

## Ostro Kannada Power Private Limited

January 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	1,406.50 (Reduced from 1,554.00)	CARE A-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The rating reaffirmation on bank facilities of Ostro Kannada Power Private Limited (OKPPL), which is operating a 300 MW wind power plant in Karnataka, factors in satisfactory operational track record of about three years with timely collections. OKPPL reported a plant load factor (PLF) of 31.5% in FY25 against 34.4% in FY24. However, generation performance of the entire capacity improved in 6MFY26, as reflected by a PLF of 43.6% against 37.3% in 6MFY25, driven by higher wind speed. Going forward, CARE Ratings Limited (CareEdge Ratings) expects generation to remain in-line with the historical trend demonstrated in the last 3-4 years. The project has exhibited strong collection efficiency, with the off-taker clearing payments within 10-12 days from the date of invoicing and settlement of power sold through exchanges being completed in 2-3 days. CareEdge Ratings also takes cognisance of materialisation of a reduction in total debt above scheduled repayment by ~₹98 crore as on September 2025 end. Consequently, due to the confluence of improved generation performance and faster-than-expected deleveraging of the asset, debt coverage metrics of the project have improved, as reflected in debt service coverage ratio (DSCR) expected to remain above 1.25x in the debt tenor, per CareEdge Ratings' base case.

CareEdge Ratings takes a note of the deterioration in the credit profile of the parent, Ostro Energy Private Limited (OEPL; rated CARE A; Stable/ CARE A1) and ultimate parent Renew Private Limited (RPL, rated CARE A; Stable/CARE A1). However, credit rating of OKPPL remains unchanged owing to improvement in its standalone profile driven by satisfactory operational track record of about three years with timely collections, and improvement in debt coverage metrics following prepayment of a portion of debt.

The rating continues to factor in strong parentage being a subsidiary of OEPL, which is a subsidiary of RPL. RPL is among the leading renewable energy companies in India having an operational capacity of 11.6 GW and committed capacity of 6.9 GW as on September 2025 end. The rating derives comfort from the presence of a long-term off-take agreement with Solar Energy Corporation of India Limited (SECI; rated CARE AAA; Stable) for ~200 MW capacity at a fixed tariff of ₹2.82 per unit. Power from remaining capacity of ~100 MW is being sold through power exchanges, where the company has realised an average net tariff of ₹4.20 per unit in 6MFY26, compared to ₹4.69 per unit in FY25 and ₹5.65 per unit in FY24. While actual tariffs declined year-on-year, they remain above ₹3.0 per unit considered by CareEdge Ratings in its base case assumptions. The company is maintaining a debt service reserve account (DSRA) equivalent to two quarters of debt servicing obligations, compared to one quarter earlier, which provides additional comfort from a credit perspective.

However, the rating strengths are tempered by the absence of a power purchase agreement for 100 MW of capacity, which exposes the company to off-take and tariff risks. Consequently, adverse movement in exchange tariffs could impact the project's cash flows. The rating is constrained by the leveraged capital structure, as reflected by a total debt to earnings before interest, taxation, depreciation, and amortisation (EBITDA) of 6.0x as of FY25 end. Going forward, this is expected to be rangebound between 5.7x and 6.1x in the next few years. Project cash flows are exposed to adverse variations in the weather conditions given the single part tariff for the project. The rating is further constrained by interest rate fluctuation risk and geographical concentration risk, as the entire capacity is within a single state.

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

#### Positive factors

- Actual generation being in line with P-90 levels and actual realised tariff remaining above ₹3.5 per unit on a sustained basis resulting in improvement in coverage indicators as reflected by cumulative DSCR remaining above 1.35x
- Faster-than-expected deleveraging of the asset.

<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.

**Negative factors**

- Significant underperformance in generation and/or reduction in realised tariff below ₹2.6 per unit, resulting in coverage indicators below 1.2x on a sustained basis.
- Weakening of the credit profile of the parent, or change in linkages/support philosophy of OEPL towards OKPPL.

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

CareEdge Ratings expects OKPPL's parent, OEPL, to be willing to support OKPPL, should there be a need, given the high strategic importance of OKPPL to OEPL.

**Outlook:** Stable

The stable outlook on the CARE A- ratings of OKPPL reflects CareEdge Ratings' opinion that the company would benefit from its long-term power purchase agreement (PPA) with SECI. Expectations of satisfactory generation and collection performance support the outlook.

**Detailed description of key rating drivers:****Key strengths****Strong and resourceful parentage being part of ReNew Group**

OKPPL is a subsidiary of OEPL, which is a step-down subsidiary of RPL. RPL is the flagship company and a subsidiary of Renew Energy Global PLC (REG), which is listed on NASDAQ. The group has experience of over a decade in developing and operating renewable energy projects and is one of the leading renewable energy developers in India with total commissioned capacity of 11.6 GW and a further committed capacity of 6.9 GW as on September 2025 end. The group is backed by strong investors Canada Pension Plan Investment Board (CPPIB), Platinum Hawk C 2019 RSC Limited (backed by ADIA). The presence of such strong shareholders provides superior financial flexibility to the group.

