

Rays Power Infra Limited

December 18, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	155.47 (Reduced from 159.72)	CARE A; Stable	Upgraded from CARE A-; Positive
Long Term / Short Term Bank Facilities	716.53 (Reduced from 752.28)	CARE A; Stable / CARE A1	Upgraded from CARE A-; Positive / CARE A2+
Short Term Bank Facilities	33.00	CARE A1	Assigned
Short Term Bank Facilities	45.00 (Enhanced from 38.00)	CARE A1	Upgraded from CARE A2+

Details of instruments/facilities in Annexure-1.

Note: CARE Ratings Limited (CareEdge Ratings) has withdrawn the rating assigned to the working capital facility & term loan of DCB bank on the basis of no due certificate and term loan from State Bank of India, HDFC bank and Federal Bank on the basis of latest sanction letter.

Rationale and key rating drivers

The revision in the ratings assigned to the bank facilities of Rays Power Infra Limited (RPIL) take into account sustained growth in its scale of operations along with improvement in profitability over last three years ended FY25 (refers to the period April 01 to March 31) along with significant scaling up of RPIL's order book, providing strong revenue visibility over the medium term. The ratings also continue to derive strength from augmentation of net worth base through private placement of fresh equity shares in FY25 (refers to April 01 to March 31) resulting in comfortable financial risk profile and adequate liquidity.

The ratings continue to derive strength from its experienced promoters, strong execution capability for solar power projects on engineering, procurement and construction (EPC) basis and a healthy as well as geographically diversified orderbook from reputed clientele with low counterparty credit risk. The ratings also consider satisfactory capacity utilisation factor (CUF) of company's solar power projects, along with a low offtake and counterparty credit risk due to the presence of power purchase agreement (PPA) with the state DISCOMs, and favourable policy framework.

The ratings, however, continue to be primarily constrained due to RPIL's presence in a fragmented and intensely competitive renewable power EPC segment, susceptibility of its profitability to volatility in the prices of key raw materials and segmental concentration of its orderbook. Furthermore, the ratings are also constrained on account of the risk pertaining to variation in climatic conditions and technological risk associated with the performance of solar power plants under independent power producer (IPP) segment.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in the scale of operations to more than ₹2500 crore with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 15% on a sustained basis.
- Significant improvement in gross current asset days resulting in improvement in the liquidity profile of the company.

Negative factors

- Decline in TOI below ₹1400 crore or PBILDT margin falling below 10% on a sustained basis.
- Deterioration in the overall gearing beyond 1x on a sustained basis.
- Elongation in gross current asset days to more than 350 days on a sustained basis impacting the liquidity of the company.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has considered consolidated financials of RPIL including all its subsidiaries as on March 31, 2025, owing to strong management, operational and financial linkages. Entities consolidated into RPIL are listed under Annexure-6.

Outlook: Stable

Stable outlook reflects CARE Ratings Limited (CareEdge Ratings) expectation that RPIL shall be able to sustain its credit risk profile on account of its experienced promoters, healthy orderbook and growth in scale of operations with healthy profitability margins.

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

Detailed description of key rating drivers:**Key strengths****Sustained growth in scale of operations and improvement in profitability**

The TOI of RPIL, on a consolidated basis, reported a five-year compounded annual growth rate (CAGR) of around 35% and a y-o-y growth of 16% to ₹1,221 crore in FY25 as compared to ₹1,049.37 crore in FY24, driven by timely execution of orders. Further, the growth is also supported by improved performance in EPC and solar park development segments, with revenue from co-development projects rising to ₹310.64 crore in FY25 (₹85.91 crore in FY24) and EPC revenue increasing to ₹801.53 crore (₹649.16 crore in FY24), aided by execution of large solar park projects and multiple EPC contracts.

RPIL's revenue mix is concentrated with EPC activities accounting for 91% of total revenue, while sale of electricity and operations & maintenance services contributed 4% and 5%, respectively during FY25.

The PBILDT margin of RPIL improved by 421 bps to 15.71% (FY24: 11.50%), primarily due to execution of high-margin solar park projects. Consequently, PAT margin rose by 235 bps to 11.24% in FY25 over FY24. Gross Cash Accruals (GCA) increased by 26% to ₹137.50 crore in FY25 (FY24: ₹108.75 crore), supported by improved operating profitability.

CARE Ratings Limited (CareEdge Ratings) expects the revenue from EPC segment to further grow in the medium term on account of healthy orderbook and increased focus of the management on EPC segment, aided by emphasis on the renewable power segment by the Government.

