



Press Release

Sterling and Wilson Renewable Energy Limited

June 12, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities	200.00	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)	Rating Reaffirmed	Simple
Long term Bank Facilities	4515.86	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)	-	Rating Assigned	Simple
Short term Bank Facilities	175.00	IVR A2 (IVR A Two)	-	Rating Assigned	Simple
Long/Short term Bank Facilities	53.00	IVR BBB+/Stable / IVR A2 (IVR Triple B Plus with Stable Outlook and IVR A Two)	-	Rating Assigned	Simple
Total	4943.86	(Rupees Four Thousand Nine Hundred Forty-Three Crores and Eighty-Six Lakhs Only)			

Details of Facilities are in Annexure 1. Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics has reaffirmed/assigned its ratings to the bank facilities of Sterling and Wilson Renewable Energy Limited (SWREL) as it derives comfort from the improvement in operating performance, strong order book, reputed counterparties, moderate capital structure and satisfactory debt protection metrics, indemnification against legacy claims/non-recovery of receivables, established presence in the solar segment and part of strong promoter group. However, these rating strengths are partially offset by the overhang of contingent liabilities, susceptibility to price volatility and project execution risks.

Further, the outlook is maintained at stable as Infomerics believes that the SWREL will continue to derive benefits from experienced promoters and established track record in the industry.



Press Release

Key Rating Sensitivities:

Upward Factors

- An improvement in the revenue and profitability while maintaining comfortable order book visibility, leading to improved liquidity and credit profile.

Downward Factors

- Delays in execution of orders resulting in decline in scale and profitability and elongation in the working capital cycle.
- Crystallisation of any material contingent liability other than liabilities under the purview of indemnity agreement and/or BG invocation, impacting the liquidity profile.
- Weakening of linkages with Reliance Group.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Improvement in operating performance**

SWREL consolidated revenue has improved to Rs.6,301.86 crore during FY25 (period refers to 1st April 2024 to 31st March 2025) (FY24: Rs.3,035.37 crore) a growth of 108% driven by higher execution of orders. The EPC business has contributed 96% while the balance is from O&M activities. EBITDA turned positive and at Rs. 246.73 crore in FY25 (FY24: Rs. -22.57 crore) driven by higher execution, streamlining of operations and absence of any legacy projects. The EBITDA margin stood at 3.92% in FY25, during 4QFY25, the company has provided Rs.25 crore against doubtful debtors.

- **Strong Order Book, Strong Counter Parties**

SWREL has a strong order book of Rs. 9,096 crore (1.44x of FY25 revenue) as on March 31, 2025 (PY: Rs. 8,084 crore), which includes new order inflows of Rs. 7,051 crore received during FY25. Majority of the order book is from Indian customers as the company has shifted its focus to domestic market. The order book includes orders from reputed clients such as NTPC Green Energy Limited, JSW Group, Aditya Birla Group, Serentica, Sembcorp, Brookfield etc.

- **Strong Parent Group**



Press Release

SWREL has strong promoters, including Reliance New Energy Ltd (RNEL), a wholly owned subsidiary of Reliance Industries Limited, Khurshed Daruvala, and the Shapoorji Pallonji Group, with RNEL holding the majority promoter stake of 32.50%

- **Moderate capital structure and satisfactory debt protection metrics**

SWREL's capital structure remained moderate with an overall gearing of 0.93x as on 31st March 2025 (31st March 2024: 0.54x), supported by a robust adjusted tangible net worth of Rs. 966.02 crore in FY25 (FY24: Rs. 886.28 crore). Total debt increased to Rs. 901.47 crore in FY25 (FY24: Rs. 476.55 crore), as SWREL availed a new term loan of Rs. 700 crore during the year to meet working capital needs and ongoing project requirements. The company's debt protection metrics improved, with an interest coverage ratio of 2.25x and a debt service coverage ratio of 0.97x in FY25, compared to -0.10x and 0.14x, respectively, in FY24.

