

Akhilagya Solar Energy Private Limited

January 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	67.35	CARE A-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating reaffirmation on the long-term bank facilities of Akhilagya Solar Energy Private Limited (ASEPL), which is operating a 20-MW AC solar power project in Karnataka, factors in satisfactory operational performance of the project as reflected by plant load factor (PLF) of 23.7% for FY25 (PY: 24.8%) and 8MFY26 PLF of 21.6% (PY: 22.4%) against P90 PLF estimate of 24.1%. The project has been operational for over six years with generation performance in line with historical trends and P90 PLF estimates. The rating also factors in reduction in overall debtors due to receipt of past overdues through EMIs from the off-taker, Bangalore Electricity Supply Company Limited (BESCOM), and clearance of current bills within 75 days of invoice raising. However, receivables continue to remain elevated at ~250 days as of FY25 end and are expected to taper down over next few years as the counterparty is clearing the past overdues in 48 monthly instalments beginning from August 2022. Consistent improvement in the receivable position will be a key credit monitorable. The rating is also supported by the presence of long-term, 25 years power purchase agreement (PPA) with BESCOM at a tariff of ₹3.19 per unit and the receipt of safeguard duty (SGD) reimbursement in the form of additional tariff of ₹0.29 per unit till the tenor of the PPA which provides revenue visibility. The project's coverage indicators are envisaged to remain comfortable as reflected by average debt service coverage ratio (DSCR) being upwards of 1.20x for the tenor of the debt.

CARE Ratings Limited (CareEdge Ratings) takes a note of the deterioration in the credit profile of the parent, Renew Solar Power Private Limited (RSPPL, rated 'CARE A; Stable/ CARE A1') and the ultimate parent, Renew Private Limited (RPL, rated 'CARE A; Stable/CARE A1'). However, ASEPL's credit rating remains unchanged owing to satisfactory standalone performance of the company. The final rating of the company remains lower than that of the parent company, RSPPL. RPL's stated posture towards ASEPL is strong as exhibited by the presence of promoter undertaking for replenishment of debt service reserve account (DSRA) utilisation if BESCOM's current receivables period increases beyond three months.

The aforementioned rating strengths are tempered by leveraged capital structure as reflected by total debt/earnings before interest, taxation, depreciation, and amortisation (EBITDA) of ~5.5x as of FY25 end. Per CareEdge Ratings' base case, the capital structure is expected to remain leveraged with total debt/EBITDA remaining above 4.5x over the next three years. The rating continues to factor in the counterparty credit risk considering exposure to Karnataka state discom, BESCOM, as the sole off-taker and exposure of project cash flows to adverse variations in weather conditions given the single part tariff for the project. The rating also factors in exposure of project cash flows to adverse movement in interest rates.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Actual generation remaining in line or better than designed energy estimate on a sustained basis resulting in improvement in liquidity and average DSCR above 1.35x.
- Faster-than-expected deleveraging of the project.

Negative factors

- Significant underperformance in generation and/or increase in the debt levels of the entity weakening the average DSCR on project debt to less than 1.15x, on a sustained basis.
- Non-adherence to the PPA terms by the off-taker.
- Weakening of the credit profile of the parent, RPL, or dilution in linkages/support philosophy between the parent and ASEPL.

Analytical approach: Standalone plus factoring in ultimate parent support of RPL.

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

The analytical approach considers the standalone financial risk profile of ASEPL and applied parent notch-up factoring in the extent of support available from RPL.

Outlook: Stable

The stable outlook factors in presence of long-term PPA with BESCO, generation performance in line with past trends and timely collections from the off-taker, BESCO.

Detailed description of key rating drivers:**Key strengths****Strong parentage and operating track record of Renew Group in renewable energy segment**

RPL is a part of the ReNew Group, which is among the leading groups involved in renewable energy development in India. Renew group has an operational capacity of ~10.1 GW and a committed capacity of ~5.5 GW as of September 2025. Wind, solar, and hydro assets comprise 50%, 49%, and 1% of the present portfolio, respectively, and going forward, once the full capacity becomes operational, the segment-wise split between wind, solar, and hydro assets is envisaged at 47%, 52%, and 1%, respectively. The portfolio is well diversified and spread across multiple geographies and contracted to multiple counterparties.