Going forward, OKPPL is expected to receive strong managerial and financial support being part of the ReNew group. CareEdge Ratings expects need-based support from RPL to be forthcoming, in case of a cash-flow mismatch in the entity. The stated posture of the Group towards OKPPL remains strong as reflected by the presence of a limited period corporate guarantee, which is expected to fall post achievement of conditions stipulated by the lender.

**Long-term revenue visibility considering PPA with SECI**

OKPPL has entered long-term (25-years) PPA with SECI at a fixed tariff of ₹2.82 per unit for ~200 MW of capacity, which provides revenue visibility to the project. Presence of a strong counterparty such as SECI has led to the timely realisation of payments under the PPA. On an average, collection cycle remained below 15 days, resulting in less amount of funds being blocked as debtors for the company, and therefore, ensuring satisfactory liquidity.

**Healthy tariff realisations for ~100 MW of capacity on power exchange**

OKPPL has not entered into a PPA for the remaining 100 MW of capacity and is selling power through power exchanges, where the company has realised an average net tariff of ₹4.20 per unit in 6MFY26, compared to ₹4.69 per unit in FY25 and ₹5.65 per unit in FY24. While actual tariffs have declined on a year-on-year basis, they continue to remain above the base case assumption of ₹3.0 per unit considered by CareEdge Ratings.

**Operational track record of around three years and satisfactory generation performance**

The project was commissioned in a phased manner between September 2021 and April 2023, with ~200 MW of capacity becoming operational between September 2021 and September 2022, and remaining ~100 MW commissioned between November 2022 and April 2023, resulting in an operational track record of around three years for the full capacity. Generation performance of the entire capacity improved in 6MFY26, as reflected by a PLF of 43.6% against 37.3% in 6MFY25 although the full-year PLF declined to 31.5% in FY25 from 34.4% in FY24. Going forward, CareEdge Ratings has drawn its projections based on the historical generation performance demonstrated in the last four years.

## Key weaknesses

### Offtake risk given no firm long-term PPA for 100 MW capacity

The 100 MW wind power capacity is exposed to off-take risk, as the company has not entered medium-to long-term PPA for this capacity. The electricity generated is currently being sold on the power exchange (IEX). Consequently, the company is also exposed to fluctuations in merchant market prices, which could impact its profitability.

### Leveraged capital structure albeit healthy debt coverage indicators

The company's capital structure is leveraged as reflected by a total debt/EBITDA of 6.0x as of FY25 end. Going forward, this is expected to be rangebound between 5.7-6.1x in FY26 and FY27. CareEdge Ratings takes cognisance of the materialisation of a reduction in total debt above the scheduled repayment by ~₹98 crore as of September 2025 end. Consequently, due to the confluence of improved generation performance and faster than expected deleveraging of the asset, the debt coverage metrics of the project have improved, with the DSCR expected to remain above 1.25x over the debt tenor. The amount equivalent to the debt reduction, ~₹98 crore has been up streamed to the promoter. The company is maintaining a DSRA equivalent to two quarters of debt servicing obligations, compared to one quarter earlier, which provides additional comfort from a credit perspective.

Given the leveraged capital structure, single-part nature of the fixed tariff in the PPA and floating interest rates, its profitability remains exposed to increase in the interest rates.

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

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

### Liquidity: Adequate

As on end-September 2025, the company had free cash and bank balances of ₹78.6 crore. It is also maintaining a DSRA equivalent to two quarters of debt-servicing obligations, amounting to ~₹90 crore. Of this, one quarter of the DSRA is maintained in the form of a fixed deposit, while the other quarter is in the form of a bank guarantee.

Going forward, per CareEdge Ratings' base case scenario, gross cash accruals (GCA) is expected to be rangebound within ₹97 crore and ₹86 crore against annual repayments of ~₹59 crore and ~₹61 crore over FY26 and FY27 respectively.

## 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](#)

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## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

Incorporated in February 2016, OKPPL is a wholly owned subsidiary of OEPL. The company is operating a 300 MW wind power plant in Karnataka. The company is selling the power generated from this plant to SECI and on power exchange. Around 67% of the capacity is tied up with SECI through a long-term PPA of 25 years at a fixed tariff of ₹2.82 unit and the remaining capacity is being sold on power exchange. The plant was commissioned in phases between September 2021 and April 2023.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)
Total Operating Income	146	332	278
PBILDT*	104	285	257
PAT	-27	38	47

Overall Gearing (times)	2.5	2.6	2.1
Interest Coverage (times)	1.1	1.6	1.6

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		-	-	31-07-2043	1406.50	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	1406.50	CARE A-; Stable	1)CARE A-; Stable (01-Apr-25)	-	1)CARE A-; Stable (19-Mar-24)	-

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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