

Radiance KA Sunshine Five Private Limited

March 20, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	153.56	CARE A-; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has applied a combined approach for rating bank facilities of the four special purpose vehicles (SPVs): Radiance KA Sunshine Three Private Limited (KAS3R), Radiance KA Sunshine Five Private Limited (KAS5R), Radiance KA Sunshine Six Private Limited (KAS6R), and Parola Renewables Private Limited, herein referred to as 'Radiance 4 SPVs Restricted Group' (RG) owing to presence of an intercompany agreement between entities. All entities have the benefit of pooling surplus cash flows from individual entities to service shortfall in debt obligations, in these entities. The agreement is unconditional, irrevocable, valid for full tenure of rated debt facilities, has a well-defined T-minus structured payment mechanism, and is characterised by the presence of a cross-default clause between all four entities. CareEdge Ratings also takes note that there is a single lender across all four borrowing entities.

The rating assigned to bank facilities of RG, which is operating 49.8-MW (AC) / 74.5-MW (DC) solar power capacity, Karnataka, factors in the operational track record of over three years with satisfactory generation and timely collections. The weighted average plant load factor (PLF) was 17.2% in FY25 against 16.9% in FY24, which remained in line with P90 estimates of 17.3%. The performance was sustained in 9MFY26 with PLF of 16.5% against 16.3% in 9MFY25. Going forward, CareEdge Ratings expects the generation to remain in line with the designed estimates. The collections for trailing twelve months (TTM) ending December 2025 have also been timely with collection days of ~45 days. The rating also derives strength from the presence of long-term, 25-year power purchase agreements (PPAs) with multiple reputed commercial and industrial (C&I) counterparties at a weighted average tariff of ₹3.59 per unit. The debt protection metrics of the RG are expected to be comfortable as reflected by average debt service coverage ratio (DSCR) being upwards of 1.2x over the debt tenor, per CareEdge Ratings' base case. The RG is maintaining two quarters debt service reserve account (DSRA), which provides comfort from credit perspective. CareEdge Ratings notes that RG is a part of the Radiance Renewable Group, which has an established track record of setting and operating renewable power projects in India and is backed by Green Growth Equity Fund (GGEF). CareEdge Ratings recognises the strategic importance of the asset to the parent and the presence of operational, managerial, and governance linkages.

However, the rating is constrained due to leveraged capital structure as reflected by total external debt to earnings before interest, taxation, depreciation, and amortisation (TD/EBITDA) of 6.6x as of FY25 end. Going forward, with proposed drawdown of sanctioned top up of ~₹30.5 crore, capital structure is expected to remain leveraged and TD/EBITDA is expected to increase further and remain above 7.0x over the next few years, per CareEdge Ratings' base case. The rating also factors in exposure of project cash flows to adverse movement in interest rates and weather conditions given the single part tariff for the project. However, CareEdge Ratings notes that the rate of interest for the company is fixed for five years (until September 2030) and would be subject to reset after every subsequent five years, mitigating the interest rate risk to some extent.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Achievement of generation above envisaged levels and receivable cycle remaining below 75 days on a sustained basis resulting in improvement in the liquidity profile.
- Faster-than-expected deleveraging of the portfolio.

Negative factors

- Significant underperformance in generation leading to lower-than-envisaged PLF with average DSCR on dropping below 1.15x on a sustained basis.
- Increase in the debt levels and/or cost of debt or elongation in receivable cycle beyond 90 days on a sustained basis resulting in weakening debt coverage indicators.

Analytical approach: Combined

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

CareEdge Ratings has applied a combined approach for rating bank facilities of the Radiance 4 SPVs RG, considering the presence of a cash pooling arrangement for pooling surplus cash flows from individual entities to service shortfall in debt servicing of these entities. The agreement is irrevocable, valid for the full tenor of the rated debt facilities and characterised by the presence of a cross-default clause between all four entities. Entities combined are listed under Annexure-6.

Outlook: Stable

The stable outlook on the CARE A- ratings of the Radiance 4 SPVs RG reflects CareEdge Ratings' opinion that the company would benefit from its long-term PPAs with relatively strong counterparties. Satisfactory generation and collection performance further supports the outlook.

Detailed description of key rating drivers:**Key strengths****Presence of an intercompany agreement for pooling of surplus cash flows**

KAS3R, KAS5R, KAS6R, and PRPL have entered an inter-company agreement, for pooling of surplus cash flows to service shortfall in debt servicing in of these entities. The agreement is unconditional, irrevocable, valid for the full tenor of rated debt facilities and is characterised by the free fungibility of cash flows, presence of T-minus structured payment and invocation mechanism and is characterised by the presence of a cross-default clause between all four entities.

Revenue visibility considering presence of long-term PPAs for entire capacity

The RG has entered long-term PPAs for the off-take of entire capacity of 49.8.6 MW (AC) for 25 years, under the 'Group Captive' mechanism, at a weighted average fixed tariff of ₹3.59/unit, which remains competitive given higher tariffs for C&I customers in key RE states. The entities are selling power under the 'Group Captive' mechanism where some of the open access charges such as cross subsidy surcharge (CSS) and additional surcharge (AS) are not applicable making the power tariff more competitive. PPAs have enabling clauses such as presence of lock-in period, payment security, mandatory minimum off-take, and payouts in case of PPA termination.