- **Comfort from indemnity agreement:**

Following the acquisition of a stake in the company, RNEL entered into an indemnity agreement with Shapoorji Pallonji and Company Private Limited and Mr. Khurshed Daruvala (together referred to as the "promoter selling shareholders"). Under the terms of this agreement, the promoters have agreed to indemnify SWREL and its subsidiaries against certain contingent liabilities. The indemnity covers past claims against the company or its subsidiaries, including liquidated damages, old receivables, direct and indirect tax litigations, and specific legal and regulatory matters. The indemnity becomes actionable if such claims crystallised, non-appealable, settled and exceed a threshold of Rs. 300 crore. In particular, the promoter selling shareholders have undertaken to reimburse SWREL for net settlement amounts related to liquidated damages, old receivables, direct and indirect tax litigations, and specific legal and regulatory matters on certain identified past projects, as of the date of the agreement. Claims under this indemnity shall be submitted annually by 30th September, based on final settlements with customers, suppliers, and other parties. As per the terms of this agreement,



Press Release

SWREL received Rs.90.14 crore in FY23, Rs. 418.13 crore in FY24 and Rs.108.97 crore in FY25 from promoter selling shareholders.

- **Established presence in solar segment**

The company commenced operations in 2011 and was part of Shapoorji Pallonji Group. In 2022, Reliance New Energy Ltd (RNEL), a wholly owned subsidiary of Reliance Industries Ltd, took stake in SWREL. Currently RNEL and Shapoorji Pallonji and Company Private Limited hold around 32.50% and 7.54% respectively. SWREL is into the business of solar EPC solution provider from concept to commissioning. It also does O&M for its own projects as well as for third parties. As on March 2025, the company is providing EPC services for utility-scale solar, floating solar and hybrid & energy storage solutions with total portfolio of over 22.6 GWp (including projects commissioned and under various stages of construction). SWREL also manages an operation and maintenance (O&M) portfolio of 8.7 GWp solar power projects, including for projects constructed by third parties.

Key Rating Weaknesses

- **Significant contingent liability and exposure to group companies:**

As on March 31, 2024, SWREL has reported contingent liabilities amounting to Rs.1,054.89 crore. However, Infomerics derives comfort from the fact that majority of these old liabilities are covered under an indemnity agreement and are therefore unlikely to materially impact the company's financials.

Infomerics also notes the 'Emphasis of Matter' highlighted by the statutory auditors in the financial statements as of March 31, 2025. As per the management, the company's net worth is deemed adequate to absorb any potential loss from the contingent liabilities which are not covered under indemnity agreement.

Additionally, SWREL has extended loans amounting to Rs. 1521.41 crore to its various subsidiaries. Infomerics observes that these subsidiaries are currently loss-making. According to the management, these loans are expected to be repaid



Press Release

through recovery of receivables. The ability of these subsidiaries to recover and repay the loans will remain a key monitorable going forward.

- **Susceptibility to Price Volatility and Project Execution Risks:**

SWREL operates in the competitive EPC segment for solar power projects, where profitability remains vulnerable to fluctuations in input costs and adherence to project timelines. Given the tender-based nature of the business, execution delays or cost overruns can exert pressure on margins. Although a portion of the order book includes solar module procurement, which is subject to price volatility, SWREL has partially mitigated this risk through fixed-price arrangements with suppliers and by entering into contracts wherein the cost of solar modules is to be borne by the customer. Furthermore, an increasing share of orders from public sector entities pertains only to balance of supply, where module procurement lies with the project owner, which is expected to provide some margin stability. Infomerics believes that SWREL's ability to sustain its operating profitability amid these execution and cost-related challenges will remain a key credit monitorable.

Analytical Approach: Consolidated

Infomerics Rating's take a consolidated view of SWREL and its subsidiaries, while arriving at the ratings, on account of the strong strategic and operational linkages among them.

