November 04, 2026

Netra Renewable Energy Private Limited: Rating assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long term fund based – Term loan	235.00	[ICRA]A- (Stable); assigned	RBI
Total	**235.00**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of financial sector regulators other than SEBI

Rationale

The rating assigned to the bank facilities of Netra Renewable Energy Private Limited (NREPL) factors in the limited offtake and tariff risks, supported by long-term (LT) power purchase agreements (PPA) for the entire 82.5-MWp solar power project capacity at a fixed tariff, providing long-term revenue visibility. Of the total contracted capacity, 77 MWp is under the group captive model and 5.5 MWp under the third-party model with multiple commercial and industrial (C&I) offtakers. The rating also derives comfort from the satisfactory credit profile of the offtakers, mitigating the counterparty credit risk.

The rating favourably factors in the project's healthy generation performance, with the generation remaining above P-90 PLF levels since its commercial operations in November 2025, supporting healthy cash flow from operations. The operational performance is also supported by the in-house operations and maintenance (O&M) services provided by its experienced parent, Sunsure Energy Private Limited (SEPL).

ICRA notes that supply under the LT PPAs has commenced for 69 MWp following the receipt of long-term open access (LTOA) approvals, while the remaining 13.5 MWp is awaiting LTOA approvals, with supply to the respective offtakers expected to commence by December 2026. In the interim, power generated from the 13.5-MWp capacity is being sold on a merchant basis through bilateral arrangements/power exchanges, with the average realised tariff remaining higher than the contracted LT PPA tariff, thereby supporting revenue generation. The timely receipt of LTOA approvals and commencement of supply under the LT PPAs for the balance capacity remain monitorable.

The rating also derives comfort from the project's comfortable debt coverage metrics and the presence of a debt repayment tail period of around five years vis-à-vis the PPA tenure. The company's debt coverage metrics are expected to remain comfortable with the cumulative debt service coverage ratio (DSCR) estimated to stay above 1.25x over the debt tenure, supported by a stable generation performance and the long-term revenue visibility under the PPAs.

Additionally, the managerial and operational support from holding company SEPL, which has an established track record in developing and operating renewable energy projects in India, favours the rating action. SEPL had an operational renewable energy portfolio of around 820 MWp as of September 2026, which is expected to scale up to approximately 2.6 GWp in the medium term, along with a standalone battery energy storage system (BESS) of 571 MWh, reflecting its strong execution and operating capabilities in the sector. Further, SEPL is backed by the Partners Group, which has committed investments of $400 million in SEPL towards the development of renewable energy projects in India, providing financial strength and enhancing the financial flexibility of NREPL.

The rating is, however, constrained by the risk emanating from the longer tenure of the debt compared to the average 15-year lock-in period of the PPAs, which exposes the project to cash flow mismatches after the expiry of then lock-in period. Nevertheless, comfort is derived from the competitive tariff offered by the project and the track record of the sponsor in securing PPAs with large industrial and commercial customers.

The rating also factors in the vulnerability of NREPL's cash flows and debt protection metrics to the variability in its generation performance. NREPL operates at a single location. Hence, any adverse variation in weather conditions and deterioration in module efficiency may impact the PLF levels and consequently affect its cash flows, as the PPA tariff is single part and fixed in nature.

Further, the rating remains constrained by the exposure of the company's debt coverage metrics to the movement in interest rates on the project debt, given the leveraged capital structure and the periodic reset of floating interest rates. Also, the lender's put option exercisable at the end of five years from the date of first disbursement and every three years thereafter exposes the project to refinancing risk and potential adverse movements in borrowing costs at the time of refinancing. Further, there are regulatory risks associated with scheduling and forecasting requirements, open access regulations and group captive policy. Any adverse changes in the open access charges could impact the competitiveness of the tariff offered by NREPL.

The Stable outlook factors in expectations of a sustained satisfactory generation performance, which is likely to keep the debt protection metrics comfortable.

Key rating drivers and their description

Credit strengths

Long-term PPAs with offtakers having satisfactory credit profiles mitigate the counterparty, offtake and price risks - NREPL has signed LT PPA with multiple reputed C&I clients at a fixed tariff which provides significant savings to the offtaker vis-à-vis the grid tariff. The PPAs have a competitive tariff and an average lock-in period of 15 years, thus limiting the demand risks and providing revenue visibility. The satisfactory credit profiles of the underlying offtakers mitigate the counterparty credit risk to an extent. While there were some delays in receivable collections during the initial months of supply, these were largely attributable to regulatory and procedural issues rather than counterparty-related stress. Nevertheless, a timely collection of receivables and the establishment of a satisfactory payment track record over a longer period remain monitorable.

