. ICRA also takes note that the pool's debt coverage metrics is 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 group captive consumers.

Key rating drivers and their description

Credit strengths

Access to cash surplus from cash pooling mechanism with MS Park– The company benefits from being part of a cash pooling mechanism with the other SPVs in the pool i.e. MS Park, wherein surplus cash from either of the SPVs can be used to meet the shortfall in debt servicing obligations for the other SPV. The aggregate capacity for the pool is 217.5 MWp.

Long-term PPAs with offtakers having satisfactory credit profile mitigates the offtake, counterparty and price risks - DC Sun has executed a long term PPA for 25 years with a well-established C&I offtaker i.e. NTT Global Data Centers & Cloud Infrastructure India Private Limited, having a satisfactory credit profile, thus providing visibility to stable cash flows in the long term. Further, the PPA has a lock-in period of 25 years with a fixed and competitive one-part tariff, mitigating the price risk for the projects. Also, comfort is drawn from the timely realisation of invoices, in line with PPA terms, in the last 12 months.

Comfortable debt coverage metrics – The SPVs in the pool have availed long-term debt from a consortium of lenders. Given the satisfactory generation performance, the long-term PPA and a fixed and competitive tariff, the debt coverage metrics of the pool are expected to remain adequate with the cumulative DSCR estimated to be above 1.25x over the debt tenure.

Credit challenges

Moderate execution and stabilisation risks, as part of project remains under-construction - The project has inherent execution risk as its partial capacity is in a construction phase. While a capacity of ~179 MWp has been commissioned under phase 1 and phase 2 of DC Sun, the balance portion of ~38 MWp (from phase 2) is under construction and expected to be commissioned by March 2026. Around 111.7 acres of land will be required for the balance capacity under construction, of which 43.7 acres have been acquired as of November 2025, and the balance is in advanced stages of acquisition. Any further delays in commissioning the project or cost overruns impacting the debt coverage indicators would be a credit monitorable.

Cash flows exposed to vulnerability of solar irradiance levels and interest rate environment – The power production and cash flow generation of solar power projects is contingent upon the solar irradiance levels. Given the fixed part nature of the tariff, any adverse variation in the irradiance 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.

Regulatory risks - The solar power project has been set up under the group captive model, wherein the power produced by the company and the pool is exempted from cross-subsidy surcharge/additional surcharge. These exemptions make the current landed tariff for the offtaker competitive against the grid tariff. However, the tariff remains exposed to industry-specific risks associated with regulatory changes, which may result in such charges being levied in the future. While the provisions of the PPA ensure pass-through of the levy of such charges to the offtakers, the competitiveness of the project's tariff against the grid tariff will be moderated.

Liquidity position: Adequate

The liquidity position of the pool is expected to remain adequate, with a DSRA of Rs. 32.87 crore in the form of fixed deposits and an unencumbered cash & bank balance of Rs. 10.31 crore as on November 30, 2025. The liquidity is aided by positive cash flow from operations on the back of a long-term PPA at a fixed rate for the solar power projects and expectation of timely receipt of payments from the customer. ICRA expects RRPL to support the pool in case of any shortfall in debt servicing.

Rating sensitivities

Positive factors - Given the Negative outlook, an upgrade is unlikely in the near term. However, ICRA could change the outlook to Stable or upgrade the rating, based on an improvement in the credit profile of the parent, Radiance Renewables Private Limited.

Negative factors – Pressure on the rating could arise if there is significant delay in the commissioning of the balance capacity beyond the revised timeline of March 2026 or cost overrun, or if there is a deterioration in its operational performance, pulling down the cumulative DSCR below 1.15 times. Further, any significant delays in receiving payments from the offtakers adversely impacting the company's liquidity profile would be a negative factor. The rating could also be revised downwards if the linkages with the parent weaken, and/or the credit profile of its parent i.e., Radiance Renewables Private Limited deteriorates.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	The rating factors in implicit support from the parent, Radiance Renewables Private Limited, given the business linkages, strategic importance and the willingness shown by the parent to support the pool/SPVs.
Consolidation/Standalone	For arriving at the rating, ICRA has considered the consolidated financials of the entity

About the company

DC Sun Energy

Radiance DC Sun Energy Private Limited (DC Sun) is a subsidiary of RRPL. DC Sun Energy is setting up a 217.5-MW DC solar power plant at Mol-Manjarwadi, Maharashtra, under the group captive model which is expected to be commissioned in two phases. Phase 1 of 72.5 MW was commissioned on July 15, 2024, and phase 2 of 145.0 MW is expected to be commissioned in tranches by March 31, 2026; ~106.7 MW of phase 2 has been commissioned as on November 30, 2025. The offtaker - NTT Global Data Centers & Cloud Infrastructure India Private Limited (holds 26% stake in DC Sun Energy) - has signed a 25-year power purchase agreement (PPA) with the company.