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Rating criteria for consolidation of companies](#)

[Policy on Default Recognition and post default curing period](#)

[Complexity Level of Rated Instruments/Facilities](#)



Press Release

Liquidity – Adequate

The liquidity of SWREL remains adequate. During FY24, the company raised Rs. 1,500 crore through a QIP and realised approximately Rs. 108.97 crore in FY25 from indemnity agreement, which were primarily utilised for the repayment of long-term debt., Infomerics expects projected gross cash accruals of Rs. 567.72 crore, Rs. 722.07 crore, and Rs. 762.59 crore in FY26, FY27, and FY28, respectively, which are expected to adequately cover the scheduled debt repayments during the same period. Additionally, the company has an unutilised fund-based working capital limit of Rs. 189.50 crore, which provides additional liquidity cushion. As on March 31, 2025, the current ratio stood at 1.28x, with free cash and bank balance of Rs. 380.96 crore.

About the Company

SWREL is engaged in EPC and O&M for Solar Power Plants. SWREL was originally promoted by Shapoorji Pallonji and Company Private Limited (SPCPL, IVR BBB/Negative) and Mr. Khurshed Daruvala and was a part of Shapoorji Pallonji Group (SP Group) During FY22 Reliance New Energy Limited acquired 40% stake (post QIP 32.50%) in SWREL. Currently, SPCPL group and Mr. Daruvala holds 7.54% and 5.70% respectively in the company. The company has a presence over 25 countries including India, Africa, USA, Australia, Latin America and the Middle East among other countries.

Financials (Consolidated):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	3035.37	6301.86
EBITDA	-22.57	246.73
PAT	-210.79	85.55
Total Debt	476.66	901.47
Adjusted Tangible Net Worth	886.28	966.02
EBITDA Margin (%)	-0.74	3.92
PAT Margin (%)	-6.75	1.35
Adjusted Overall Gearing Ratio (x)	0.54	0.93
Interest Coverage (x)	-0.10	2.25

* Classification as per Infomerics Standard



Press Release

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2025-26)				Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					(Jun 04, 2025)	-	-	-
1.	Term Loan	Long Term	200.00	IVR BBB+/Stable	IVR BBB+/Stable	-	-	-
2.	WCTL	Long Term	22.75	IVR BBB+/Stable	-	-	-	-
3.	Term Loan	Long Term	500.00	IVR BBB+/Stable	-	-	-	-
4.	Term Loan	Long Term	150.00	IVR BBB+/Stable	-	-	-	-
5.	Term Loan	Long Term	8.90	IVR BBB+/Stable	-	-	-	-
6.	Cash Credit/ WCDL	Long Term	66.00	IVR BBB+/Stable	-	-	-	-
7.	Cash Credit/ WCDL	Long Term	50.00	IVR BBB+/Stable	-	-	-	-
8.	Cash Credit/ WCDL	Long Term	36.00	IVR BBB+/Stable	-	-	-	-
9.	Bank Guarantee	Long Term	19.13	IVR BBB+/Stable	-	-	-	-
10.	Bank Guarantee	Long Term	35.50*	IVR BBB+/Stable	-	-	-	-
11.	Bank Guarantee	Long Term	15.58^	IVR BBB+/Stable	-	-	-	-
12.	Bank Guarantee	Long Term	312.00*	IVR BBB+/Stable	-	-	-	-
13.	Bank Guarantee	Long Term	600.00	IVR BBB+/Stable	-	-	-	-
14.	Bank Guarantee	Long Term	466.00	IVR BBB+/Stable	-	-	-	-
15.	Bank Guarantee	Long Term	2234.00#	IVR BBB+/Stable	-	-	-	-



Press Release

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2025-26)				Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
16.	Letter of credit	Short Term	175.00	IVR A2	-	-	-	-
17.	Fund/ Non fund Based Limit	Long/ Short Term	53.00	IVR BBB+/ Stable / IVR A2	-	-	-	-

* Bank guarantee facilities and the letter of credit rated are fully interchangeable.

