

## Aurinko Energy Private Limited

January 07, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	30.76 (Reduced from 33.00)	CARE BBB; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Reaffirmation of the rating on bank facilities of Aurinko Energy Private Limited (AEPL) considers stable operating performance as evident from plant load factor (PLF) of 23.18% in FY25 (PY: 23.01%) and 21.05% in 8M FY26 (PY: 22.15%). The payment from off-taker, Maharashtra State Electricity Distribution Company Limited (MSEDCL), has been timely with average collection days of 37 in FY25 and 29 in 6M FY26 which supports the rating. As per CareEdge Ratings base case, the debt coverage indicators remain comfortable as evident from average debt service coverage ratio (DSCR) above 1.15 times over the tenor of the loan. The maintenance of debt service reserve account (DSRA) covering two quarters of debt servicing supports the liquidity profile of the company.

The rating continues to derive strength from long-term off-take arrangement through power purchase agreement (PPA) for the entire project capacity with Maharashtra State Electricity Distribution Company Limited (MSEDCL), providing steady revenue visibility. The rating is also underpinned by approval for additional tariff to AEPL due to imposition of safeguard duty and operations and maintenance (O&M) of the plant undertaken in-house.

However, rating strengths are tempered by moderate debt coverage indicators, single-asset operations at a single location, and exposure to sole off-taker having moderate financial risk profile. The rating is also constrained by exposure to climatic and technological risks, variations in grid availability, and interest rate fluctuation risk.

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

#### Positive factors

- Achievement of generation levels better than envisaged levels per CARE Ratings Limited's (CARE Ratings) base case on a sustained basis, resulting in improvement of cumulative debt service coverage ratio (DSCR) for the project above 1.20x.
- Significant improvement in the credit profile of the off-taker and/or track record of receiving the payments in a timely manner from the off-taker.

#### Negative factors

- Significant deterioration in the generation profile on a sustained basis or significant increase in debt levels leading to moderation of average DSCR below 1.10x.
- Significant deterioration in the credit profile of the off-taker.
- Repatriation or transfer of cash to group companies.

**Analytical approach:** Standalone

#### Outlook: Stable

The stable outlook reflects AEPL's steady operational and financial performance backed by its long-term PPAs with moderate debt coverage indicators in the medium-term.

<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.

## Detailed description of key rating drivers:

### Key strengths

#### Long-term off-take arrangement through PPA of the entire operational capacity with MSEDCL providing steady revenue visibility

AEPL entered a PPA with MSEDCL for the entire capacity at ₹3.11/kWh for 25 years. Maharashtra Electricity Regulatory Commission (MERC) approved the imposition of the safeguard duty as an event of 'Change in Law' vide its order dated November 06, 2020, on the basis of which, AEPL is eligible to claim compensation considering such imposition. The PPA was further amended to give effect to the said MERC order.

#### Operational track record of 62 months with improvement in grid availability

The entire capacity of 10 MW<sub>AC</sub> was commissioned on October 22, 2020. The project has generation track record of 62 months and CUF levels remained stable in FY24 & FY25 due to favourable irradiation levels, timely cleaning and maintenance of solar modules, and stable machine and grid availability.

In FY25, the AC CUF was approximately 23.18% as against 23.01% in FY24.

The CUF during 8MFY26 stood at 21.05%, reflecting a marginal moderation compared to 22.15% in 8MFY25. The lower generation was primarily due to reduced irradiation in August and September on account of an extended monsoon, a trend observed across the industry.

#### O&M of the project being done in-house

AEPL has entered into an O&M agreement with SPICCPPL for a monthly fee of ₹4.01 lakh (including duties and taxes). The agreement may be renewed as mutually agreed between the parties.

The company has not created inverter replacement reserve due to availability of inverter warranty of five years. In case a need for replacing inverters arises post the warranty period, it shall be managed through internal accruals, and in case of shortfalls, the promoter group is committed towards extending financial support to the company.

#### Timely receipt of payments from MSEDCL

After implementation of late payment surcharge rules and launch of PRAAPTI portal, collections from MSEDCL have improved. The actual average collection period improved from 72 days in FY24 to 37 days in FY25 and ~29 days in H1FY26 also the invoices related to the safeguard duty are being paid timely to the company. MSEDCL has also started availing rebate by making early payment. CARE Ratings notes that going forward, timely receipts of payments from the off-taker will be a key monitorable.

Per sanction terms, AEPL is required to maintain a two-quarter DSR. The company initially created a one-quarter DSR upfront and in FY25 created another quarter, bringing the total DSR balance to ₹2.7 crore as of December 15, 2025.