As per the provisional financials for H1FY26 (refers to the period April 01 to September 30), RPIL, on a standalone basis, reported TOI of ₹721 crore (PY: ₹275 crore) with a PBILDT margin of around 15%.

Healthy and geographically diversified orderbook

RPIL's order book improved significantly to ₹7,702 crores as on October 31, 2025 (₹2,767 crore as on August 31, 2024), which translates to an order book/sales of 6.31x of TOI for FY25. The significant improvement in order book is on account of receipt of new orders amounting to ₹6,842 crores in last one year.

The operation of RPIL is geographically diversified across India and has implementation track record of more than 1 Giga Watt (GW) of solar power plants across Karnataka, Tamil Nadu, Telangana, Uttar Pradesh, Rajasthan, Uttarakhand, Punjab, Maharashtra Odisha, Gujarat, Assam in domestic market and Vietnam & Bangladesh in international region. However, around 46% of the RPIL's orderbook as on October 31, 2025, remain concentrated among two large contracts in Karnataka from single central government owned entity, indicating moderate project concentration risk.

Nevertheless, RPIL's order book is majorly from government entities including state government undertakings and other reputed private players (both national and international), which translates into a low counterparty credit risk.

Experienced promoters and established track record in development of solar power plants

RPIL is promoted by Ketan Mehta, who possesses more than a decade of experience in the solar industry and heads the EPC business of the group. Furthermore, he is ably supported by Pawan Sharma, co-promoter, and a team of experienced professionals, forming a strong second line of management for project execution. The in-house team has an expertise in transmission, power distribution, and rooftop segment as well (through execution of turnkey projects) and extends support services such as consulting, engineering, contracting and commissioning for solar power projects.

Comfortable leverage and debt coverage indicators

Despite significant increase in TOI and high working capital intensity, the financial risk profile of RPIL continues to remain comfortable marked by overall gearing of 0.76 times as on March 31, 2025 (0.66 times as on March 31, 2024). The marginal moderation in gearing level is on account of utilisation of TREDIS (Trade Receivables Discounting System) limit and mobilization advances on back of increase in scale of operations and augmentation of order book.

The debt coverage indicators continue to remain comfortable marked by interest coverage and total debt to PBILDT of 9.17 times (6.64 times) and 2.21 years (PY:1.48 years) as on March 31, 2025.

Further, RPIL has raised fresh equity of ₹195 crore in FY24 and FY25 through private placement, and an additional ₹10 crore through share warrants in H1FY26, strengthening its net worth. Going forward, any major debt funded capex in the related business ecosystem resulting in any material deterioration in the leverage profile of the company shall remain a key rating monitorable.

Satisfactory operational performance of IPP assets with long-term revenue visibility

As on March 31, 2025, RPIL has operational IPP assets (ground-mounted and rooftop) of 12.25 MW which reported an average CUF of 16%. The company has executed long-term PPAs with the state DISCOMS for supply of power from these projects for 20-25 years, at an average rate of ₹7.68/ unit.

Furthermore, RPIL has also added an additional IPP capacity of 4 MW with a total cost of approximately ₹19.00 crore. The said cost is funded by the term loan of 18.00 crore and balance by internal accruals. The company has obtained all the requisites approval and clearances for the same and the said plant been operational from H1FY26.

Considering the operational track record of power generation and timely receipt of payment for more than five years and established infrastructure for power evacuation, CARE Ratings Limited (CareEdge Ratings) expects IPP assets to be self-sustainable in nature with annual power sale income of around ₹15-20 crore with a healthy PBILDT margin.

Key weaknesses**Segmental concentration of order book along with susceptibility to volatile input prices**

RPIL undertakes EPC contracts for construction of solar power projects across geographies. With a high concentration of order book towards these projects, company remains vulnerable to risks associated with their commissioning within predefined timelines and cost parameters. Also, CARE Ratings Limited (CareEdge Ratings) notes that challenges w.r.t increase in the polysilicon prices and availability of solar modules may impact the TOI and the profitability of the company. While the risk of increase in the prices of the solar modules in the current orderbook is partly mitigated due to the presence of price escalation clause (in the orders where the scope of work includes supply of solar panels), the ability of the company to demonstrate strong project execution capabilities despite disruptions remains crucial from the credit perspective. Moreover, CARE Ratings Limited (CareEdge Ratings) also makes a note of the fact that with sharp fluctuations in metal prices coupled with challenges in land acquisition and receipt of prerequisite clearances, profitability of solar EPC players like RPIL may remain vulnerable.