Comfortable debt coverage metrics, supported by healthy generation performance - The generation performance of NREPL has remained satisfactory, with the PLF performance staying above the P-90 estimates for the past 12 months ended September 2026, supporting a healthy cash flow from operations. This is further backed by the presence of an experienced O&M partner, SEPL, who is also the parent of NREPL. Given the satisfactory generation performance, the project's debt coverage metrics are expected to remain adequate with the cumulative DSCR estimated to be above 1.25x over the debt tenure.

Operational and financial strength by virtue of parentage - NREPL's status as a subsidiary of SEPL, which is a part of the Partners Group AG portfolio, lends it strong financial flexibility and access to its managerial expertise. SEPL has an established track record in developing and operating solar power projects in India. SEPL has an operational renewable portfolio of ~820 MWp as of September 2026 and is expected to scale up to 2.6 GWp in medium term, along with a standalone BESS project of 571 MWh. SEPL is backed by Partners Group AG that has committed to invest $400 million in SEPL for the development of renewable projects in India. Partners Group AG, a global private markets investor with assets under management of ~$185 billion as of April 2026, acquired a majority shareholding in SEPL in FY2023.

Credit challenges

Risk of cash flow mismatch with debt tenure being higher than PPA lock-in period - The PPA has an average lock-in period of 15 years against a debt tenure of ~20 years, giving rise to risks associated with PPA renewal and cash flow mismatch. Nevertheless, comfort can be drawn from the competitive tariff offered by the company and the demonstrated track record of sponsor SEPL in securing PPAs with major C&I clients. Further, the notice period at the end of the lock-in period ensures sufficient cushion in time to re-negotiate or replace the offtaker, if needed.

Cash flows exposed to vulnerability of solar irradiance levels and interest rate environment - The power production and, thus, the cash flow generation of solar power projects remains exposed to the irradiance levels. While the company does not have control over weather-related factors, the cash flow will face headwinds in a scenario of lower-than-expected irradiance, given the single-part tariff under the PPAs. The cash flow would also remain susceptible to the changes in interest rates. The fixed tariff under the PPA and a leveraged capital structure expose the debt coverage metrics to the movement in interest rates. Therefore, a sharp or sustained increase in interest rates could weaken the project returns and coverage metrics. Further, the lender's put option exercisable at the end of five years from the date of initial disbursement and every three years thereafter exposes the project to refinancing risk and adverse movements in borrowing costs at the time of refinancing.

Regulatory risk - Majority of the solar power project has been set up under the group captive model, wherein the power produced by the company is exempted from cross-subsidy surcharge/additional surcharge. These exemptions make the current landed tariff for the offtakers 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 in the PPAs ensure pass-through of such charges to the offtakers, the competitiveness of the project's tariff against the grid tariff could moderate. The project is exposed to regulatory risks related to renewable energy scheduling and forecasting requirements.

Liquidity position: Adequate

NREPL's liquidity profile is expected to remain adequate, supported by adequate cash flow from operations vis-à-vis its debt servicing obligations. Further, as on 30 September 2026, NREPL had free cash and bank balances of ~Rs. 16.55 crore and a debt service reserve account (DSRA) of Rs. 6.97 crore in the form of fixed deposits of one quarter for debt servicing, providing additional comfort.

Rating sensitivities

Positive factors – The rating could be upgraded if NREPL consistently demonstrates a generation performance in line with or above the P-90 levels, along with timely collections from offtakers and commencement of supply for the entire contracted capacity, leading to a sustained improvement in the debt protection metrics.

Negative factors – The rating could face pressure if the generation remains below the P-90 levels on a sustained basis, causing the cumulative DSCR to decline below 1.2 times, or if material delays in payment realisation from offtakers adversely impact the liquidity position.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power – Solar and Wind
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

NREPL, incorporated in February 2022, is a subsidiary of SEPL and is engaged in the development and operation of renewable energy projects. The company operates an 82.5-MWp solar power project in Uttar Pradesh, which achieved commercial operations in November 2025. The entire capacity is tied up under long-term PPAs with multiple C&I customers, with 77 MWp contracted under the group captive model and the remaining 5.5 MWp under the third-party model.

