

May 25, 2026

## Serentica Renewables India 9 Private Limited: [ICRA]A- (Stable) assigned

### Summary of rating action

Instrument*	Current rated amount	Rating action
Long term – Fund based – Term loan	Rs. 2,307.90 crore	[ICRA]A- (Stable); assigned
Long term - External commercial borrowings	\$85.31 million	[ICRA]A- (Stable); assigned
Long term - Non-fund based limits	Rs. 50.00 crore	[ICRA]A- (Stable); assigned
<b>Total</b>	<b>Rs. 2,357.90 crore + \$85.31 million</b>	

\*Instrument details are provided in Annexure II

### Rationale

The assigned rating for Serentica Renewables India 9 Private Limited (SRI9PL) factors in its strong parentage, being a subsidiary of Serentica Renewables India Private Limited {SRIPL; rated [ICRA]AA- (Stable)/[ICRA]A1+}. SRIPL is 100% held by Serentica Renewables (Singapore) Private Limited (SRSPL), which is a JV between KKR Group entity and Serentica Renewables Private Limited (SRPL; incorporated in Mauritius), wherein KKR holds the majority shareholding. SRPL is the investment company of the Vedanta Group. Hence, SRI9PL's credit profile is expected to benefit from the financial, operational and managerial support from its strong parent.

The rating positively factors in the high revenue visibility and low offtake risk for SRI9PL's inter-state transmission system (ISTS)-connected under-construction solar project coming up at Fatehgarh in Rajasthan by virtue of a long-term (25 years) power purchase agreement (PPA) signed with a strong counterparty – erstwhile Vedanta Limited<sup>1</sup> {(VDL); rated [ICRA]AA; rating watch with developing implications / [ICRA]A1+ ; rating watch with developing implications} for the entire project capacity of 600MW(AC) /840MW (DC) at a fixed tariff of \$3.05 cents per unit under the group captive mode wherein 26% of the shareholding will be held by the group captive customer. Nevertheless, the counterparty risk remains low, supported by the strong credit profile of the Vedanta Group and the operational and financial inter-linkages among the reorganised entities. The tariff rate offered by SRI9PL remains competitive against the grid tariffs and would enable the offtaker to meet its renewable purchase obligation (RPO) and sustainability targets.

After commissioning, SRI9PL's debt coverage metrics are likely to be adequate over the debt tenure, supported by the long-term PPA, the long tenure of the debt and competitive interest rates. Moreover, the presence of a two-quarter debt service reserve account (DSRA) of which a one-quarter DSRA is part of the project cost while an additional one quarter to be created within 12 months of the project's commissioning would support the company's liquidity profile.

The rating is, however, constrained by implementation risks, as the project remains under construction, although significant progress has been achieved. The commissioning of the project has been delayed from the initial scheduled commercial operations date (SCOD) of June 2025, primarily due to force majeure events, including delays in obtaining regulatory approvals, as well as the non-readiness of the common evacuation infrastructure associated with the grid substation (GSS). Nevertheless, the company has received most of the approvals now, and there has been a steady progress in the project execution. The project is currently expected to be commissioned by June 30, 2026, in line with the revised commercial operations date (COD)

<sup>1</sup> Vedanta Limited has been demerged into five listed companies. Vedanta Limited will continue to hold the base metals business, while the other businesses will operate through Vedanta Aluminium Metal Limited, Talwandi Sabo Power, Vedanta Steel and Iron, and Malco Energy.

as per the sanction letter, with the necessary extension from the offtaker also in place. The company's ability to achieve timely commissioning within the revised COD without any significant cost overruns remains a key monitorable, going forward.

ICRA also notes that the company is expected to evacuate power through temporary general network access (GNA) for the initial few months after commissioning. The rating further notes that following the delay in commissioning beyond June 30, 2025, the waiver on the applicable ISTS charges has been reduced to 75% from 100% for projects achieving COD by June 30, 2026, implying that ISTS charges not covered under the applicable waiver would be levied on the project and borne by the company, thereby impacting the project cash flows. Nevertheless, the company intends to seek exemption from ISTS charges post the attainment of COD, as the delay is attributable to force majeure events beyond its control.

