

June 25, 2025

## Sunsure Solarpark Ten Pvt Ltd: [ICRA]A- (Stable) assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	43.90	[ICRA]A- (Stable); Assigned
<b>Total</b>	<b>43.90</b>	

\*Instrument details are provided in Annexure I

### Rationale

The assigned rating on the bank facilities of Sunsure SolarPark Ten Private Limited (SS10) factors in the availability of 25-year long-term power purchase agreements (PPA) for the entire capacity of its 15-MWp solar power project at a fixed tariff, providing long-term revenue visibility. SS10 has executed PPAs at competitive tariffs for its entire capacity with four commercial and industrial (C&I) clients – Apollo Pipes Limited, Apollo Metalex Private Limited, RACL Geartech Limited and Elin Electronics Limited - under the group captive mode. These clients have satisfactory credit profiles, mitigating the counterparty credit risk. The payments from the customers have been timely with an average collection period of ~15 days.

The rating factors in the healthy generation performance of the solar power project since its commissioning (CoD) in May 2024. The plant has been able to demonstrate generation above the P90 PLF level since CoD and achieved P75 generation level on trailing 12-months basis, leading to healthy cash flows from operations. This is also supported by the in-house operations and maintenance (O&M) services provided by its experienced parent, Sunsure Energy Private Limited (SEPL). Going forward, sustaining the generation performance above the P-90 estimate over a longer period will remain an important credit consideration.

SS10 has availed its term loan facility with a competitive interest rate and a long repayment tenure of 19.75 years, leading to a tail period of ~5 years for the project. However, risk emanates from the debt tenor being longer than the lock in period of the PPAs (15-years) which exposes it to cash flow mismatches post lock-in expiry. Nonetheless, comfort is derived from the competitive tariffs offered by the project which provide substantial savings to customers vis-a-vis the grid tariffs. Given the stable generation performance, the long-term PPAs and an amortising debt structure, the debt coverage metrics of the company are expected to remain adequate, with the cumulative debt service coverage ratio (DSCR) expected to remain above 1.2x.

ICRA also notes the presence of an experienced sponsor, SEPL (holding company), which has an established track record in developing and operating solar power projects in India. SEPL is backed by Partners Group AG that has committed to invest \$400 million in SEPL for the development of renewable projects in India. SEPL has an operational renewable portfolio of 290 MWp as of May 2025 and this is expected to be scaled up to 2 GWp by FY2027.

The rating is however constrained by the vulnerability of SS10's cash flows and debt protection metrics to the variability in its generation performance. Since SS10 operates at a single location, 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 rate on the project debt. Any increase in interest rates will adversely impact the company's debt coverage metrics and remain a key credit consideration. Also, the rating is constrained by the regulatory risks associated with scheduling and forecasting requirements, open access regulations and group captive policy. Any adverse changes in open access charges could impact the competitiveness of the tariff offered by SS10.

The Stable outlook factors in the revenue visibility from the long-term PPA and a satisfactory generation performance, which is expected to keep the debt protection metrics adequate. The outlook is also supported by the timely receipt of payments from the offtakers, which is expected to help maintain a comfortable liquidity headroom, going forward.

## Key rating drivers and their description

### Credit strengths

**Long-term PPAs for entire capacity limit demand and tariff risks** – SS10 has signed 25-year PPAs with four offtakers i.e. Apollo Pipes Limited, Apollo Metalex Private Limited, RACL Geartech Limited and Elin Electronics Limited, at fixed competitive tariff which provide significant savings to customers vis-à-vis grid tariff. These PPAs have a lock-in period of 15-years, thus limiting the demand and tariff risks and providing high revenue visibility. Also, comfort is drawn from the timely payments being received from the customers.

**Generation performance remains satisfactory** – The generation performance of the 15 MWp solar power project of SS10 has remained satisfactory since commissioning in May 2024, with the actual PLF remaining above the P90 level and achievement of P75 generation level on trailing 12-months basis. This is also supported by the presence of an experienced O&M partner, SEPL, who is also the parent of SS10.

**Adequate debt coverage metrics** – SS10 has availed its term debt at a competitive rate of interest, a long repayment period of 19.75 years and an amortising structure. While the lock-in period being lower than the debt tenure leads to risk of cash flow mismatch, comfort is drawn from the competitive tariff offered by the project. Given the satisfactory generation performance, the debt coverage metrics for the project are expected to remain adequate with the cumulative DSCR estimated to be above 1.2x over the debt tenure.

**Presence of an experienced sponsor** – SS10 is a subsidiary of SEPL, which has an established track record in developing and operating solar power projects in India. 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 asset under management of ~\$152 billion, acquired majority shareholding of SEPL in FY 2023. SEPL has an operational renewable portfolio of 290 MWp as of May 2025 and this is expected to be scaled up to 2 GWp by FY2027. Thus, SS10's status as subsidiary of SEPL which is a part of the Partners Group portfolio, lends it a strong financial flexibility and access to its managerial expertise.

### Credit challenges

**Low geographical diversification, with single-asset operations, resulting in vulnerability to variation in solar irradiance** – SS10 is entirely dependent on power generation by the solar power project for its revenues and cash accruals, given the single-part nature of the tariff. Thus, any adverse variation in weather conditions and equipment performance may impact its generation and consequently its cash flows. The single location and single-asset nature of the company's operations amplifies this risk. Nonetheless, the demonstrated track record of generation so far has been satisfactory and provides comfort.

**Exposure to interest rate risk** – The capital structure of the company is leveraged. Its debt coverage metrics remain vulnerable to any increase in interest rates, given the single-part nature of the fixed tariff in the PPAs and the floating interest rates.