Satisfactory operational performance and receivable cycle

All the 4 SPVs under the RG have been commissioned in December 2022, with assets having an operational track record of over three years as of December 2025. The generation performance has remained broadly in line with the designed estimates, as reflected in weighted average PLF of 17.2% in FY25 (against P90 level of 17.3%), which has improved marginally from 16.9% in FY24. Generation performance was sustained in the current financial year, as reflected in PLF of 16.5% in 9MFY26, compared to 16.3% in 9MFY25, while on a TTM ending December FY25 the capacity utilisation factor (CUF) stands at 17.3%. Going forward, CareEdge Ratings expects the generation to remain in line with the designed estimates. The collections have remained timely as reflected in average collection days (excluding unbilled revenues) of ~45 days in the TTM against ~55 days in FY25, for entire pool.

Comfortable debt coverage metrics

RG have comfortable debt-protection metrics as reflected by combined average DSCR above 1.2x over the debt tenor. The project has a weighted average tail life of ~4 years aiding the financial strength of the company. Presence of DSRA covering two quarters of debt service obligations provides comfort from a credit perspective.

Established operating track record of Radiance Renewables Group in renewable energy segment

RG is a part of Radiance Renewables Private Limited (RRPL), which is a flagship company of the Radiance Group, and is engaged in developing different renewable projects. The company has been in the renewable energy business since 2018 and has gradually built-up assets mostly via organic and some through inorganic route. Over the years, the company has expanded its operational portfolio to 645 MWp (as of December 2025 end) and aims to expand its operational capacity to over 2.0 GWp by end of FY28. The group's projects are spread across the country, including Karnataka, Maharashtra, Tamil Nadu and Uttar Pradesh.

RRPL is backed by GGEF, which holds 100% shares of the RRPL. GGEF is an alternative investment fund managed by EverSource Capital and anchored by NIIF and the UK Government. EverSource Capital is a joint venture between EverStone (a prominent private equity firm with over 70 private equity transactions in India), and Lightsource BP (a global leader in renewable energy). Lightsource BP has successfully developed 290 utility-scale projects and manages one of the largest global operations and maintenance (O&M) platforms, totalling 2 GW of assets under management (AUM).

CareEdge Ratings recognises the strategic importance of the asset to the parent and the presence of operational, managerial, and governance linkages.

Key weaknesses

Leveraged capital structure

Capital structure of the Radiance 4 SPVs RG is leveraged as reflected by total external debt/EBITDA of 6.6x as of FY25 end. Going forward, with proposed drawdown of top up of ~₹30.5 crore capital structure is expected to remain leveraged, and TD/EBITDA is expected to be increase further and remain above 7.0x over the next few years, per CareEdge Ratings' base case. However, the debt protection metrics for the RG are expected to remain comfortable as reflected by a cumulative DSCR above 1.2x for the tenor of the debt. Consequently, the project's cash flows are exposed to adverse movement in interest rates, which is floating for project debt and subject to periodic reset. However, CareEdge Ratings notes that the rate of interest for the company is fixed for five years (until September 2030) and would be subject to reset after every subsequent five years, mitigating the interest rate risk to some extent.

Vulnerability of cash flows to variation in weather conditions

As tariff is one part in nature, the entity 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. The geographical concentration of asset amplifies the generation risk.

Liquidity: Adequate

The RG's liquidity is adequate, as reflected by free cash and bank balance of ~₹5.68 crore on a combined basis. Apart from this, the co-obligor is also maintaining two quarter DSRA of ~₹15.6 crore in the form of fixed deposits, and an additional liquidity buffer of ₹2.25 crore per the stipulated terms.

Per CareEdge Ratings' base case, adjusted gross cash accruals (GCA) for FY26 and FY27 is expected to be rangebound between ~₹12.4 crore and ~₹13.4 crore against the annual repayments of ~₹7.7 crore and ~₹8.5 crore, respectively.

Applicable criteria

[Consolidation & Combined Approach](#)

[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

KAS5R is an SPV incorporated on May 29, 2021, by RRPL and has set up a 30-MWAC / 45-MWDC Solar photovoltaic (PV) ground-mounted group captive project in Gugal Village, District Raichur, Karnataka, India. The company has signed a long-term PPA with A-One Steels India Limited for its Plant at a fixed tariff of ₹ 3.6/unit for 25 years. The company is a part of the Radiance group. The entire capacity was commissioned in December 2022.

Radiance 4 SPVs RG (Combined)

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	38.59	40.27
PBILDT	31.35	32.19
PAT	-7.14	-5.63
Overall gearing (times)	1.60	1.92
Interest coverage (times)	1.13	1.17

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

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

KAS5R (Standalone)

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
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Total operating income	24.94	24.39
PBILDT*	21.03	19.50
Profit after tax (PAT)	-1.81	-3.29
Overall gearing (x)	2.07	2.02
Interest coverage (x)	1.34	1.15

A: Audited UA: Unaudited; 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

List of entities consolidated: Annexure-6

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		-	-	30-06-2043	153.56	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	153.56	CARE A-; Stable				

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](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Radiance KA Sunshine Three Private Limited	Full	Operational and Financial Linkages
2	Radiance KA Sunshine Five Private Limited	Full	Operational and Financial Linkages
3	Radiance KA Sunshine Six Private Limited	Full	Operational and Financial Linkages
4	Parola Renewables Private Limited	Full	Operational and Financial Linkages

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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