The rating is also constrained by stabilisation risks associated with the project. Post commissioning, the company's cash flows and debt protection metrics would remain sensitive to its generation performance, given the single-part tariff under the PPA. This constraint would be amplified by the geographic concentration of the asset. Any adverse variation in weather conditions and equipment performance can impact the generation levels and consequently the cash flow. The demonstration of a generation performance in line or above the appraised P-90 PLF levels remains a key credit monitorable for SRI9PL.

The company also remains exposed to foreign exchange risk as the tariff is denominated in US dollars, while the operating expenses are incurred in Indian rupee and its debt profile comprises a mix of external commercial borrowings (ECB) and rupee borrowings. Although the entity has hedged through forward contracts, any unhedged exposure could lead to volatility in profitability and debt servicing metrics. Further, the project's credit metrics would remain exposed to the movement in interest rates, given the fixed tariff under the PPA, floating interest rates and a leveraged capital structure with the project cost being funded through debt to equity of 80:20. Further, the company's operations remain exposed to the regulatory risk associated with forecasting and scheduling regulations and adverse changes in regulations for captive projects.

The Stable outlook assigned to the long-term rating factors in expectations of a timely completion of the project as per the revised timelines, given the track record of the Group in executing renewable energy projects. Further, the operating performance is expected to be satisfactory, post commissioning of the project.

## Key rating drivers and their description

### Credit strengths

**Experienced and strong sponsor having past track record in implementing renewable energy projects-** SRI9P is promoted by SRIPL, a platform backed by KKR and the Vedanta Group. SRIPL has a qualified and experienced management team with a strong track record in developing and operating renewable power projects across the country. Accordingly, the project is expected to benefit from the Group's established track record in implementing and operating renewable energy assets.

**Revenue visibility from long-term PPA at a fixed tariff** - The company has entered into a long-term PPA of 25 years with erstwhile VDL at a competitive tariff, providing high revenue visibility and low offtake risks for the company. Additionally, the debt tenure of COD plus 20 years (including a twelve-month moratorium) is well aligned with the project's cash flows, supporting financial stability.

**Low counterparty risk due to presence of a strong offtaker** -The counterparty risk remains low, supported by the strong credit profile of the Vedanta Group. Further, the PPA has been executed for the entire contracted capacity at a competitive tariff, at a discount to the prevailing grid tariff, thereby mitigating the offtake risk.

### Credit challenges

**Project exposed to execution risks** - The project has experienced delays in commissioning vis-à-vis the initial SCOD of June 2025, primarily due to force majeure events, including delays in obtaining regulatory approvals along with the non-readiness of the common evacuation infrastructure associated with the GSS. Nevertheless, with most approvals now in place, the project's execution has progressed satisfactorily. The project is currently expected to be commissioned by June 30, 2026, in

line with the revised COD as per the sanction letter, with the requisite extension from the offtaker also in place. However, a timely commissioning of the project as per the revised SCOD remains a key monitorable.

**Sensitivity of debt metrics to energy generation levels and interest rate fluctuations-** The debt metrics of the project remain sensitive to the PLF level, given the one-part tariff structure under the PPA. Hence, any adverse variation in weather conditions/solar irradiance and/or module performance may impact the PLF and, consequently, the cash flows. The geographic concentration of the asset in Rajasthan amplifies the generation risk. Additionally, the project remains exposed to interest rate risk, given the variable interest rate structure under the financing arrangement. Any upward movement in the interest rates would adversely impact the debt servicing metrics.

The company also remains exposed to foreign exchange risk as the tariff is denominated in US dollars, while the operating expenses are incurred in Indian rupee and its debt profile comprises a mix of external commercial borrowings (ECB) and rupee borrowings. Although the entity has hedged through forward contracts, any unhedged exposure could lead to volatility in profitability and debt servicing metrics.

