

July 22, 2026

Sunsure Solarpark Two Pvt Ltd: [ICRA]A (Stable); upgraded

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator [#]
Long term fund based – Term loan	48.15	48.15	[ICRA]A (Stable); upgraded from [ICRA]A- (Stable)	RBI
Total	48.15	48.15		

*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 upgrade for the bank facilities of Sunsire SolarPark Two Private Limited (SS2) factors in a sustained generation performance of its solar power project above the P-90 estimates which has helped improve the debt coverage metrics and strengthened the project's overall credit profile. The healthy generation performance is supported by the in-house operations and maintenance (O&M) services and the managerial oversight provided by its experienced parent, Sunsire Energy Private Limited (SEPL).

The rating continues to factor in the limited offtake risk for the project, supported by 25-year long-term power purchase agreements (PPA) for the entire capacity of 15 MWp at a fixed and competitive tariff, thereby providing long-term revenue visibility. The entire power generation is contracted under the group captive arrangement with a two commercial and industrial (C&I) clients – Kajaria Ceramics Limited ([ICRA]AA(Stable)/A1+) and Indagro Foods Private Limited. The rating also derives comfort from the satisfactory credit profile of the offtakers, mitigating the counterparty credit risk. Further, the company has demonstrated a healthy collection track record, with invoice realisation from the offtakers remaining timely with an average collection period of ~19 days since the commissioning (COD) of the project.

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 remain above 1.20x 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 655 MWp as of June 2026, which is expected to scale up to approximately 2.6 GWp in 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 SS2.

The rating is, however, constrained by the risk emanating from the longer tenure of the debt compared to the 15-year lock-in period of the PPAs, which exposes the project to cash flow mismatches after the lock-in expiry. Nevertheless, comfort is derived from the competitive tariff offered by the project which provides substantial savings to the customers vis-a-vis the grid tariffs.

The rating also factors in the vulnerability of SS2's cash flows and debt protection metrics to the variability in its generation performance. SS2 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, which is partly mitigated by the fixed interest rate with periodic reset. Any increase in the interest rates will adversely impact the company's debt coverage metrics and remain a key credit consideration. Also, there are 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 SS2.

The Stable outlook factors in expectations of a sustained satisfactory generation performance, which is expected 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 and offtake risks— SS2 has signed 25-year PPAs with two reputed offtakers at a fixed tariff, which provides significant savings to the offtakers vis-à-vis the grid tariff. The PPAs have a competitive tariff and a lock-in period of 15-years, thus limiting the demand risks and providing revenue visibility. Also, comfort is drawn from the satisfactory credit profile of the offtakers which will ensure timely realisation of invoices.

Comfortable debt coverage metrics, supported by healthy generation performance — The generation performance of SS2 has remained satisfactory since CoD. The generation has been above the P-90 PLF since February 2024, supporting a healthy cash flow from operations. This is further supported by the presence of an experienced O&M partner, SEPL, who is also the parent of SS2. Given the satisfactory generation performance, the project's debt coverage metrics are expected to remain adequate with the cumulative DSCR estimated to be above 1.20x over the debt tenure.

Managerial and operational support from SEPL, backed by its experience in the renewable energy sector — SS2'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 ~655 MWp as of June 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 PPAs have a lock-in period of 15 years (residual lock-in period of ~12 years) against a residual debt tenure of ~17 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 offtakers, if needed.

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 and single asset operations, any adverse variation in the irradiance levels could constrain the cash flows. Nevertheless, comfort can be drawn from the satisfactory performance of the company so far. Further, the debt coverage metrics remain vulnerable to the adverse variation in interest rates on loans.

Regulatory risk — 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. Accordingly, the company remains exposed to the adverse variation in open access charges, which could impact the competitiveness of the tariff offered. 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 may moderate. Further, the company's operations are also exposed to regulatory risks pertaining to the scheduling and forecasting requirements of solar power projects.

Liquidity position: Adequate

SS2'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 30 June 2026, SS2 had free cash and bank balances of ~Rs. 3.41 crore and a debt service reserve account (DSRA) of Rs. 1.85 crore for debt servicing, providing additional comfort.

Rating sensitivities

Positive factors – The rating can be upgraded if SS2 is able to consistently demonstrate generation above the P-75 level, along with timely payments from the offtakers, leading to an improvement in the debt coverage metrics on a sustained basis.

Negative factors – SS2'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 9 Bold	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered the standalone financials of SS2

About the company

SS2 was incorporated in September 2020. The company is a subsidiary of Sunsure Energy Private Limited (SEPL). SEPL holds ~73% of SS2 and the rest is held by its offtakers i.e., Kajaria Ceramics and Indagro Foods Private Limited.

