ReNew Surya Alok Private Limited (Revised)

October 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	62.90 (Reduced from 67.00)	CARE A-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in the rating on bank facilities of ReNew Surya Alok Private Limited (RSAPL), which is operating a 20 MW_{AC} / 28 MW_{DC} solar power plant in Maharashtra, factors in the established operational track record of over three years and satisfactory operating performance as reflected by plant load factor (PLF) of 26.1% in FY25 against 26.3% in FY24. The generation performance has continued to be better than the P-90 designed energy estimate of 24.3% since commissioning. However, the generation performance has been marginally impacted in FY26 as reflected by 4MFY26 PLF of 24.2% against ~25.3% in the same period in FY25, which is attributable to onset of early monsoon in May 2025. Going forward, CARE Ratings Limited (CareEdge Ratings) expects the generation performance in FY26 to be lower than the past trends; however, the generation beyond FY26 is expected to remain in line with the historical trends. The rating positively factors in the receipt of past outstanding dues which were being deducted by the off-taker, CIE Automotive India Limited (CAIL), pertaining to the wheeling charges and losses for the power being procured from this plant, following a favourable regulatory order. RSAPL had contested that CAIL was not using the state utility's network and hence the wheeling charges and losses were getting charged incorrectly. With the receipt of past overdues, the outstanding receivables have moderated to ~₹2 crore as of March 2025 end against ~₹5 crore as of March 2024 end.

CareEdge Ratings takes cognisance of the Maharashtra Electricity Regulatory Commission's (MERC) multi-year tariff (MYT) regulations 2024, where the order restricts the usability of banked energy to the same time-of-day (ToD) slot in which it has been generated. This order has been contested by developers, and an interim stay has been granted by the Bombay High Court. The matter is currently sub-judice, with no immediate impact on the entities involved. However, if the order is upheld, it could negatively affect the revenue profiles of plain vanilla solar projects. While the extent of such an impact currently remains uncertain, resolution of the associated regulatory risk remains a key monitorable.

The rating continues to factor in the strong parentage by virtue of RSAPL being a subsidiary of ReNew Green Energy Solutions Private Limited (RGESPL, rated 'CARE A+; Stable'). RGESPL is a wholly owned subsidiary of Renew Private Limited (RPL, rated 'CARE A+; Stable / CARE A1+'), which is a leading power producer in India having total operating capacity of ~11.2 GW and a capacity pipeline of 7.3 GW as of March 2025 end. The rating derives strength from the presence of a long-term power purchase agreement (PPA) of 25 years under the group captive mechanism with CAIL at a fixed tariff of ₹3.37 per unit which provides long term revenue visibility. CareEdge Ratings also considers the presence of necessary safeguards such as lock-in period of 15 years, payment security mechanism, and termination penalties in the PPAs. From an off-taker's perspective, there is adequate economic incentive on purchase of power from this plant against procuring power via the grid. Going forward, per the CareEdge Ratings' base case scenario, the debt-protection metrics of RSAPL are expected to be comfortable as reflected by average debt-service coverage ratio (DSCR) being ~1.25x for the debt tenor. The project's tail life of ~11 years and the presence of two quarters debt-service reserve account (DSRA) also provide comfort from a credit perspective.

The rating is constrained due to leveraged capital structure as the project has been funded through a debt: equity mix of 70:30. The same is likely to lead to a full year total debt / earnings before interest, taxes, depreciation, and amortisation (EBITDA) ratio of 4.2-4.6x over FY26-FY27. The project's cashflows are exposed to adverse variations in weather conditions and interest rate fluctuation risk, given that the PPA tariff is single part and fixed for the full tenure of the debt instrument.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustenance of actual generation level in line with the designed energy levels or improvement in cumulative DSCR to over 1.25x.
- Faster-than-expected deleveraging of the project.

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

- Favourable resolution of regulatory risk prevailing in Maharashtra for open access projects.

Negative factors

- Significant underperformance in generation leading to moderation of cumulative DSCR falling below 1.15x on a sustained basis.
- Significant delay in receiving payments from the offtaker leading to elongation of receivable cycle on a sustained basis.
- Any weakening of the credit profile of the parent, RGESPL, or any change in linkages/support philosophy between the parent and RSAPL.

Analytical approach: Standalone, factoring in parent support
CareEdge Ratings expects RSAPL's parent, RGESPL, to be willing to extend financial support to RSAPL, should there be a need, given the high strategic importance that RSAPL has for RGESPL.

Outlook: Stable
The stable outlook on the CARE A- rating of RSAPL reflects CareEdge Ratings' opinion that the entity would benefit from its long-term PPA with a strong counterparty. Also, the expectation of satisfactory generation and collection performance supports the outlook.

Detailed description of key rating drivers:

Key strengths

RSAPL benefits from being part of ReNew Group backed by reputed global investors
RSAPL is a subsidiary of RGESPL, which is a 100% subsidiary of RPL. RPL is the flagship company of the ReNew group and a 100% subsidiary of ReNew Energy Global Plc. (REG), which is listed on National Association of Securities Dealers Automated Quotations (NASDAQ). The group has over a decade of experience in developing and operating renewable energy projects and is one of the leading renewable energy developers in India having an operating capacity of 11.2 GW, a committed capacity of 7.3 GW (PPAs are signed) as on March 31, 2025. In the past, the group has secured investments from multiple private equity, financial institutions, and pension funds among others, signifying its healthy financial flexibility.

