July 22, 2026

Sunsure Solarpark Eight 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	49.23	49.23	[ICRA]A (Stable); upgraded from [ICRA]A- (Stable)	RBI
Total	**49.23**	**49.23**		

**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 Sunsure SolarPark Eight Private Limited (SS8) 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, Sunsure Energy Private Limited (SEPL).

The rating continues to factor in the limited offtake risk for the project, supported by a 25-year long-term power purchase agreement (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 single commercial and industrial (C&I) client, SLMG Beverages Private Limited. The rating also derives comfort from the satisfactory credit profile of the offtaker, mitigating the counterparty credit risk. Further, the company has demonstrated a healthy collection track record, with invoice realisation from the offtaker remaining timely with an average collection period of ~35 days since the commissioning (COD) of the project.

The rating also derives comfort from 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 PPA.

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 SS8.

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 PPA, 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 SS8's cash flows and debt protection metrics to the variability in its generation performance. SS8 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 SS8.

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 PPA with offtaker having satisfactory credit profile mitigates counterparty and offtake risk – SS8 has signed a 25-year PPA with a reputed offtaker at a fixed tariff which provides significant savings to the offtaker vis-à-vis the grid tariff. The PPA has a competitive tariff and 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 offtaker, ensuring timely realisation of invoices.

Comfortable debt coverage metrics, supported by healthy generation performance – The generation performance of SS8 has remained satisfactory since CoD. The generation has been above the P-90 PLF since December 2023, 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 SS8. 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 – SS8'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 PPA has a lock-in period of 15 years (residual lock-in period of ~12 years) against a residual debt tenure of ~18 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 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 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. 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 PPA ensure pass-through of such charges to the offtaker, 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

SS8'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 June 30, 2026, SS8 had free cash and bank balances of ~Rs. 2.64 crore and a debt service reserve account (DSRA) of ~Rs. 1.40 crore for debt servicing, providing additional comfort.

Rating sensitivities

Positive factors – The rating can be upgraded if SS8 is able to consistently demonstrate generation above the P75 level, along with timely payments from the offtaker, leading to an improvement in the debt coverage metrics on a sustained basis.

Negative factors – SS8'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 offtaker 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 SS8

About the company

SS8 was incorporated on May 31, 2019. The company is a subsidiary of Sunsure Energy Private Limited (SEPL). SEPL holds 61.63% of SS8 and the rest is held by its offtaker i.e. SLMG Beverages Private Limited.

SS8 operates a 15-MWp solar power project at Pailani village in the Banda district of Uttar Pradesh. The project was commissioned on September 06, 2023, and has a 25-year long-term PPA (lock-in of 15 years) with an industrial offtaker at a fixed and competitive tariff, which provides substantial savings to the customer vis-à-vis the grid tariff.

Key financial indicators (audited)

	FY2024	FY2025	FY2026*
Operating income	4.2	8.5	8.2
PAT	1.7	0.6	-0.3
OPBDIT/OI (%)	82.2%	87.2%	88.2%
PAT/OI (%)	41.5%	7.0%	-3.5%
Total outside liabilities/Tangible net worth (times)	6.6	5.6	5.5
Total debt/OPBDIT (times)	0.5	7.8	7.8
Interest coverage (times)	50.9	1.7	1.3

*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	49.23	[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	49.23	[ICRA]A (Stable)	RBI

Source: Company

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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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