

## Renew Surya Spark Private Limited

January 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	64.39	CARE A; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The rating reaffirmation on bank lines of Renew Surya Spark Private Limited (RSSPL), which is operating a 15.5 MW AC/21.7 MWp solar project in Maharashtra, factors in satisfactory operational track record of about three years with actual generation remaining in line with P90 levels and timely collections. RSSPL reported a plant load factor (PLF) of 17.04% in FY25 against 18.16% in FY24 and, compared to P90 estimate of 17.24%. However, the plant recorded a lower PLF of 15.04% in 6M FY26 compared to 16.65% in 6MFY25, due to early arrival of monsoons impacting the generation across parts of the country. Going forward, CARE Ratings Limited (CareEdge Ratings) expects generation to remain subdued in FY26 and to remain in line with P90 levels from FY27 onwards.

CareEdge Ratings takes a note of the deterioration in the credit profile of the parent, ReNew Green Energy Solutions Private Limited (RGESPL, rated CARE A; Stable) and the ultimate parent Renew Private Limited (RPL, rated CARE A; Stable/CARE A1). However, the credit rating of RSSPL remains unchanged owing to improvement in its standalone profile driven by satisfactory operational track record of about three years with timely collections from its sole off-taker, and realisation of legacy dues.

The rating continues to factor in strong parentage by virtue of RSSPL being a subsidiary of RGESPL, which is a wholly owned subsidiary of RPL, a leading renewable power producer in India. The Renew Group's stated posture towards RSSPL is strong, as exhibited by the presence of limited-period corporate guarantee from both promoter and sponsor, and promoter and sponsor undertaking for the full debt tenor. The rating derives strength from the presence of a long-term 25-year power purchase agreement (PPA) with Ultratech Cement Limited (UCL, rated CARE AAA; Stable/CARE A1+) under the group captive mechanism. CareEdge Ratings notes strong credit profile of the off-taker, and presence of enabling clauses such as lock-in period and compensation to the developer in case of an early exit by the customer. The rating also considers competitive tariff, which is at a significant discount to state grid tariff rates. Going forward, per CareEdge Ratings' base case scenario, debt-protection metrics are expected to be moderate as reflected by average debt-service coverage ratio (DSCR) of ~1.2x for the debt tenor. The rating also considers presence of one-quarter debt service reserve account (DSRA), which provides comfort.

However, the rating is constrained considering leveraged capital structure due to debt-funded capex incurred for setting the project as reflected by total debt to earnings before interest, taxation, depreciation, and amortisation (TD/EBITDA) of ~6.9x as of FY25 end and is expected to remain above ~6.0x in the next few years, per CareEdge Ratings' base case. Consequently, the company remains exposed to interest rate fluctuation risk given the floating interest rate on the outstanding debt. CareEdge Ratings also factors in exposure of project cash flows to adverse variations in weather conditions given the single-part tariff for the project.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Actual generation levels remaining significantly higher than P90 estimates and receivable cycle remaining below 60 days on a sustained basis resulting in improved coverage metrics as reflected by cumulative DSCR of above 1.30x.
- Faster-than-expected deleveraging of the asset.

#### Negative factors

- Significant underperformance in generation or sustained elongation in receivables, adversely impacting liquidity profile.
- Increase in debt level or interest rates, adversely impacting coverage metrics as reflected by reduction in cumulative DSCR to less than 1.15x on a sustained basis.
- Weakening credit profile of the ultimate parent, RPL, or change in linkages/support philosophy between the parent and RSSPL.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Analytical approach:** Standalone, factoring in parent support

CareEdge Ratings anticipates RGESPL and RPL, parent and sponsor of RSSPL respectively, to extend need-based support to RSSPL considering its strategic importance to the ReNew Group.

**Outlook:** Stable

The stable outlook on the CARE A ratings of RSSPL reflects CareEdge Ratings' opinion that the company will benefit from its long-term PPA with a strong off-taker. Expectations of satisfactory generation and collection performance support the outlook.

**Detailed description of key rating drivers:****Key strengths****Strong parentage and commitment by the ReNew Group**

RSSPL is a wholly owned subsidiary of RGESPL, which is a subsidiary of RPL. The group has ~15 years of experience in developing and operating renewable energy projects. RPL is among the largest renewable energy developers in India, with total operating capacity of 11.6 GW and committed capacity of 6.9 GW as of September 30, 2025. The portfolio is well diversified across geographies and contracted to multiple counterparties. Historically, the group has secured investments from private equity firms, financial institutions, and pension funds, indicating healthy financial flexibility. The group has ongoing plans to enter related business verticals such as module manufacturing, transmission, and green hydrogen.