MH Solar Park

Radiance MH Solar Park Private Limited (MS Park) is a wholly-owned subsidiary of RRPL. MS Park is constructing and developing a solar power park along with the evacuation infrastructure at Mol-Manjarwadi, Maharashtra. The project commenced its operations partially in FY2025. The development of the park is line with the project progress of DC Sun, which is setting up a 217.5-MW DC solar power plant in this park.

Key financial indicators (audited)

Consolidated – DC Sun+ MS Park Cash Pool	FY2024	FY2025
Operating income	3.8	38.2
PAT	-3.0	-10.3
OPBDIT/OI (%)	62.7%	71.8%
PAT/OI (%)	-78.6%	-27.1%
Total outside liabilities/Tangible net worth (times)	4.2	8.3
Total debt/OPBDIT (times)	133.0	21.2
Interest coverage (times)	1.2	1.1

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 amortisation.

Standalone – DC Sun	FY2024	FY2025
Operating income	3.4	35.5
PAT	0.9	-9.3
OPBDIT/OI (%)	64.5%	70.9%
PAT/OI (%)	24.9%	-26.3%
Total outside liabilities/Tangible net worth (times)	2.9	7.0
Total debt/OPBDIT (times)	96.9	19.0
Interest coverage (times)	1.5	1.2

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 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)	Jan 20, 2026	July 31, 2025	Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	600.42	[ICRA]BBB+ (Negative)	[ICRA]A- (Negative)	Jun 26, 2024	[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	**Term loan**	FY 2024	NA	FY 2041	600.42	[ICRA]BBB+ (Negative)

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
Radiance DC Sun Energy Private Limited	Full consolidation
Radiance MH Solar Park Private Limited	Full consolidation

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

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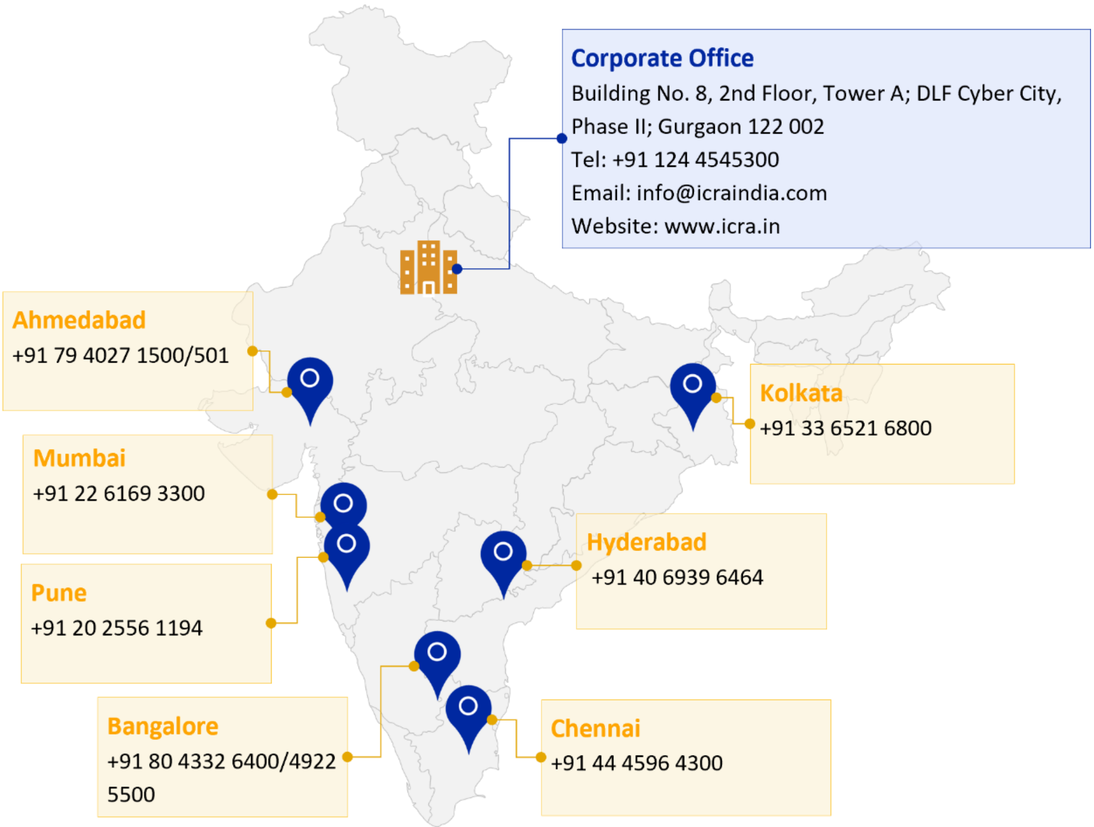

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