**Exposure to regulatory risks-** The company is exposed to regulatory risks, as the framework prescribed by the electricity regulatory commission stipulates penalty for deviations between forecasted and actual generation beyond a certain threshold for solar power projects. Accordingly, variability in generation – given the inherent susceptibility of solar projects to weather conditions – could result in penalties which may adversely impact the company’s cash flows and debt metrics.

### Liquidity position: Adequate

The liquidity position of the company is expected to remain adequate, given the availability of the requisite debt funding and completion of 100% equity infusion for the project. Further, cost overruns due to delays in the project would be funded by promoter contribution, thereby providing comfort. Also, there is adequate buffer between the scheduled commissioning date and the debt repayment commencement date. Moreover, the presence of a two-quarter debt service reserve account (DSRA) of which a one-quarter DSRA is part of the project cost and an additional one quarter to be created within 12 months of the project’s commissioning would support the company’s liquidity profile.

### Rating sensitivities

**Positive factors** – ICRA could upgrade SRI9PL’s rating if the project gets commissioned timely without any major time or cost overruns and receives the permanent general network access (GNA). Post commissioning, demonstration of a generation performance in line or above the P-90 estimate on a sustained basis, leading to comfortable debt coverage metrics, and maintenance of adequate liquidity would be a trigger for upgrade. The rating also remains sensitive to the credit profile of its parent, SRIPL.

**Negative factors** – The rating could be downgraded in case of delays in commissioning the project, resulting in time or cost overruns and impacting the company’s debt coverage metrics. Also, the rating may be affected if the generation performance is lower than the estimated levels, post commissioning, or if there are delays in payments from the offtaker impacting its liquidity position. Further, any weakening of linkages with the parent or a deterioration of the credit profile of the parent will be a negative factor.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Power – Solar and Wind</a>
Parent/Group support	Parent Company: Serentica Renewables India Private Limited. ICRA expects SRI9PL's parent, SRIPL, to be willing to extend financial support to SRI9PL, should there be a need, given the strategic importance that SRI9PL has for SRIPL, and out of its need to protect its reputation from distress in a Group entity
Consolidation/Standalone	The rating is based on the standalone financial profile of the company

## About the company

SRI9PL is a special purpose vehicle (SPV) promoted by SRIPL. The company is setting up an inter-state transmission system (ISTS)-connected 600MW/840MWp solar plant under the group captive mode at Fatehgarh, Rajasthan. The company has a long-term PPA with erstwhile VDL at a fixed tariff of \$ 3.05 cents/KWh for the entire capacity.

**Key financial indicators (audited):** Not meaningful as the project is under construction.

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** None

## Rating history for past three years

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated	May 25, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	Rs. 2,307.90 crore	[ICRA]A-(Stable)	-	-	-	-	-	-
External commercial borrowings	Long term	\$85.31 million	[ICRA]A-(Stable)	-	-	-	-	-	-
Non-fund based limits	Long term	Rs. 50.00 crore	[ICRA]A-(Stable)	-	-	-	-	-	-

### Annexure I: Disclosure pursuant to SEBI circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments that fall under the regulatory purview of various Financial Sector Regulators (FSR) are as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA that fall under the regulatory purview of various Financial Sector Regulators (FSR) are as under:

Sr. No.	Activity name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based – Term loan	Simple
Long term - External commercial borrowings	Simple
Long term - Non-fund based limits	Simple

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 II: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated	Current rating and outlook
NA	Term loan	NA	NA	FY2046	Rs. 2,307.90 crore	[ICRA]A- (Stable)
NA	External commercial borrowings	NA	NA	FY2046	\$85.31 million	[ICRA]A- (Stable)
NA	Non-fund based limits	NA	NA	NA	Rs. 50.00 crore	[ICRA]A- (Stable)

Source: Company

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

**Annexure III: List of entities considered for consolidated analysis – Not applicable**

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

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