

January 09, 2026

Radiance Renewables Private Limited: Ratings downgraded to [ICRA]BBB+ (Negative)/[ICRA]A2 from [ICRA]A- (Negative)/ [ICRA]A2+

Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action |
|--|--------------------------------------|-------------------------------------|--|
| Long term - Fund based | 200.00 | 200.00 | [ICRA]BBB+ (Negative); downgraded from [ICRA]A- (Negative) |
| Short term - Fund based | 75.00 | 75.00 | [ICRA]A2; downgraded from [ICRA]A2+ |
| Long term/Short term - Non-fund based | 307.00 | 458.00 | [ICRA]BBB+ (Negative)/[ICRA]A2; downgraded from [ICRA]A- (Negative)/ [ICRA]A2+ |
| Long term/Short term –Unallocated ILimit | 788.00 | 637.00 | [ICRA]BBB+ (Negative)/[ICRA]A2; downgraded from [ICRA]A- (Negative)/[ICRA]A2+ |
| Total | 1,370.00 | 1,370.00 | |

*Instrument details are provided in Annexure I

Rationale

The rating downgrade for Radiance Renewables Private Limited (RRPL) and continuation of the Negative outlook factor in the delays in the planned equity infusion, which was critical for funding the envisaged capacity expansion. While the company had earlier availed a high-cost mezzanine debt of Rs. 525 crore in July 2025 to bridge its near-term equity requirements, it was expected that the timely equity support will enable portfolio expansion and capacity ramp-up, which would have improved the cash flows and strengthened the debt coverage metrics beyond FY2026. It was also envisaged that the mezzanine debt would be eventually replaced, either through repayment or refinancing, once the equity was infused and the portfolio ramped up. While the company has cash and equivalents of around Rs. 313 crore (standalone and more than Rs.400 crore consolidated) as of October 2025, which will support the capacity addition and aid the liquidity profile in near-term, the capacity development in medium to long term is contingent on timely equity infusion, heightening execution risks and reducing the visibility on additional cash flows. This, in turn, will defer the anticipated benefits of increased scale and revenues from the generation assets. Consequently, the consolidated coverage metrics, which were earlier expected to remain weak only in FY2026, are now likely to stay subdued over the medium term. The continued presence of high-cost mezzanine debt further constrains the company's financial profile.

RRPL has an operational solar power capacity of 644 MWp as of November 2025 and an under-construction capacity of ~217 MWp and a near-term pipeline of ~256 MWp, which will take the overall installed solar capacity to ~1.1 GWp over the next 12-15 months. RRPL aims to expand the capacity further to 2 GWp by FY2028. In this context, the ability of the company to raise equity to fund the capacity expansion and replace the mezzanine debt, thereby improving its debt coverage metrics, will remain a key rating sensitivity, going forward.

The ratings are further constrained by the susceptibility of its revenues and cash flows to the generation achieved by its solar portfolio, which is exposed to the variability in solar irradiance and equipment performance, given the single-part and fixed PPA tariff for majority of the portfolio. This risk is evident from the PLF for FY2025 and 8M FY2026, being below the P-90 estimates owing to irradiation volatility across projects, resulting in moderation of cash accruals. Nevertheless, risk is mitigated to some extent by the geographic diversity of the portfolio. The ratings are also constrained by the execution and funding risks for the upcoming projects, which could face delays in execution and cost overruns.

The company also remains exposed to regulatory risks, including changes in open access charges, banking norms and scheduling & forecasting norms. Although any changes in open access charges are passed on to the commercial and industrial (C&I) customers in most cases, any hike in such charges or tightening of norms may impact the landed cost for C&I customers and increase the risk of tariff renegotiation after the expiry of the lock-in period. Herein, the competitiveness of the tariff offered by the company against the grid tariffs for the C&I customers is a credit positive. The ratings are also constrained by interest rate risk for the company because of the leveraged capital structure.