ReNew Group's stated posture towards RSSPL is strong, as reflected in the presence of a limited-period corporate guarantee and an undertaking, covering the entire tenor of debt from RPL and RGESPL. Under the shortfall undertaking, RPL and RGESPL will ensure resizing of debt to maintain a minimum DSCR of 1.2x.

**Long-term revenue visibility considering long-term PPA with strong counterparty**

RSSPL has low off-take risks owing to the presence of a long-term (25 years) PPA with UCL at a tariff of ₹3.06/kWh for the entire duration of the project starting from actual commissioning. Long-term PPA with a credible counterparty provides revenue visibility for the company. The presence of enabling clauses such as lock-in period and compensation to the developer in case of an early exit by the customer act as necessary safeguards.

**Operational track record of three years; satisfactory collection cycle**

The project was successfully commissioned in December 2022 and has an operational track record of three years with generation levels broadly in line with designed energy levels. RSSPL reported a plant load factor (PLF) of 17.04% in FY25 against 18.16% in FY24 and, compared to P90 estimate of 17.24%. However, the plant recorded a lower PLF of 15.04% in 6MFY26 compared to 16.65% in 6MFY25, due to early arrival of monsoons, impacting the generation across parts of the country. Going forward, CareEdge Ratings expects generation to remain subdued in FY26 and to remain in line with P90 levels from FY27 onwards.

As on FY24-end, the company had a receivable cycle of 134 days (including unbilled revenue), which appears elongated due to invoicing issues with DISCOM, having been resolved subsequently. Consequently, in FY25 average receivable days declined to 49 days. Collections from the customer remained timely within 10-20 days in FY24 and FY25.

**Comfortable debt coverage indicators; stipulation of one quarter DSRA**

CareEdge Ratings anticipates RSSPL to have comfortable debt-protection metrics, with cumulative DSCR expected to remain above 1.2x over the term debt tenor. The company maintains a DSRA equivalent to one quarter of debt obligations, in line with sanctioned terms.

**Key weaknesses****Leveraged capital structure and exposure to interest rate risk**

The company's capital structure is leveraged considering debt-funded capex incurred for setting up the project, which is customary in the renewable sector, as reflected by TD/EBITDA of ~6.9x as of FY25 end and is expected to remain above ~6.0x in the next few years, per CareEdge Ratings' base case. Given the leveraged capital structure and single-part nature of the tariff, RSSPL's profitability remains exposed to adverse movements in interest rates, which are floating in nature.

### Vulnerability of cash flows to variation in weather conditions

Project cash flows are exposed to adverse variations in weather conditions. As tariffs are single part in nature, the company may book lower revenue if there is non-generation of power due to variation in weather conditions and/or equipment quality. This may impact cash flows and debt servicing ability. The geographical concentration of the asset heightens generation risk.

### Liquidity: Adequate

As on November 30, 2025, the company maintained DSRA in the form of fixed deposits (FDs) amounting to ₹2.51 crore, equivalent to one quarter debt obligations, as stipulated in the terms of the sanction letter. Apart from this, the company had free cash balances of ₹10.15 crore.

Per CareEdge Ratings' base case, adjusted gross cash accruals (GCA) for FY26 and FY27 is expected at ~₹3.4 crore and ~₹4.0 crore, respectively, against annual repayments of ~₹2.1 crore in each year.

### Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

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### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

RSSPL was incorporated on May 29, 2021, as a special purpose vehicle (SPV) by the Renew group. The SPV operates a 15.5 MW AC/21.7 MWDC solar power plant in Maharashtra. The entire project was commissioned on December 16, 2022. RSSPL has contracted the entire capacity through a 25-year PPA at a fixed tariff of ₹3.06/kWh under the group captive mechanism with UCL.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total Operating Income	10.8	9.6
PBILDT*	9.5	8.4
PAT	1.0	1.1
Overall Gearing (times)	1.9	1.8
Interest Coverage (times)	1.4	1.4

A: Audited; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**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		-	-	September 2041	64.39	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	64.39	CARE A; Stable	-	1)CARE A; Stable (18-Feb-25)	1)CARE A-; Stable (04-Mar-24)	1)CARE A-; Stable (15-Feb-23)

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.

### Contact us

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