**Regulatory risks** – The company's operations remain exposed to regulatory risks pertaining to the scheduling and forecasting requirements applicable for solar power projects, given the variable nature of solar power generation. Also, the company is exposed to any adverse regulatory changes in open access charges and policies related to group captive regulations.

## Liquidity position: Adequate

SS10's liquidity profile is expected to remain adequate, supported by comfortable cash flow from operations vis-à-vis its debt servicing obligations. Further, as on March 31, 2025, SS10 had free cash and bank balances of ~Rs. 0.5 crore and an additional Rs.1.70 crore of debt service reserve (DSRA) for debt servicing, providing additional comfort.

## Rating sensitivities

**Positive factors** – The rating can be upgraded if SS10 is able to consistently demonstrate generation above the P90 level, and register timely payments from the off takers, leading to an improvement in the debt coverage metrics on a sustained basis.

**Negative factors** – SS10's rating can be downgraded if the generation performance remains below the appraised levels on a sustained basis, pulling down the cumulative DSCR below 1.2 times. Also, delays in realising payments from the offtakers could adversely impact the liquidity profile of the company and would be a negative trigger.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Power - Solar</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered the standalone financials of SS10

## About the company

Sunsure SolarPark Ten Private Limited (SS10) was incorporated on December 12, 2022. The company is a subsidiary of Sunsure Energy Private Limited (SEPL). SEPL holds 51.82% of SS10 and the rest is held by its offtakers i.e. Apollo Pipes Limited, Apollo Metalex Private Limited, RACL Geartech Limited and Elin Electronics Limited. SS10 operates a 15 MWp solar power project at Panwari village, in the Mahoba district, of Uttar Pradesh. The project was commissioned on May 7, 2024 and has 25-year long-term PPA (lock in of 15 years) with Industrial offtakers at fixed competitive tariff which provide substantial savings to consumers vis-à-vis grid tariff.

## Key financial indicators (audited)

	FY2023	FY2024	FY2025*
Operating income	-	-	6.7
PAT	-0.0	-0.1	0.4
OPBDIT/OI (%)	NM	NM	82.6%
PAT/OI (%)	NM	NM	5.7%
Total outside liabilities/Tangible net worth (times)	2.1	32.3	5.4
Total debt/OPBDIT (times)	NM	NM	8.2
Interest coverage (times)	NM	NM	1.8

Source: Company financials, 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; \*Provisional financials; NM: not meaningful

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					
		FY2026				FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs Crore)	Jun 25, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long term- term loan- fund based	Long Term	43.90	[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	July 09, 2024	-	FY2044	43.90	[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 – Not applicable**

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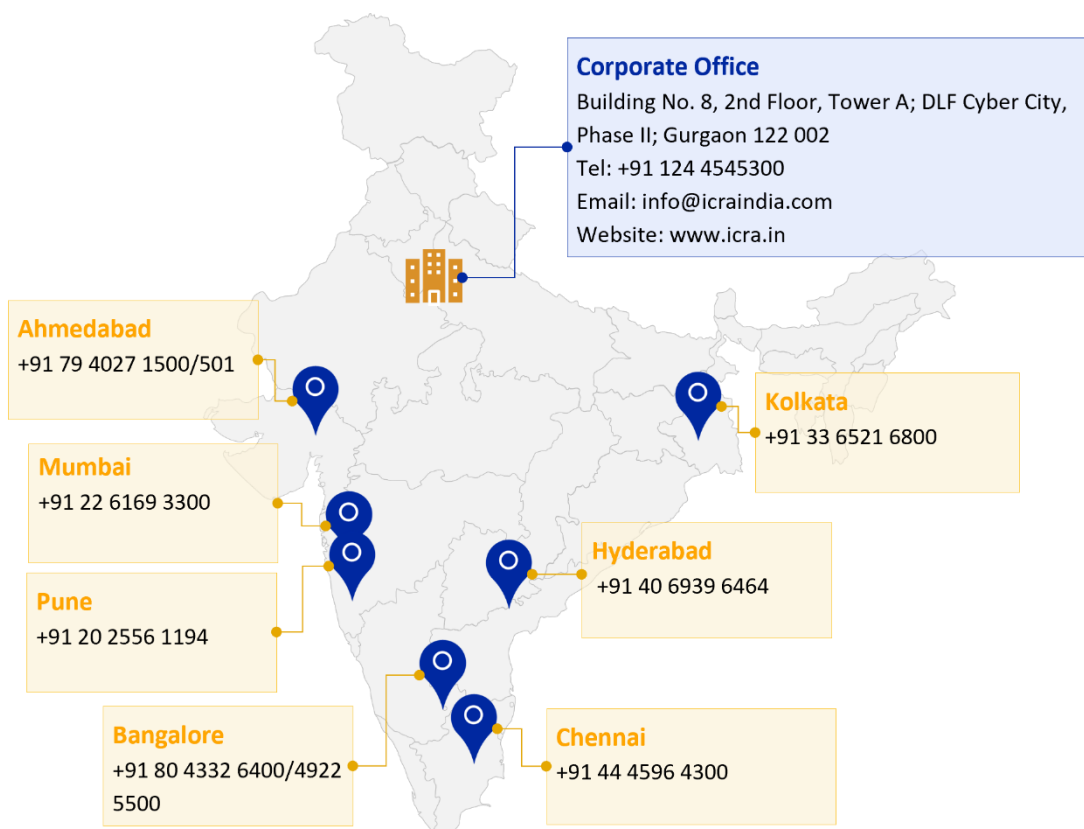
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