SS2 operates a 15-MWp solar power project at Pailani village in the Banda district of Uttar Pradesh. The project was commissioned on November 1, 2023, and has 25-year long-term PPAs (lock-in of 15 years) with industrial offtakers at a fixed competitive tariff, which provides substantial savings to the customers vis-à-vis the grid tariff.

Key financial indicators (audited)

	FY2024	FY2025	FY2026*
Operating income	2.8	8.3	8.0
PAT	1.0	1.7	0.2
OPBDIT/OI (%)	84.3%	86.3%	88.1%
PAT/OI (%)	36.9%	20.0%	2.1%
Total outside liabilities/Tangible net worth (times)	2.8	2.5	2.4
Total debt/OPBDIT (times)	0.8	6.9	6.8
Interest coverage (times)	70.2	2.8	1.5

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

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)	July 22, 2026	Date	Rating	Date	Rating	Date	Rating
Term loan - Fund based	Long term	48.15	[ICRA]A (Stable)	June 25, 2025	[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	December 06, 2024	-	FY2044	48.15	[ICRA]A (Stable)	RBI

Source: Company

[#]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.

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

ANALYST CONTACTS

Girishkumar Kadam

+91 22 61143441

girishkumar@icraindia.com

Ankit Jain

+91 12 4454 5865

ankit.jain@icraindia.com

Sankalpa Mohapatra

+91 40 6939 6409

sankalpa.mohapatra@icraindia.com

Soaham Gundawar

+91 22 61693363

soaham.gundawar@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +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

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



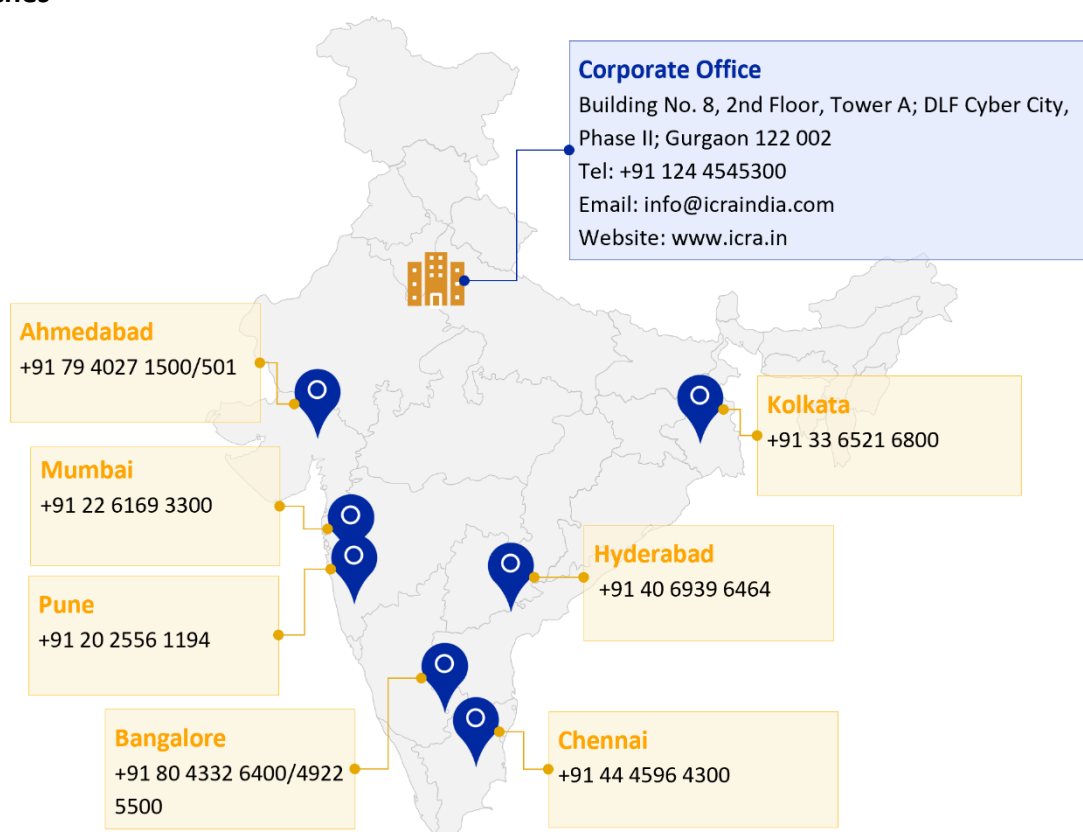
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.