Nevertheless, the ratings continue to take comfort from the diversified solar portfolio of the company across multiple locations and customers having long-term power purchase agreements (PPAs) with reputed C&I customers at largely fixed tariffs, thereby providing revenue visibility. Further, RRPL has a demonstrated track record in raising project finance for under-construction projects and refinancing of existing project loans at competitive interest rates. ICRA derives comfort from the satisfactory credit profiles of the counterparties and their track record of timely payments, thus aiding the liquidity profile of RRPL.

The outlook remains Negative as delays in equity infusion and slower-than-expected capacity addition are likely to keep the consolidated debt coverage metrics subdued over the medium term. The continued reliance on high-cost mezzanine debt and heightened execution risks further constrain the company's financial flexibility.

Key rating drivers and their description

Credit strengths

Diversified solar power portfolio – Radiance has a diversified operating solar power capacity of ~644 MWp as of November 2025 spread across four states and multiple counterparties. This apart, the company has an under-construction capacity of ~217 MWp and near-term project pipeline of ~256 MWp, which will take the overall installed solar capacity to ~1.1 GWp over the next 12-15 months. The increase in the installed capacity base would further diversify its operations across consumers and geographies, thus reducing the exposure to location and customer-specific risks.

Limited demand risk for solar power portfolio, driven by PPAs with C&I customers having satisfactory credit profiles – The Radiance Group has set up solar projects through various SPVs largely under the captive/group captive route as well as rooftop solar power projects. Majority of these projects have tied up long-term PPAs for a tenure of 25 years with reputed C&I customers at largely fixed tariffs, thereby limiting the demand risks and providing revenue visibility. RRPL engages with counterparties having satisfactory credit quality, wherein ~96% of the counterparties have investment grade ratings, leading to timely payments from the customers. Moreover, the tariffs offered under these PPAs remain competitive for the customers as they are at a significant discount to the grid tariffs.

Credit challenges

Debt coverage metrics constrained by high leverage – RRPL has availed a mezzanine debt of Rs. 525 crore in July 2025, of which Rs. 185 crore was used to repay an earlier mezzanine debt, and the balance will be used to fund the equity requirement of the upcoming projects in its subsidiaries. This is primarily attributable to the delay in securing incremental equity funding by the company, which constrained the progress on the planned expansion, heightening the execution risks and reducing the visibility on future cash flows. This, in turn, will defer the anticipated benefits of increased scale and revenues from the generation assets. Consequently, the consolidated coverage metrics, which were earlier expected to remain weak only in FY2026, are now likely to stay subdued over the medium term.

Execution risk associated with under-construction projects – The Group plans to increase its capacity to ~861 MWp by the end of FY2026 and further to ~1.1 GWp in FY2027. Moreover, the Group plans to increase the portfolio size to ~2 GWp in FY2028, resulting in sizeable execution risk for the Group. The ability of the Group to commission the projects without major cost and/or time overruns will remain key monitorable. The Group's strategy to set up solar parks initially and then market the solar plants mitigates the execution risk to some extent, given that the evacuation and land approvals are in place well ahead of the beginning of project execution.

Exposure to variation in irradiance, regulatory risk, and interest rate volatility – The cash flows of the company are exposed to the variability of its revenue, which is subject to the generation achieved by its solar portfolio. Further, the generation is dependent on the variability in solar irradiance and equipment performance, given the single-part and fixed PPA tariff for majority of the portfolio. Nevertheless, this risk is mitigated to some extent by the geographic diversity of the portfolio.

The SPVs of RRPL have PPAs with C&I customers and are exposed to regulatory risk on account of changes in open access charges, banking norms etc. The risk is mitigated to some extent by the pass-through of such charges to the C&I customers in majority of the PPAs. However, in case of any upward revision in these charges or adverse changes in regulations, the landed cost of power for the C&I customers will increase, which may lead to tariff negotiation once the lock-in period expires. The ratings are also constrained by interest rate risk for the company, given the leveraged capital structure, the floating interest rates and fixed tariffs. Thus, a material increase in interest rates can impact the debt servicing capabilities of the projects negatively.

