July 22, 2026

Aditya Birla Renewables Limited: Long-term rating placed on watch with developing implications; short-term rating outstanding

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Non-convertible debentures (NCD)	2,500.00	2,500.00	[ICRA]AA; placed on rating watch with developing implications	SEBI
Short term – Fund based - Overdraft	750.00	750.00	[ICRA]A1+; outstanding	RBI
Long term/Short term – Non-fund based	150.00	150.00	[ICRA]AA; placed on rating watch with developing implications / [ICRA]A1+; outstanding	RBI
Total	**3,400.00**	**3,400.00**		

**Instrument details are provided in Annexure I*

 # 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.

Rationale

Material Event

On July 13, 2026, Aditya Birla Renewables Limited (ABRen) announced the acquisition of 100% equity shares and securities of Solenergi Power Private Limited (SPPL), along with its subsidiaries, from Shell Overseas Investments B.V., a wholly owned subsidiary of Shell PLC. SPPL is an investment holding company for Sprng Energy Private Limited and Sprng Solar Plus Private Limited. Through its subsidiaries, SPPL owns a contracted renewable energy portfolio of ~5.0 GWp, comprising ~3.3-GWp operational and ~1.7-GWp under-construction capacity. The transaction has been announced at an enterprise value of Rs. 17,200 crore. The final equity consideration payable remains subject to customary adjustments for debt, cash, and other agreed items, as stipulated in the share purchase agreement (SPA). The proposed transaction is subject to the receipt of requisite regulatory approvals and fulfilment of customary conditions precedent under the SPA. The transaction is proposed to be funded through a mix of debt and equity and is expected to be completed on or before December 31, 2026.

Impact of Material Event

The proposed transaction is expected to strengthen ABRen's business profile through a significant increase in its scale and portfolio diversification. Upon completion, ABRen's contracted renewable energy portfolio is expected to increase to ~9.3 GWp from the current ~4.4 GWp, and the proportion of operational capacity within the overall portfolio will also improve. Consequently, the transaction is expected to reinforce ABRen's position as a diversified renewable energy platform with presence across both the utility scale and the commercial & industrial (C&I) segments.

SPPL's portfolio is geographically diversified across Rajasthan, Gujarat, Andhra Pradesh, Madhya Pradesh (MP), Telangana, Karnataka and Tamil Nadu, thereby mitigating geographical concentration risks. Further, long-term power purchase agreements (PPAs) at fixed tariffs are in place for the entire portfolio, with majority of the capacity comprising utility-scale projects. Approximately 81% of the total capacity is contracted with strong counterparties such as Solar Energy Corporation of India (SECI), NTPC Limited, NHPC Limited, Indian Railways and Gujarat Urja Vikas Nigam Limited (GUVNL), while the balance

19% is tied up with the state distribution utilities of MP, Karnataka and Telangana. The diversified counterparty profile, coupled with the long-term nature of the PPAs, is expected to provide revenue visibility for the portfolio. Further, the operational portfolio has demonstrated a satisfactory operational and generation track record, with timely payment realisations across the portfolio, reflecting its healthy operating history. The transaction is also expected to accelerate ABRen's growth strategy through the addition of an established renewable energy platform compared to the relatively longer gestation associated with organic capacity addition.

Considering the proposed transaction, ICRA has placed the long-term rating of the company on watch with developing implications. The rating watch will be resolved upon completion of the proposed transaction and an assessment of its impact on ABRen's business profile.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities: Click here

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	Parent Company: Grasim Industries Limited (GIL) ICRA expects ABRen's parent, Grasim Industries Limited (rated [ICRA]AAA(Stable)/[ICRA]A1+), and/or Aditya Birla Group (ABG) to extend financial support to ABRen, should there be a need. Further, the name - Aditya Birla - has been given to the renewable business, which in ICRA's opinion would persuade GIL/ ABG to provide financial support to ABRen, if required
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of ABRen and its subsidiaries [Details in Annexure II]

About the company

ABRen is the primary renewable energy holding company of the Aditya Birla Group and is a subsidiary of GIL. In renewable energy, ABRen has an operating capacity of ~2 GWp and an under-construction capacity of ~2.4 GWp as on June 30, 2026. The under-construction capacity includes 1.8 GW of ISTS-connected renewable projects with Hindalco Industries Limited (HIL) and Ultra Tech Cement Limited (UTCL).