Presence in a fragmented and competitive industry with low bargaining power

RPIL is a mid-sized player operating in an intensely competitive and fragmented solar industry. Its competitors include IPPs and EPC arms of several solar panel manufactures, who comparatively hold a better bargaining power. It also faces competition from several smaller players, who provide EPC and O&M services for solar power projects.

Risk pertaining to terms and continuity of PPA agreement and susceptibility of power generation to climatic conditions and technological risks

The PPA executed by RPIL does not have a lock-in period and it can be terminated by either party by giving a six months' notice. Consequently, the company is exposed to the risk arising out of discontinuation of PPA by any of the counterparty in the long term. Moreover, achievement of desired CUF going forward would be subject to climatic conditions, extent of degradation of modules as well as the performance of thin film photovoltaic (PV) solar cells, which has a relatively short performance track record in Indian conditions.

Liquidity: Adequate

RPIL's liquidity remains adequate, characterised by a healthy cushion in company's GCA against its debt repayment obligations, sufficient headroom in working capital limits, and a free cash and bank balance of ₹112.39 crore as on March 31, 2025. RPIL has also availed enhancement in its fund based and non-fund-based limits from time to time which has aided its liquidity considering growing scale of operations. Further, while participating in tenders, the company also utilizes Surety Bonds as an alternative to Bank Guarantees, thereby reducing working capital requirements and providing working capital cushion.

Despite faster rotation of funds under solar EPC project, the working capital requirement continues to remain high as inherent in the construction industry as reflected by gross current asset days of 313 days in FY25 (PY: 193 days). With increase in scale of operations and a high working capital intensity, collection days of RPIL increased to 139 days (PY: 115 days), resulting in a negative cash flow from operations in FY25 and an elongation of operating cycle to 98 days in FY25 (PY: 78 days).

The average month-end utilisation of the combined fund-based and non-fund-based limits remained moderate at 70% for 12-months ended October 31, 2025. Further, the company has started utilising TREDIS limits for payments to its small and medium enterprise (SME) vendors, including sub-contractors, due to interest rate benefit. The outstanding of TREDIS was ₹230.43 crore (PY: ₹98.55 crore) as on March 31, 2025.

RPIL's liquidity is expected to remain adequate in the near-to-medium term considering strong operating performance and envisaged enhancement in its working capital limits to fund its future growth. Nevertheless, CARE Ratings Limited (CareEdge Ratings) expects a further increase in the working capital intensity of its operations on account of increasing focus on the EPC business.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks : Not Applicable

Applicable criteria

[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios – Non financial Sector](#)
[Withdrawal Policy](#)
[Construction Sector](#)
[Infrastructure Sector Ratings](#)
[Solar Power Projects](#)
[Short Term Instruments](#)
[Consolidation](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

RPIL is a part of the Rays group which has an established track record of more than a decade in the renewable power segment. RPIL is engaged in EPC businesses of solar power projects, generation of solar power as an IPP and O&M contractor for solar power plants. The company also has expertise in the transmission, power distribution, and rooftop segment as well (by the execution of turnkey projects) and extends support services such as consulting, engineering, contracting and commissioning services for solar power projects. RPIL has commissioned 1 GW of solar power projects during last 10 years and, at present, it is providing O&M service for more than 530 MW of solar power capacity.

Consolidated:

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	1050.54	1221.18
PBILDT	120.70	191.88
PAT	91.37	137.20
Overall gearing (times)	0.66	0.76
Interest coverage (times)	6.64	9.17

A: Audited; Note: these are latest available financial results. *PBILDT: Profit before interest, lease rentals, depreciation and tax.