Risk of cash flow mismatch post lock-in period of PPAs – The company also remains exposed to the risk of tariff renegotiation or PPA termination, post the expiry of the lock-in period, which might result in cash flow mismatch to meet the debt obligations. Herein, comfort is drawn from the competitive PPA tariff offered by the company’s portfolio, which is at a discount to the grid tariff for the customers, providing economic benefit to them.

Liquidity position: Adequate

The liquidity position of RRPL (standalone) remains adequate, driven by the mezzanine debt of Rs. 525 crore. Going forward, ICRA expects the liquidity position to remain adequate, given the company’s plans to raise additional equity in FY2026. Free cash and liquid investments (Rs. 313.1 crore as on October 31, 2025, on a standalone basis) along with expected proceeds from the equity infusion are sufficient to meet RRPL’s near-term debt servicing obligations.

Rating sensitivities

Positive factors – Given the Negative outlook, an upgrade is unlikely in the near term. However, the outlook could be revised to Stable if the company achieves a material improvement in its debt coverage metrics through a successful capacity scale-up without significant cost or time overruns, supported by timely equity infusion to fund the growth plans.

Negative factors – Any further delays in equity infusion or additional indebtedness at the holding company, leading to weak debt coverage indicators, could result in a downward pressure on the ratings. The ratings may also be impacted if the generation is lower than P90 PLF estimates for the operational projects of the Radiance Group on a sustained basis. Major time and cost overruns impacting the debt coverage and liquidity profile of the group and/or a significant deterioration in the payment cycle from counterparties could also lead to a downgrade.

Analytical approach

| Analytical approach | Comments |
|--|--|
| Applicable rating methodologies 9 Bold | Corporate Credit Rating Methodology Power – Solar and Wind |
| Parent/Group support | Not applicable |
| Consolidation/Standalone | The ratings are based on the consolidated financials of RRPL |

About the company

Radiance Renewables Private Limited (RRPL) is a 100% subsidiary of Green Growth Equity Fund (GGEF), an alternative investment fund managed by EverSource Capital and anchored by NIIF and the UK Government. RRPL is focused on setting up

renewable power projects to supply electricity to commercial and industrial customers. EverSource Capital is a joint venture between EverStone and Lightsource BP. RRPL has a geographically distributed presence across Maharashtra, Karnataka, Tamil Nadu, Uttar Pradesh etc. RRPL has a project portfolio of ~1.1 GWp of which ~644 MWp is commissioned as on November 30, 2025.

Key financial indicators (audited)

| RRPL consolidated | FY2024 | FY2025 |
|--|--------|--------|
| Operating income | 409.1 | 541.9 |
| PAT | -75.3 | -112.1 |
| OPBDIT/OI | 29.7% | 28.4% |
| PAT/OI | -18.4% | -20.7% |
| Total outside liabilities/Tangible net worth (times) | 1.5 | 2.2 |
| Total debt/OPBDITA (times) | 12.8 | 13.0 |
| Interest coverage (times) | 0.8 | 0.8 |