On July 13, 2026, ABRen announced the acquisition of 100% equity shareholding in SPPL, a Mauritius-incorporated company, along with its subsidiaries, from Shell Overseas Investments B.V., a wholly-owned subsidiary of Shell PLC. SPPL, incorporated in 2016, functions as an investment holding company for Sprng Energy Private Limited and Sprng Solar Plus Private Limited. Upon completion of the transaction, ABRen will have a contracted renewable energy portfolio of ~9.3 GWp.

Key financial indicators (audited)

ABREN (consolidated)	FY2025	FY2026
Operating income	511.1	932.9
PAT	-348.7	- 381.7
OPBDIT/OI	66.2%	74.0%
PAT/OI	-68.2%	-40.9%
Total outside liabilities/Tangible net worth (times)	18.4	11.5
Total debt/OPBDIT (times)	37.0	21.9
Interest coverage (times)	0.7	0.9

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore
PAT: Profit after tax; OPBDIT: 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 (FY2027)				Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Jul 22, 2026	Date	Rating	Date	Rating	Date	Rating
NCD	Long term	2500.00	**[ICRA]AA; rating watch with developing implications**	Jan 15, 2026	[ICRA]AA (Positive)	Sep 12, 2024	[ICRA]AA (Stable)	-	-
						Mar 31, 2025	[ICRA]AA (Stable)	-	-
Fund based	Short term	750.00	**[ICRA]A1+**	Jan 15, 2026	[ICRA]A1+	Mar 31, 2025	[ICRA]A1+	-	-
Non-fund based	Long term/ Short term	150.00	**[ICRA]AA; rating watch with developing implications/ [ICRA]A1+**	Jan 15, 2026	[ICRA]AA (Positive)/ [ICRA]A1+	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Non-convertible debentures (NCD)	Simple
Short term – Fund based - Overdraft	Simple
Long term/Short term – Non-fund based	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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial sector regulator#
INE01QP08016	Non-convertible debentures (NCD)	Sep 24, 2024	8.60%	Sep 24, 2027	2,500.00	[ICRA]AA; rating watch with developing implications	SEBI
NA	Short term – Fund based - Overdraft	NA	NA	NA	750.00	[ICRA]A1+	RBI
NA	Long term/ Short term – Non-fund based	NA	NA	NA	150.00	[ICRA]AA; rating watch with developing implications/ [ICRA]A1+	RBI

Source: Company

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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
Aditya Birla Renewables Limited	100.00% (Holding Company)	Full consolidation
Aditya Birla Renewables SPV1 Limited	74.00%	Full consolidation
Aditya Birla Renewables Subsidiary Limited	74.00%	Full consolidation
Aditya Birla Renewables Utkal Limited	74.00%	Full consolidation
Aditya Birla Renewables Energy Limited	74.00%	Full consolidation
ABReL SPV2 Limited	100.00%	Full consolidation
Aditya Birla Renewables Solar Limited	74.00%	Full consolidation
Aditya Birla Renewables Green Power Private Limited (formerly known as Waacox Energy Private Ltd)	100.00%	Full consolidation
ABREL Solar Power Limited	74.00%	Full consolidation
ABReL Renewables EPC Limited	100.00%	Full consolidation
ABReL Century Energy Limited	74.00%	Full consolidation
ABREL EPPCO Limited	100.00%	Full consolidation
ABREL EPC Limited	100.00%	Full consolidation
ABREL (Odisha) SPV Limited	74.00%	Full consolidation
ABREl (MP) Renewables Limited	74.00%	Full consolidation
ABREL Green Energy Limited	74.00%	Full consolidation
ABREL (RJ) Project Limited	74.00%	Full consolidation
ABRel Hybrid Projects Limited	100.00%	Full consolidation
Aditya Birla Renewables SPV3 Limited	74.00%	Full consolidation
Aditya Birla Renewables SPV4 Limited	74.00%	Full consolidation
Aditya Birla Renewables SPV5 Limited	100.00%	Full consolidation
Aditya Birla Renewables Energy Trading Limited	100.00%	Full consolidation

Source: Company

Note: The ownership in aforementioned subsidiaries is reported as of July 2026

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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.

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