Radiance MH Sunrise Five Private Limited

July 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	31.80	CARE A; Stable	Assigned
Long-term bank facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has withdrawn the previously outstanding rating on Radiance MH Sunrise Five Private Limited (MH5SR; earlier part of Radiance Restricted Group- 20 SPVs) on the company's request and taking cognisance of 'No Dues Certificate' from the previous lender. CareEdge Ratings has assigned a rating of CARE A; Stable to the refinanced loan facilities of MH5SR.

CareEdge Ratings has applied a combined approach for rating bank facilities of following nine special purpose vehicles (SPVs) Radiance MH Sunrise Two Private Limited (MH2SR), Radiance MH Sunrise Three Private Limited (MH3SR), Radiance MH Sunrise Four Private Limited (MH4SR), Radiance MH Sunrise Five Private Limited (MH5SR), Radiance MH Sunrise Six Private Limited (MH6SR), Radiance MH Sunrise Seven Private Limited (MH7SR), Radiance MH Sunrise Fifteen Private Limited (MH15SR), Radiance MH Sunrise Seventeen Private Limited (MH17SR) and Solarstream Renewable Services Private Limited (SRSPL), herein referred to as 'Radiance 9 SPVs Restricted Group' (RG) owing to presence of an intercompany agreement between entities. All entities have the benefit of pooling of surplus cash flows from individual entities to service shortfall in debt obligations, in these entities. The agreement is unconditional, irrevocable, valid for full tenure of rated debt facilities, has a well-defined T minus structured payment mechanism.

The rating assigned to new bank facilities of Radiance 9 SPVs RG, which operates a 56.6 MW (AC) / 80.3 MW (DC) solar power capacity on a combined basis spread across Maharashtra and Uttar Pradesh, factors in the satisfactory operational performance with weighted average track record being over two years. The RG's generation performance improved, as reflected by weighted average plant load factor (PLF) of 21.7% in FY24 to ~23.0% in FY25 remaining broadly in line with P90 levels of ~23.7%. The collections have also been timely with receivables period remaining ~30 days. Going forward, CareEdge Ratings expects generation performance to remain in line with the P90 estimate. The rating further derives strength from the presence of long-term, 25-year power purchase agreements (PPAs) with multiple reputed commercial and industrial (C&I) counterparties at a weighted average tariff of ₹3.63 per unit. Debt protection metrics of the RG are comfortable as reflected by average debt service coverage ratio (DSCR) being ~1.20x for the entire tenor. Per terms of sanction, the RG has created two quarters debt service reserve account (DSRA), which provides comfort from credit perspective. The rating draws comfort from the strong parentage of this structure being part of Radiance Renewables Private Limited (RRPL), backed by Green Growth Equity Fund (GGEF). RRPL had an operating capacity of ~610 MW (DC) as on May 2025 end and aims to expand its operational capacity to over 1.3 GW (DC) by the mid FY27.

However, the rating is constrained due to leveraged capital structure as reflected by expected total debt to earnings before interest, taxation, depreciation, and amortisation (TD/EBITDA) of ~8x on FY25 end. As per management articulation, EBITDA for FY25 was affected on account of booking onetime expenses. Going forward, TD/EBITDA is expected to be range-bound between 7.5-7.0x in the next three years. The rating also factors in exposure of project cash flows to adverse movement in interest rates and weather conditions given the single part tariff for the project. CareEdge Ratings notes that the RG has availed a top up debt of ₹46 crore, impacting the pool's capital structure. This is partially offset by the lower interest rate on the refinanced debt, which is fixed for five years.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Achievement of generation in-line with envisaged levels and receivable cycle remaining below 60 days on a sustained basis resulting in improvement in the liquidity profile.
- Faster-than-expected deleveraging of the asset pool.
- Significant improvement in credit profile of the parent RRPL.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Negative factors

- Significant underperformance in generation leading to lower-than-envisaged PLF with average DSCR on dropping below 1.15x on a sustained basis.
- Deterioration in credit risk profile of the off-takers or elongation of receivable days beyond 120 days leading to stretch in receivables, adversely impacting the liquidity of the co-obligors.
- Weakening of the credit profile of the ultimate parent, RRPL, or change in linkages/support philosophy between the parent and entities in the co-obligor structure would be negative factor.