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Current rating (FY2026) | | | | Chronology of rating history for the past 3 years | | | | | | | |
|-------------------------|-----------------------|--------------------------|----------------------------------|---|--------------------------------|--------------|------------------|--------------|--------------------|--------------|-------------------------------|
| | | | | FY2026 | | FY2025 | | FY2024 | | FY2023 | |
| Instrument | Type | Amount rated (Rs. crore) | Jan 09, 2026 | Date | Rating | Date | Rating | Date | Rating | Date | Rating |
| Fund based – Others | Long term | 200.00 | [ICRA]BBB+ (Negative) | Jul 22, 2025 | [ICRA]A- (Negative) | May 24, 2024 | [ICRA]A (Stable) | Apr 04, 2023 | [ICRA]A (Positive) | Aug 23, 2022 | [ICRA]A (Positive) |
| Non-fund based limits | Short term | - | | | - | May 24, 2024 | [ICRA]A2+ | Apr 04, 2023 | [ICRA]A2+ | Aug 23, 2022 | [ICRA]A2+ |
| Unallocated | Long term/ Short term | - | | | - | | - | | - | Aug 23, 2022 | [ICRA]A (Positive)/ [ICRA]A2+ |
| Fund based – Others | Short term | 75.00 | [ICRA]A2 | Jul 22, 2025 | [ICRA]A2+ | | - | | - | | - |
| Non-fund based – Others | Long term/ Short term | 458.00 | [ICRA]BBB+ (Negative) / [ICRA]A2 | Jul 22, 2025 | [ICRA]A- (Negative)/ [ICRA]A2+ | | - | | - | | - |
| Unallocated limit | Long term/ Short term | 637.00 | [ICRA]BBB+ (Negative) / [ICRA]A2 | Jul 22, 2025 | [ICRA]A- (Negative)/ [ICRA]A2+ | | - | | - | | - |

Complexity level of the rated instruments

| Instrument | Complexity indicator |
|--|----------------------|
| Long term - Fund based - Others | Simple |
| Short term - Fund based - Others | Simple |
| Long term/Short term - Non-fund based - Others | Simple |
| Long term/Short term –Unallocated limit | Not applicable |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

| ISIN | Instrument name | Date of issuance/Sanction | Coupon rate | Maturity | Amount rated (Rs. crore) | Current rating and outlook |
|------|--|---------------------------|-------------|----------|--------------------------|--------------------------------|
| NA | Long term - Fund based - Others | - | - | - | 200.0 | [ICRA]BBB+ (Negative) |
| NA | Short term - Fund based – Others | - | - | - | 75.00 | [ICRA]A2 |
| NA | Long term/Short term - Non-fund based - Others | - | - | - | 458.00 | [ICRA]BBB+ (Negative)/[ICRA]A2 |
| NA | Long term/Short term – Unallocated limit | - | - | - | 637.00 | [ICRA]BBB+ (Negative)/[ICRA]A2 |

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

| Company name | Ownership | Consolidation approach |
|--|-----------|------------------------|
| Kushtagi Solar Power Private Limited | 100% | Full consolidation |
| Rise Renewables Private Limited | 100% | Full consolidation |
| Origin Renewables Private Limited | 100% | Full consolidation |
| Radiance KA Sunrise One Private Limited | 74% | Full consolidation |
| Radiance MH Solar Power Private Limited | 74% | Full consolidation |
| Radiance TN Solar Power Private Limited | 100% | Full consolidation |
| Capsol Energy Private Limited | 70% | Full consolidation |
| Radiance KA Sunrise Two Private Limited | 74% | Full consolidation |
| Radiance KA Sunrise Three Private Limited | 74% | Full consolidation |
| Radiance KA Sunrise Four Private Limited | 74% | Full consolidation |
| Radiance KA Sunrise Five Private Limited | 74% | Full consolidation |
| Radiance KA Sunrise Six Private Limited | 100% | Full consolidation |
| Radiance MH Sunrise One Private Limited | 100% | Full consolidation |
| Radiance MH Sunrise Two Private Limited | 74% | Full consolidation |
| Radiance MH Sunrise Three Private Limited | 74% | Full consolidation |
| Radiance MH Sunrise Four Private Limited | 74% | Full consolidation |
| Radiance MH Sunrise Five Private Limited | 74% | Full consolidation |
| Radiance MH Sunrise Six Private Limited | 74% | Full consolidation |
| Radiance MH Sunrise Seven Private Limited | 74% | Full consolidation |
| Radiance MH Sunrise Eight Private Limited | 74% | Full consolidation |
| Radiance MH Sunrise Nine Private Limited | 100% | Full consolidation |
| Radiance MH Sunrise Ten Private Limited | 74% | Full consolidation |
| Radiance MH Sunrise Eleven Private Limited | 100% | Full consolidation |
| Radiance MH Sunrise Twelve Private Limited | 74% | Full consolidation |
| Radiance MH Sunrise Thirteen Private Limited | 74% | Full consolidation |
| Radiance MH Sunrise Fourteen Private Limited | 70% | Full consolidation |
| Radiance MH Sunrise Fifteen Private Limited | 74% | Full consolidation |
| Radiance MH Sunrise Sixteen Private Limited | 100% | Full consolidation |

