

July 31, 2025 ^(Revised)

Radiance MH Solar Park Pvt Ltd: Rating reaffirmed; outlook revised to Negative from Stable

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term- fund based – Term loan	63.70	63.70	[ICRA]A- (Negative); reaffirmed with change in outlook to Negative from Stable
Total	63.70	63.70	

*Instrument details are provided in Annexure I

Rationale

The revision in outlook to negative on the long-term rating assigned to Radiance MH Solar Park Pvt Ltd (MS Park) reflects the revision in outlook for its parent, Radiance Renewable Private Limited {RRPL, [ICRA]A-(Negative)/ [ICRA]A2+ revised from [ICRA]A (Stable)/[ICRA]A2+}. MS Park is developing the solar park and the associated infrastructure and has leased the same to Radiance DC Sun Energy Private Limited (DC Sun). The rating also considers the delay in the commissioning of the solar power project under DC Sun, wherein 145 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 December 2025.

While phase 1 and phase 2A of DC Sun having a total operational capacity of 145 MWp has been commissioned, the rating remains constrained by the execution risks for the balance portion under construction. ICRA understands that the balance portion of 72.5 MWp (phase 2B) is currently under construction and is expected to be commissioned in tranches by December 2025. Around 188 acres of land will be required for phase 2B, of which 84 acres has been acquired, and the balance is in advanced stages of acquisition. The transmission infrastructure is completed for phase 2B.

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 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.

The reaffirmation of the rating continues to factor in the operational linkages derived from MS Park's parent, RRPL, and the financial support available from the parent, if required. RRPL is backed by Green Growth Equity Fund (GGEF), wherein the National Investment and Infrastructure Fund (NIIF) and the Govt. of UK {through Foreign, Commonwealth and Development Office (FCDO)}, are the anchor investors in GGEF.

The rating also favourably 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 for the project for the offtaker highly competitive against the grid tariff. 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.

The operational performance of phase 1 of DC Sun has been satisfactory, wherein the PLF remained marginally below the P-90 estimates in FY2025 due to volatility in irradiation because of an extended monsoon in Maharashtra. Further, the pool remains exposed to tariff renewal risks as the PPA lock-in period (15 years) is shorter than the debt tenure (20 years), exposing it to the possibility of cash flow mismatches. 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

Strong parentage and managerial support – MS Park is a subsidiary of RRPL, which is the holding company of the Radiance Group (installed capacity of over 610 MW) and is backed by GGEF. GGEF is managed by EverSource Capital, which is a joint venture of EverStone Capital and Lightsource BP. The management of the Radiance Group has experience in setting up renewable power projects in India. Further, the company benefits from being part of a cash pooling mechanism and having cross-default linkages with another SPV of the Group, wherein surplus cash from either of the SPVs can be used to meet the shortfall in debt servicing for the other SPV.

Revenue visibility with strong counterparty - The revenue visibility remains healthy, given the 25-year PPA at a fixed tariff with reputed C&I customer i.e. NTT Global Data Centers & Cloud Infrastructure India Private Limited, which has a strong credit profile. The PPA has a lock-in period of 15 years with a fixed one-part tariff, mitigating the price risk for the projects.

Tariff competitiveness - The PPA tariff offered by the company is at a considerable discount to the state grid tariff rates, which enables the customer to realise significant savings. In addition, while the state grid tariffs are expected to show an inflationary trend, the tariff of the project is fixed and, therefore, expected to remain competitive over the project term.

Satisfactory debt coverage metrics - The debt coverage metrics are expected to remain comfortable with a cumulative DSCR of above 1.25x for the pool over the projected debt repayment tenure, supported by the long-term PPA at a remunerative tariff, the long tenure of the project debt and competitive interest rates.

Credit challenges

Project in development stage - The project has inherent execution risk as its partial capacity is in a construction phase. While phase 1 and phase 2A having a total capacity of 145 MWp has been commissioned as of June 2025, the balance portion i.e. phase 2B is likely to come up by December 2025. Around ~188 acres of land will be required for phase 2B, of which 84 acres has been acquired, and the balance is in advanced stages of acquisition. The transmission infrastructure is completed for phase 2B. Any further delays in commissioning the project or cost overruns impacting the debt coverage indicators would be a credit monitorable.

Risk of cash flow mismatch due to shorter PPA lock-in period vis-à-vis debt tenure – The PPA has a 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, post the lock-in period. On the other hand, comfort can be drawn from the competitive tariff offered by the company, a demonstrated track record of sponsor RRPL in securing PPAs with major C&I clients, and the notice period at the end of the lock-in period that ensures sufficient cushion in time to re-negotiate or replace the customer.

Cash flows exposed to risk of 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 flows will face headwinds in a scenario of lower-than-expected irradiance because of the one-part nature of the tariff. The cash flows would also remain susceptible to the changes in interest rates for the loan contracted by the entity as the tariff is fixed in nature, while the interest rates on the term loans are variable.

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 offtaker, the competitiveness of the project’s tariff against the grid tariff will moderate. Hence, the company’s ability to form up a cost-reflective tariff at the end of the lock-in period (March 2037) will remain a key monitorable from a credit perspective.

Liquidity position: Adequate

The liquidity position of the pool is expected to remain adequate, with a DSRA of Rs. 32.6 crore in form of fixed deposits and an unencumbered cash & bank balance of Rs. 1.5 crore as on May 31, 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 December 2025 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
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	To arrive at the rating, ICRA has considered the consolidated financials of the two SPVs, DC Sun and MS Park

About 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 in line with the project progress of DC Sun, which is setting up a 217.5-MW DC solar power plant in this park.

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 December 31, 2025; 72.5 MW of phase 2 has been commissioned as on June 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.

Key financial indicators (audited)

Consolidated – DC Sun+ MS Park Cash Pool	FY2024	FY2025*
Operating income	3.8	34.6
PAT	-3.0	-19.8
OPBDIT/OI (%)	62.7%	50.0%
PAT/OI (%)	-78.6%	-57.1%
Total outside liabilities/Tangible net worth (times)	4.2	9.1
Total debt/OPBDIT (times)	134.3	23.8
Interest coverage (times)	1.2	0.6

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; *Provisional financials with limited information.

Standalone – MS Park	FY2024	FY2025*
Operating income	0.3	0.0
PAT	-3.8	-5.6
OPBDIT/OI (%)	43.8%	NM
PAT/OI (%)	-1126.0%	NM
Total outside liabilities/Tangible net worth (times)	128.9	NM
Total debt/OPBDIT (times)	672.2	NM
Interest coverage (times)	0.3	NM

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; *Provisional financials with limited information; 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						
			FY2025		FY2024		FY2023		
Instrument	Type	Amount rated (Rs. crore)	Jul 31, 2025	Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	63.70	[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	63.70	[ICRA]A- (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.

Corrigendum:

The rationale dated July 31, 2025 has been revised to correct the number formatting for Standalone Key financial indicators metrics, OPBDIT/OI (%) and PAT/OI (%).

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