#### Experienced promoter group with track record in setting-up and operating infrastructure projects

AEPL is promoted by Shapoorji Pallonji Infrastructure Capital Company Private Limited (SPICCPPL), which holds 100% stake. SPICCPPL is a wholly owned subsidiary of Shapoorji Pallonji and Company Private Limited (SPCPL; rated 'CARE BBB-; Negative/CARE A3'), flagship company of the Shapoorji Pallonji (SP) Group. SPICCPPL acts as the infrastructure holding company of SP Group's infrastructure business. The SP Group's portfolio comprises projects across different verticals, such as transportation, energy, port and resources. SPICCPPL has a diversified portfolio mix comprising roads, power and port projects. SPICCPPL has monetised its stake in some of the key projects. Till March 31, 2025, the promoter group invested ₹18.22 crore in AEPL in the form of equity and subordinated debt.

### Key weaknesses

#### Exposure to sole off-taker having moderate financial risk profile

MSEDCL is a wholly owned entity of Government of Maharashtra (GoM) for carrying out power distribution activity of the erstwhile Maharashtra State Electricity Board (MSEB) through a separate dedicated company. MSEDCL is wholly owned by Maharashtra State Electricity Holding Company Limited, which is a GoM entity.

MSEDCL is strategically important to Maharashtra, as it is the largest power distribution entity in India with a consumer base of over 3.2 crore. MSEDCL supplies electricity to entire Maharashtra, excluding the island city of Mumbai. The distribution network is divided in four regions, 16 zones, 46 circles, 147 divisions, and 652 sub-divisions. MSEDCL enjoys almost a monopoly in the state. By virtue of its business, MSEDCL's operations continue to be capital intensive. To maintain operational efficiencies, the

company would have to incur regular operational capital expenditure. As a result, the company's term borrowings would increase, which might constrain its debt coverage indicators. MSEDCL has not established an irrevocable and unconditional revolving letter of credit (LC) as payment security mechanism under the terms of the PPA. However, the payment from MSEDCL has been timely in the recent years which mitigates the counter party credit risk to some extent

### Exposure to climatic and technological risks

Going forward, achievement of desired CUF would be subject to the changes in climatic conditions, amount of degradation of the modules and other technological risks. The revenue is linked to actual generation and any material decline in generation may impact the debt servicing capability of the company.

### Exposure to interest rate fluctuation risk

The term loan availed is a floating rate loan and the lender can reset the interest rates annually. However, the tariff for off-take arrangement of the power is fixed, exposing the company to risk of adverse movement in the interest cost.

### Leveraged capital structure given debt-funded nature of capex

AEPL's capital structure is leveraged considering debt-funded capex incurred for setting up the project, which is customary to the renewable sector. The total debt/EBITDA of the company remained high at 5.53 times as on March 31, 2025 and is expected to remain above 4.5 times in the medium term. High leverage and fixed tariff and O&M expenditure are expected to lead to moderate debt coverage indicators. The project has a long tail period of around nine years, which provides some comfort from a credit perspective. However, given the high leverage, achievement of the envisaged generation and build-up of sufficient reserves from project cash flows remain crucial, as shortfall in the estimated generation could impact profitability and debt coverage indicators going forward.

### Liquidity: Adequate

AEPL has DSRA balance of two quarter of Rs.2.7 crore. The one quarter DSRA amount was built in the project cost and balance has been created by company in Q3FY25. This apart, the company had free cash balance of Rs.2.6 crore as on December 15, 2025. The expected gross cash accruals of FY26 would be adequate to meet principal repayment of term debt. The expected adjusted gross cash accruals (GCA) of ₹3.06 crore and ₹3.20 crore in FY26 and FY27 respectively against principal repayments of ₹2.28 crore and ₹2.40 crore.

### Applicable criteria

[Definition of Default](#)

[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

Incorporated in January 2017, AEPL is promoted by SPICCP and SPSHPL, and were jointly holding share in ratio of 51:49 in AEPL. Per the order of the hon'ble NCLT dated February 10, 2023, SPSHPL is merged with SPICCP and shares held by SPSHPL are now investment of SPICCP. AEPL has set-up a 10 MW<sub>AC</sub> (14 MW<sub>DC</sub>) solar power project based on photovoltaic (PV) technology using polycrystalline modules at Akkalkot, and Solapur, Maharashtra. The company is supplying power from the entire capacity at ₹3.11/kWh to MSEDCL under a 25-year PPA. The project has been set-up at a cost of ₹55.5 crore (₹5.55 crore/MW). The project has been funded through term loan of ₹41 crore and remaining in the form of promoter contribution of ₹14.5 crore (debt-equity ratio of 2.8:1).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	6.83	6.96
PBILDT*	5.94	5.77

Profit after tax (PAT)	(0.81)	(0.84)
Overall gearing (x)	2.54	2.52
Interest coverage (x)	1.45	1.45

A: Audited; The above financials have been adjusted per CARE 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		-	-	December 2035	30.76	CARE BBB; 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	30.76	CARE BBB; Stable	-	1)CARE BBB; Stable (07-Jan-25)	1)CARE BBB; Stable (29-Dec-23)	1)CARE BBB-; Positive (21-Feb-23)

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-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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