| Company name | Ownership | Consolidation approach |
|--|-----------|------------------------|
| Radiance MH Sunrise Seventeen Private Limited | 100% | Full consolidation |
| Radiance MH Sunshine One Private Limited | 100% | Full consolidation |
| Radiance MH Sunshine Two Private Limited | 100% | Full consolidation |
| Radiance MH Sunshine Three Private Limited | 100% | Full consolidation |
| Radiance MH Sunshine Four Private Limited | 100% | Full consolidation |
| Radiance MH Sunshine Five Private Limited | 100% | Full consolidation |
| Radiance MH Sunshine Six Private Limited | 100% | Full consolidation |
| Radiance MH Sunshine Seven Private Limited | 100% | Full consolidation |
| Radiance MH Sunshine Eight Private Limited | 100% | Full consolidation |
| RFE Electric Private Limited | 100% | Full consolidation |
| Radiance KA Sunshine One Private Limited | 74% | Full consolidation |
| Radiance KA Sunshine Two Private Limited | 74% | Full consolidation |
| Radiance KA Sunshine Three Private Limited | 74% | Full consolidation |
| Radiance KA Sunshine Four Private Limited | 74% | Full consolidation |
| Radiance KA Sunshine Five Private Limited | 74% | Full consolidation |
| Radiance KA Sunshine Six Private Limited | 74% | Full consolidation |
| Radiance KA Sunshine Seven Private Limited | 100% | Full consolidation |
| Radiance KA Sunshine Eight Private Limited | 100% | Full consolidation |
| Radiance MH Solar Park Private Limited | 100% | Full consolidation |
| Radiance TN Solar Park Private Limited | 100% | Full consolidation |
| Solenco Renewables Private Limited | 100% | Full consolidation |
| Arize Renewables Private Limited | 100% | Full consolidation |
| Mirzapur Power Private Limited | 100% | Full consolidation |
| Solarstream Renewable Services Private Limited | 51% | Full consolidation |
| Energywiz Private Limited | 100% | Full consolidation |
| Radiance DC Sun Energy Private Limited | 74% | Full consolidation |
| Azure Solar Solution Pvt Ltd. | 100% | Full consolidation |
| Azure Renewable Energy Pvt Ltd | 100% | Full consolidation |
| Azure Sunlight Pvt Ltd | 100% | Full consolidation |
| Azure Power Thirty Eight Pvt Ltd | 49% | Full consolidation |
| Parola Renewables Private Limited | 74% | Full consolidation |
| Azure Sun Energy Private Limited | 100% | Full consolidation |
| Radiance Anjar Hybrid Renewables Private Limited | 100% | Full consolidation |
| Radiance Renewable Projects Private Limited | 100% | Full consolidation |
| Radiance Green Markets Private Limited | 100% | Full consolidation |
| Solenco Solar Park Private Limited | 100% | Full consolidation |
| Voltalia Energy Private Limited | 100% | Full consolidation |
| Tadavale MH Solar Park Private Limited | 100% | Full consolidation |
| Raibag Solar Power Private Limited | 100% | Full consolidation |
| Radiant Star Solar Park Private Limited | 100% | Full consolidation |
| Radiance MH Sunshine Solar Private Limited | 100% | Full consolidation |
| Radiance KA Sunbright One Private Limited | 100% | Full consolidation |
| Radiance TN IC Sun Energy Private Limited | 100% | Full consolidation |