Note: As per the standalone provisional financials for H1FY26 (refers to the period April 01 to September 30) of RPIL, the company has reported TOI and PBILDT of Rs.721 crore & 14.90% respectively.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Nil

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	114.95	CARE A; Stable
Fund-based - LT-Term Loan		-	-	May 2036	40.52	CARE A; Stable
Non-fund-based - LT/ST-BG/LC		-	-	-	716.53	CARE A; Stable / CARE A1
Non-fund-based - ST-Bank Guarantee		-	-	-	45.00	CARE A1
Non-fund-based - ST-Letter of credit		-	-	-	33.00	CARE A1

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-Cash Credit	LT	114.95	CARE A; Stable	-	1)CARE A- ; Positive (10-Oct-24)	1)CARE A- ; Stable (19-Dec-23)	1)CARE A- ; Stable (21-Sep-22)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	716.53	CARE A; Stable / CARE A1	-	1)CARE A- ; Positive / CARE A2+ (10-Oct-24)	1)CARE A- ; Stable / CARE A2+ (19-Dec-23)	1)CARE A- ; Stable / CARE A2+ (21-Sep-22)
3	Fund-based - LT-Term Loan	LT	40.52	CARE A; Stable	-	1)CARE A- ; Positive (10-Oct-24)	1)CARE A- ; Stable (19-Dec-23)	1)CARE A- ; Stable (21-Sep-22)
4	Non-fund-based - ST-Bank Guarantee	ST	45.00	CARE A1	-	1)CARE A2+ (10-Oct-24)	1)CARE A2+ (19-Dec-23)	1)CARE A2+ (21-Sep-22)
5	Non-fund-based - ST-Letter of credit	ST	33.00	CARE A1				

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	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ ST-BG/LC	Simple
4	Non-fund-based - ST-Bank Guarantee	Simple
5	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sl. No.	Particulars	Extend of Consolidation	Rationale for Consolidation
1	Almora Solar Power Private Limited	Full	Operational, Financial and Managerial Linkages
2	Balsore Solar Power Private Limited	Full	
3	Belagere Solar Power Private Limited	Full	
4	Bhalki Prime Solar Power Private Limited	Full	
5	Bhimnal Solar Power Private Limited	Full	
6	Bidar Solar Power Private Limited	Full	
7	Chittor Prime Solar Power Private Limited	Full	
8	Dammur Solar Power Private Limited	Full	
9	Darur Solar Power Private Limited	Full	
10	Dassanur Solar Power Private Limited	Full	
11	Gadag Solar Power Private Limited	Full	
12	Gorakhankal Solar Park Private Limited	Full	
13	Hanur Solar Power Private Limited	Full	
14	Hassan Solar Power Private Limited	Full	
15	Haveri Solar Power Private Limited	Full	
16	Honavar Solar Power Private Limited	Full	
17	Jevargi Solar Power Private Limited	Full	
18	Jiribam Solar Power Private Limited	Full	
19	Jorhat Solar Power Private Limited	Full	
20	Kaduru Solar Power Private Limited	Full	
21	Kakulum Solar Power Private Limited	Full	
22	Kalgi Prime Solar Power Private Limited	Full	
23	Kolar Solar Power Private Limited	Full	
24	Kengeri Prime Solar Power Private Limited	Full	
25	Koncha Prime Solar Power Private Limited	Full	
26	Madla Solar Power Private Limited	Full	
27	Mahr Renewables Private Limited	Full	
28	Mandawa Solar Power Private Limited	Full	
29	Madhukv Solar Power Private Limited	Full	
30	Metgal Solar Power Private Limited	Full	
31	Mulki Solar Power Private Limited	Full	
32	Nadbal Solar Power Private Limited	Full	
33	Nittur Solar Power Private Limited	Full	
34	Peevas Solar Power Private Limited	Full	
35	Rays Future Energy India Private Limited	Full	
36	Rays Green Energy Manufacturing Private Limited	Full	
37	Rays Power Innovation & Development Ventures Private Limited	Full	

Sl. No.	Particulars	Extend of Consolidation	Rationale for Consolidation
38	Robat Solar Park Private Limited	Full	
39	RPIL Power One Private Limited	Full	
40	RPIL Power Three Private Limited	Full	
41	Runicka Solar Park Private Limited	Full	
42	Sayala Solar Power Private Limited	Full	
43	Sedam Solar Power Private Limited	Full	
45	Shining Sun Power Private Limited	Full	
46	Shining Sun Power Jaipur Private Limited	Full	
47	Sindhapur Solar Power Private Limited	Full	
48	Sindhari Prime Solar Power Private Limited	Full	
49	Simal Solar Power Private Limited	Full	
50	Solaksha Solar Power Private Limited	Full	
51	Tiptur Solar Power Private Limited	Full	
52	Tuticorin Solar Projects Private Limited	Full	
53	Vanur Prime Solar Power Private Limited	Full	
54	Wadki Solar Power Private Limited	Full	
55	Yadgir Solar Power Private Limited	Full	

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.

Contact us

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About us:

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