Analytical approach: Combined; factoring parent support

CareEdge Ratings has applied a combined approach for rating bank facilities of the Radiance 9 SPVs RG, considering the presence of a cash pooling arrangement for pooling surplus cash flows from individual entities to service shortfall in debt servicing in of these entities. The agreement is irrevocable, valid for the full tenor of the rated debt facilities and characterised by the presence of a cross-default clause between all nine entities.

In a 'Combined Approach', CareEdge Ratings evaluates the group of entities as if it were a single entity and combines financials and business risk profiles of these entities to take a view on ratings. All nine entities are part of the Radiance Group and are engaged in similar lines of business. The rating is further notched up due to the parentage of Radiance Group.

Outlook: Stable

The stable outlook on the CARE A ratings of the Radiance 9 SPVs RG reflects CareEdge Ratings' opinion that the company would benefit from its long term PPAs with relatively strong counterparties Satisfactory generation and collection performance further supports the outlook.

Detailed Description of Key Rating Drivers

Key Rating Strengths

Strong parentage and operating track record of Radiance Renewables Group in renewable energy segment

RRPL is a flagship company of Radiance Group, which is engaged in development of different renewable projects. The company has been in the renewable energy business since 2018 and has gradually built-up assets mostly via organic and inorganic route. Over the years, the company has expanded its operational portfolio to 610 MW (DC; as on May 2025 end) and aims to expand its operational capacity to over 1.3 GW (DC) by mid-FY27. The group's projects are spread across the country including Karnataka, Maharashtra, Tamil Nadu & Uttar Pradesh.

GGEF holds 100% shares of the company, providing financial flexibility to the entity. GGEF is an alternative investment fund managed by EverSource Capital and anchored by NIIF and the UK Government. EverSource Capital is a joint venture between EverStone (a prominent private equity firm with over 70 private equity transactions in India), and Lightsource BP (a global leader in renewable energy). Lightsource BP has successfully developed 290 utility-scale projects and manages one of the largest global operations and maintenance (O&M) platforms, totalling 2 GW of assets under management (AUM).

Presence of an intercompany agreement for pooling of surplus cash flows

MH2SR, MH3SR, MH4SR, MH5SR, MH6SR, MH7SR, MH15SR, MH17SR, and SRSPL have jointly formed an RG, where these entities would be jointly servicing combined debt obligations. Shortfall in meeting the debt obligations by one entity shall be met through surplus cash flows from other entities in the structure. Agreement is unconditional, irrevocable, valid for the full tenor of rated debt facilities and is characterised by the free fungibility of cash flows, presence of T-minus structured payment and invocation mechanism and cross default clause between all nine entities.

Revenue visibility considering presence of long-term PPAs for entire capacity

The SPVs have entered long-term PPAs for the off-take of entire capacity of 56.6 MW (AC) for a period ranging of 25 years at a weighted average fixed tariff of ₹3.63/unit, which remains competitive given higher tariffs for C&I customers in key RE states. PPAs have enabling clauses such as presence of lock-in period, payment security, mandatory minimum off-take, and payouts in case of PPA termination. Of the nine SPVs, eight SPVs of Radiance 9 SPVs RG are selling power under the 'Group Captive' mechanism, where power sold is more competitive from the off-taker's point of view whereas the remaining one SPV is selling power under 'Open Access' mechanism.

Satisfactory operational performance and receivable cycle
The pool has a weighted average track record of ~27 months and energy generation level in the 12 trailing months (TTM) almost in line with P-90 level estimates. The portfolio's weighted average P-90 benchmark is 23.7%, while the actual generation in FY25 stood very close to P90 level at 23%, significantly up from 21.7% in FY24. This improvement reflects the benefits of operational stabilisation and corrective measures undertaken post-commissioning. The collection cycle has remained healthy with actual receivable days averaging ~30 days. Going forward, the ability of the Radiance 9 SPVs RG to continually demonstrate satisfactory operational performance would be a key credit monitorable.