| Company name | Ownership | Consolidation approach |
|---|------------------|-------------------------------|
| Radiance TN Sunshine One Private Limited | 100% | Full consolidation |
| Aptos Ventures Private Limited | 75.85% | Full consolidation |
| Azure Power Mercury Private Limited | 100% | Full consolidation |
| Azure Power Forty Four Private Limited | 100% | Full consolidation |
| Radiance Kalaburagi Solar Park Private Limited | 100% | Full consolidation |
| Solenco Solar Park MH-VII Private Limited | 100% | Full consolidation |

Source: RRPL Annual Report FY2025

Note: ICRA has taken a consolidated view of RRPL and its subsidiaries while assigning the ratings

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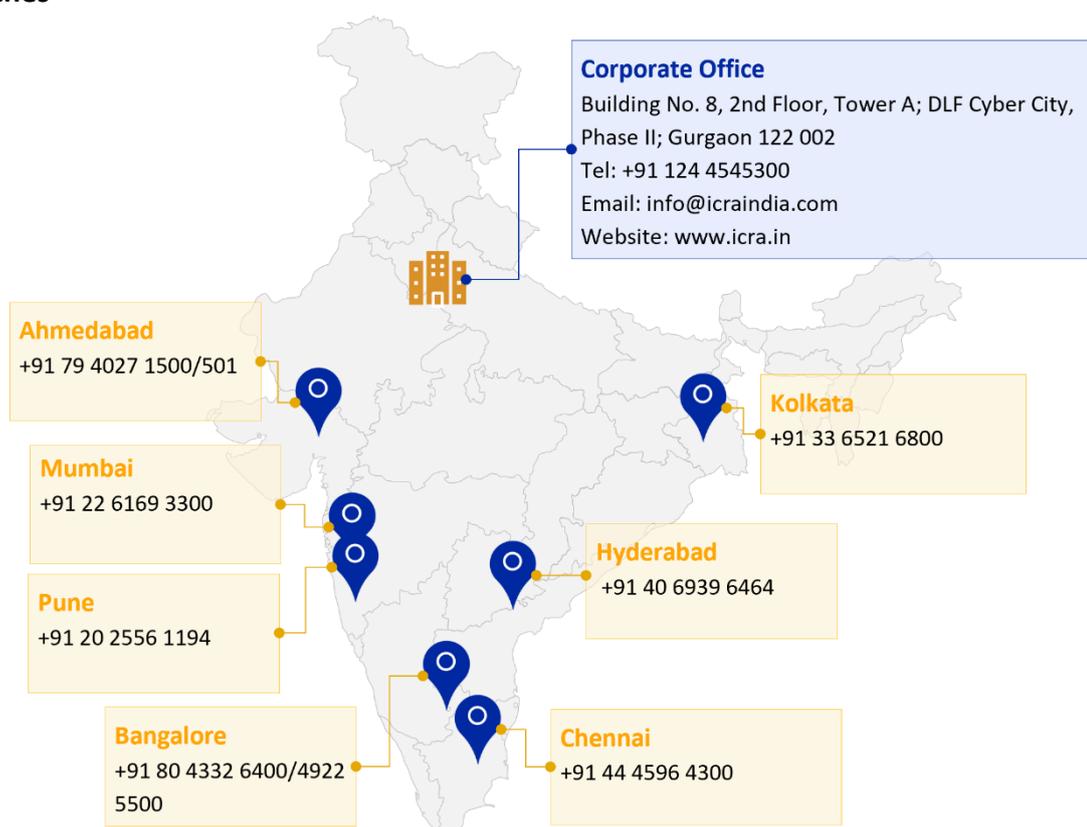
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