Key financial indicators (audited)

NREPL	FY2025	FY2026
Operating income	Not meaningful as project got commissioned in November 2025	22.45
PAT		-4.45
OPBDIT/OI		89.7%
PAT/OI		-19.8%
Total outside liabilities/Tangible net worth (times)*		107.16
Total debt/OPBDIT (times)*		11.39
Interest coverage (times)		1.10

*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 *Unsecured loans from parent SEPL as part of promoter contribution considered as debt*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2027)				Chronology of rating history for the past 3 years					
			FY2027		FY2026		FY2025		FY2024	
Instrument	**Type**	**Amount rated (Rs. crore)**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Term loan	Long term	235.00	Nov 04, 2026	[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	Financial sector regulator#
NA	**Term loan**	FY2027	-	FY2047	235.00	[ICRA]A- (Stable)	RBI

Source: Company

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Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Girishkumar Kadam
+91 22 6114 3441
girishkumar@icraindia.com

Ankit Jain
+91 12 4454 5865
ankit.jain@icraindia.com

Sankalpa Mohapatra
+91 40 6939 6409
sankalpa.mohapatra@icraindia.com

Anzar Quadri
+91 012 4454 388
anzar.quadri@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
+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

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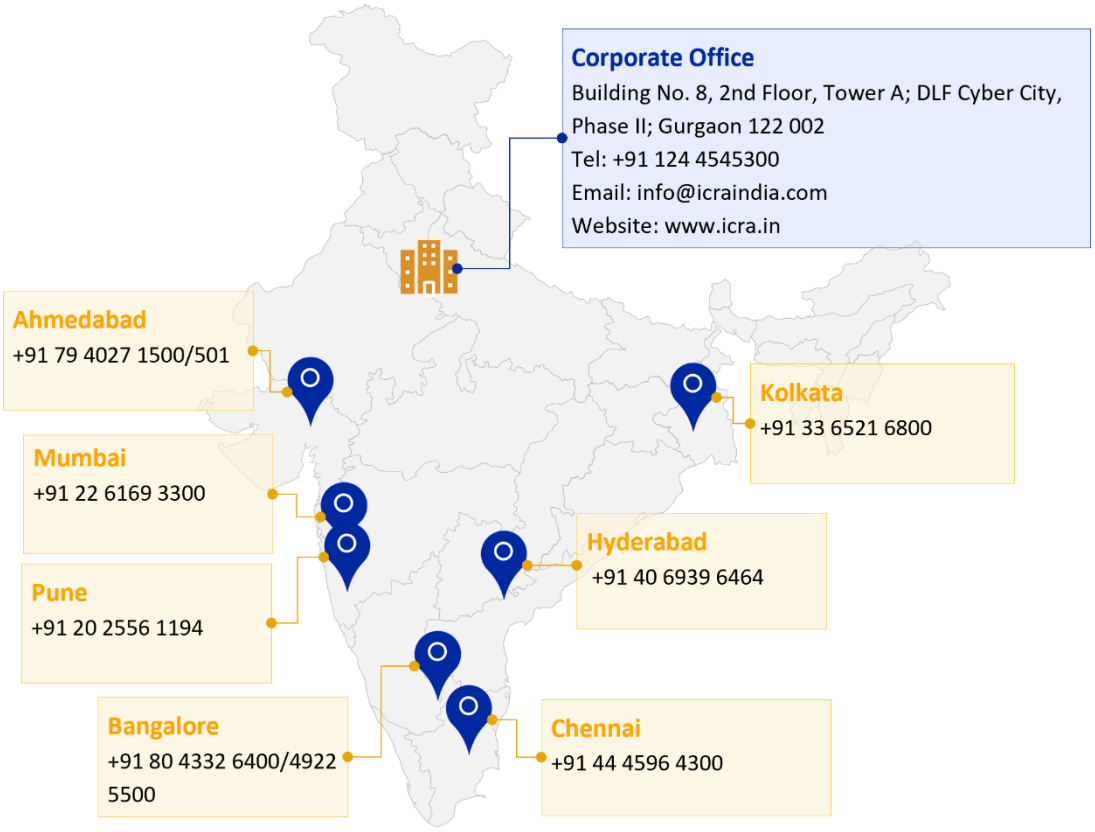
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
+91 11 23357940-45

Branches



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