Diversified off-takers with comfortable credit risk profile
The sector-wise diversity of off-takers is fairly evidenced from the proportions of capacity tied in companies ranging from chemical (43%), auto & auto ancillary (18%), IT/ITES (18%), electrical equipment's (13%), and other sectors (8%). The credit profile of off-takers stands healthy with ~83% rated at A band and above. Given the healthy credit profile of off-takers, collection track record for the SPVs is envisaged to remain healthy.

Comfortable debt coverage metrics
Entities on a combined basis have comfortable debt-protection metrics as reflected by combined average DSCR above 1.2x for the tenure of the rated facility. The project has a weighted average tail life of ~4 years aiding the financial strength of the company. Presence of DSRA covering two quarter of debt service obligations provides liquidity comfort from a credit perspective.

Key Rating Weaknesses
Leveraged capital structure
Capital structure of the Radiance 9 SPVs RG is leveraged as reflected by Total External Debt/EBITDA of ~8x as on FY25 end. As per management articulation, EBITDA for FY25 was affected on account of booking onetime expenses. Going forward, TD/EBITDA is expected to be range-bound between 7.5-7.0x in the next three years. The debt protection metrics for the RG are expected to remain comfortable as reflected by a cumulative DSCR above 1.2x for the tenor of the debt. CareEdge Ratings notes that proposed debt facility includes a requirement to maintain a DSRA equivalent to two quarters of debt obligations. Radiance 9 SPVs RG has complied with this requirement, which provides additional comfort from a credit perspective.

Vulnerability of cash flows to variation in weather conditions
As tariffs are one part in nature, the company may book lesser revenues from non-generation of power due to variation in weather conditions and/or equipment quality. This would affect its cash flows and debt servicing ability.

Liquidity: Adequate
The RG's liquidity is adequate, as reflected by free cash and bank balances of ~₹9.4 crore and restricted cash and bank balance of ~₹14.7 crore on a combined basis as on May 18, 2025. Going forward, CareEdge Ratings expects the generation performance of assets to be in-line with the designed energy estimate. Internal accruals from the structure are expected to be adequate to service its proposed debt obligations.

Per CareEdge Ratings' base case, adjusted gross cash accruals (GCA) for FY26 and FY27 is expected to be rangebound between ₹12.1 crore to ₹13.6 crore against annual repayments of ₹7.8 crore and ₹8.9 crore respectively.

Applicable criteria
Consolidation
Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Withdrawal Policy
Infrastructure Sector Ratings
Solar Power Projects

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

MH5SR is a special purpose vehicle incorporated on March 11, 2021 by RRPL and has set up a 7.0 MW_{AC} / 9.8 MW_{DC} Solar PV ground-mounted group captive project in Dahelgaon, M Chincholi, Ghanasawangi, District Jalna, Maharashtra, India. The company has signed a long-term PPA with Gharda Chemicals Limited for its Khed Plant in Ratnagiri district, Maharashtra at a fixed tariff of ₹3.55/unit for 25 years. The company is part of the Radiance group.

Radiance 9 SPVs RG (Combined)

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Prov.)
Total operating income	38.6	40.9
PBILDT	29.1	30.4
PAT	-19.3	-18.6
Overall gearing (times)	2.08	2.44
Interest coverage (times)	0.74	0.82

A: Audited; Prov.: Provisional; The above financials have been adjusted per CareEdge Ratings' criteria.
Note: these are latest available financial results

MH5SR

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Prov.)
Total operating income	3.6	4.7
PBILDT	2.1	3.5
PAT	-3.3	-2.2
Overall gearing (times)	2.47	2.70
Interest coverage (times)	0.46	0.83

A: Audited; Prov.: Provisional; The above financials have been adjusted per CareEdge Ratings' criteria.
Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	31-03-2043	0.00	Withdrawn
Fund-based - LT-Term Loan		-	-	30-09-2043	31.80	CARE A; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (12-Feb-24)	1)CARE A-; Stable (14-Dec-22)
2	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE A-; Stable (05-Aug-24)	-	-
3	Fund-based - LT-Term Loan	LT	31.80	CARE A; Stable				

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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