Steady revenue visibility on account long-term PPA with CAIL
The company has low off-take risks owing to the presence of a long-term (25-year) PPA with CAIL under group captive scheme for the entire capacity at a fixed tariff of ₹3.37/unit. Long-term PPA with a credible counterparty provides revenue visibility for the company. The presence of enabling clauses such as lock-in period and termination payment act as necessary safeguards.

Operational track record of ~3.7 years with generation performance better than design estimates
The 20-MW (AC) Solar PV group captive ground mount solar project in Beed, Maharashtra, was commissioned in December 2021 and consequently has an operational track record of ~3.7 years as of August 2025. The generation has exceeded the design energy estimates since commissioning with AC capacity utilisation factor (CUF) of ~26.1% in FY25 being broadly in line with ~26.3% in FY24. The generation over 4M-FY26 was slightly lower on a y-o-y basis as reflected by AC CUF of 24.2% against 25.3% for 4M-FY25 considering lower irradiation in May-June 2025 caused by early monsoon. As a result, the AC CUF for FY26 is expected to be lower than FY25, although it is likely to be higher than P-90 estimates. Going forward, CareEdge Ratings expects the generation performance to be in line with the past performance.

CareEdge Ratings also notes the resolution of the receivables overhang caused by partial withholding of payments by CAIL proportionate to wheeling charges levied by Maharashtra State Electricity Distribution Company (MSEDCL) in FY24. RSAPL had contested that CAIL was not using the state utility's network and hence the wheeling charges and losses were getting charged incorrectly. Following a petition filed with the MERC for the reversal of deducted wheeling charges and waiver on the same for current invoices, a favourable order dated October 22, 2024, by MERC in favour of CAIL and RSAPL has resulted in refund of entire deducted amount by MSEDCL. CAIL, in turn, has promptly cleared the pending portion of invoices, leading to moderation of outstanding receivables to ~₹2 crore as of March 2025 end against ~₹5 crore as of March 2024 end, and subsequently has been clearing the invoices in a timely manner within ~20 days of raising invoices.

Moderately comfortable debt protection metrics along with healthy tail life of ~11 years

RSAPL's debt protection metric remains moderately comfortable as reflected by average DSCR remaining close to 1.25x over the tenor of the term debt. The project has a tail life of ~11 years providing high financial flexibility to the asset. Moreover, the presence of DSRA covering two quarter of debt service obligations provide comfort from a credit perspective.

Key weaknesses

Leveraged capital structure and exposure to adverse movements in interest rate

RSAPL's capital structure is leveraged as the project has been funded in a debt equity mix of 70:30. This is likely to lead to a full year TD/EBITDA multiple of 4.2-4.6x over FY26-FY27. The company remains exposed to variations in interest rates, which are floating in nature and subject to semi-annual reset.

Vulnerability of cash flows to variation in weather conditions

As tariffs are one part in nature, the company may book lesser revenues in the event of non-generation of power due to variation in weather conditions and/or equipment quality. This in turn would affect its cash flows and debt servicing ability. The geographical concentration of asset amplifies the generation risk.

Favourable resolution of regulatory risk prevailing in the state of Maharashtra for open access projects

MERC, vide its order 75 issued on June 25, 2025, introduced tightened energy banking rules, including restrictions on the usability of banked energy to the same time-of-day (ToD) slot in which it has been generated. Following a petition filed by solar developers opposed to these changes, an interim stay has been granted by the Bombay High Court. The matter is currently sub-judice, with no immediate impact on the entities involved. However, if the order is upheld, it could negatively affect the revenue profiles of plain vanilla solar projects. While the extent of such an impact currently remains uncertain, resolution of the associated regulatory risk remains a key monitorable.

Liquidity: Adequate

RSAPL had a free cash and bank balance of ₹12.69 crore as on August 31, 2025, apart from DSRA of ₹5.80 crore in the form of FDs equivalent to two quarters of debt servicing as stipulated in sanction terms. Per CareEdge Ratings' base case, the company is expected to generate adjusted gross cash accruals (GCA) of ₹6.6-7.0 crore for FY26-FY27 against annual repayment of ₹4.3-4.5 crore for the period.

Applicable criteria

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
Infrastructure Sector Ratings
Solar Power Projects

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power Generation

RSAPL is a special purpose vehicle (SPV) promoted by RGESPL, with RPL being the ultimate parent company for the project. The SPV has commissioned 20 MW_{AC} / 28 MW_{DC} solar ground-mounted power plant in Beed district in Maharashtra in December 2021. RSAPL has tied up the entire capacity with CAIL through a 25-year PPA and is selling power under group captive scheme to CAIL at a fixed tariff of ₹3.37/kWh.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	15.11	14.81
PBILDT	12.98	12.86
PAT	2.33	2.51

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Overall gearing (times)	1.78	1.58
Interest coverage (times)	1.50	1.75

A: Audited; 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
Term Loan-Long Term		-	-	30-06-2036	62.90	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 (26-Jul-24)	1)CARE A-; Stable (31-Aug-23)	1)CARE A-; Stable (05-Jul-22)
2	Term Loan-Long Term	LT	62.90	CARE A-; Stable	-	1)CARE A-; Stable (12-Sep-24)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short 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	Term Loan-Long Term	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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About us:
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