RPL's stated posture towards ASEPL is strong as exhibited by the presence of promoter undertaking for replenishment of DSRA in the event of utilisation if BESCO's current receivables period increases beyond three months.

Long-term revenue visibility considering long-term PPA with BESCO

ASEPL has low off-take risks owing to the presence of long-term (25-years) PPA with BESCO at a tariff of ₹3.48/kWh, which includes SGD compensations in the form of additional tariff, for the entire duration of the project starting from actual commissioning of project. Long-term PPA provides revenue visibility for the company.

Operational track record of over six years for project with satisfactory generation performance

The entire 20-MW grid connected solar photovoltaic (PV) power plant was commissioned in October 2019. The project has an operational track record of over six years. The operational performance of the entity has been satisfactory with generation remaining in-line with the P90 estimates. In FY25 and FY24, the annual PLFs stood at 23.70% and 24.8%, respectively, in-line with historical trends and P-90 PLF of 24.1% and 8MFY26 PLF being 21.6%% compared to 8MFY25 of 22.4%. Going forward, CareEdge Ratings expects the generation performance to remain in line with the historical trend.

Comfortable debt coverage indicators; stipulation of one quarter DSRA

The coverage indicators of the project are expected to be satisfactory as reflected by average DSCR being upwards of 1.20x. This apart, the company has created and maintained DSRA equivalent to one quarter of debt servicing per the stipulated terms which provides additional comfort from a credit perspective.

Key weaknesses**Exposure to counterparty credit risk**

The company's operations remain exposed to the counterparty credit risk as BESCO, as it is the sole off-taker. There was a reduction in receivables as reflected by receivable position of ₹11.5 crore and ₹8.5 crore as of FY24 end and FY25 end, respectively. The receivable position has moderated primarily aided by recovery of past overdues through EMIs from BESCO and clearance of current bills within 75 days of invoice raising. However, the receivables continue to remain elevated at ~250 days as of FY25 end and are expected to taper down over next few years as the counterparty is clearing the past overdues in 48 monthly instalments beginning from August 2022. Consistent improvement in the receivable position will be a key credit monitorable.

Leveraged capital structure and exposure to interest rate risks

ASEPL's capital structure is leveraged as reflected by total debt/EBITDA of ~5.5x as of FY25 end. Going forward, per CareEdge Ratings' base case, the capital structure is expected to remain leveraged with total debt/EBITDA remaining above 4.5x over the next three years. Given the leveraged capital structure, single part nature of the tariff in the PPA and floating interest rates, ASEPL's profitability remains exposed to increase in interest rates.

Vulnerability of cash flows to variation in weather conditions

As tariffs are one part in nature, the company may report 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.

Liquidity: Adequate

As of November 2025, the special purpose vehicle (SPV) has free cash balance of ~₹8.0 crore. This apart, the company is maintaining DSRA worth ₹2.8 crore in the form of FD equivalent to one quarter of debt service obligations. CareEdge Ratings expects the generation level to remain in line with the past trends. The internal accruals are expected to be adequate to service its debt obligations. Going forward, per CareEdge Ratings' base case, gross cash accruals (GCA) for FY26 and FY27 are expected to be ~₹5.1 crore and ₹5.2 crore, respectively, against repayments of ~₹3.7 crore and 3.9 crore, respectively, annually.

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](#)

[Infrastructure Sector Ratings](#)

[Solar Power Projects](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

ASEPL is an SPV incorporated in March 2018 by RSPPL (rated 'CARE A; Stable/ CARE A1') to implement 20-MW solar power project in Karnataka. The project was commissioned on October 31, 2019.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025(A)
Total operating income	17.85	15.11	14.35
PBILDT	15.36	12.77	11.8
PAT	3.84	5.53	4.63
Overall gearing (times)	2.70	2.12	1.69
Interest coverage (times)	1.70	2.07	2.02

A: Audited UA: Unaudited; 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		-	-	31-03-2040	67.35	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-May-22)
2	Unsupported Rating-Unsupported Rating (Long Term)	LT	-	-	-	-	-	1)Withdrawn (12-May-22)
3	Fund-based - LT-Term Loan	LT	67.35	CARE A-; Stable	-	1)CARE A-; Stable (09-Jan-25)	1)CARE A-; Stable (28-Dec-23)	1)CARE A-; Stable (14-Dec-22)

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.

Annexure-6: List of entities consolidated: Not applicable

Contact us

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About us:

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