#Sublimit of Rs. 650 crore in the form of Letter of Credit.

^IndusInd Bank had initially sanctioned a Letter of Credit (LC) facility of Rs.202 crore (with a Bank Guarantee (BG) sub-limit of Rs.202 crore) vide sanction letter dated February 8, 2024. Subsequently, as per the bank's letter dated February 24, 2025, the sanctioned limits were placed under a run-down arrangement, and only BG limits remained outstanding. The amended outstanding BG amounts were communicated through letters dated March 28, 2025, April 9, 2025, and June 2, 2025. Accordingly, only the outstanding BG exposure, amounting to Rs. 15.58 crore, has been considered for rating.

Analytical contacts

Name: Amey Joshi

Tel: (022) 62396023

Email: amey.joshi@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Ltd (Formerly Infomerics Valuation and Rating Pvt. Ltd.) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.



Press Release

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics' ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities or to sanction, renew, disburse or recall the concerned bank facilities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	31-03-2028	200.00	IVR BBB+/ Stable
WCTL	-	-	-	09-09-2025	22.75	IVR BBB+/ Stable
Term Loan	-	-	-	30-06-2027	500.00	IVR BBB+/ Stable
Term Loan	-	-	-	10-10-2026	150.00	IVR BBB+/ Stable
Term Loan	-	-	-	25-12-2025	8.90	IVR BBB+/ Stable
Cash Credit/ WCDL	-	-	-	-	66.00	IVR BBB+/ Stable
Cash Credit/ WCDL	-	-	-	-	50.00	IVR BBB+/ Stable
Cash Credit/ WCDL	-	-	-	-	36.00	IVR BBB+/ Stable
Bank Guarantee	-	-	-	-	19.13	IVR BBB+/ Stable
Bank Guarantee	-	-	-	-	35.50*	IVR BBB+/ Stable
Bank Guarantee	-	-	-	-	15.58^	IVR BBB+/ Stable



Press Release

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Bank Guarantee	-	-	-	-	312.00*	IVR BBB+/ Stable
Bank Guarantee	-	-	-	-	600.00	IVR BBB+/ Stable
Bank Guarantee	-	-	-	-	466.00	IVR BBB+/ Stable
Bank Guarantee	-	-	-	-	2234.00#	IVR BBB+/ Stable
Letter of credit	-	-	-	-	175.00	IVR A2
Fund/ Non fund Based Limit	-	-	-	-	53.00	IVR BBB+/ Stable / IVR A2

* Bank guarantee facilities and the letter of credit rated are fully interchangeable.

#Sublimit of Rs. 650 crore in the form of Letter of Credit.

^IndusInd Bank had initially sanctioned a Letter of Credit (LC) facility of Rs.202 crore (with a Bank Guarantee (BG) sub-limit of Rs.202 crore) vide sanction letter dated February 8, 2024. Subsequently, as per the bank's letter dated February 24, 2025, the sanctioned limits were placed under a run-down arrangement, and only BG limits remained outstanding. The amended outstanding BG amounts were communicated through letters dated March 28, 2025, April 9, 2025, and June 2, 2025. Accordingly, only the outstanding BG exposure, amounting to Rs. 15.58 crore, has been considered for rating.

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-SterlingWilson-12jun25.pdf>

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis:

Name of the company/Entity	Extent of consolidation (%)
Sterling and Wilson International Solar FZCO	100
Sterling and Wilson Singapore Pte. Ltd	100
Sterling and Wilson Kazakhstan LLP	100
Sterling and Wilson International LLP	100
Sterling and Wilson Solar Solutions Inc	100
Sterling and Wilson Solar Solutions LLC	100
Sterling and Wilson Renewable Energy Nigeria Limited	100
Sterling and Wilson Solar Australia Pty. Ltd	100
GCO Solar Pty Ltd	100
Sterling and Wilson Middle East Solar Energy LLC	100
Sterling and Wilson Engineering (Pty) Ltd	60



Press Release

Name of the company/Entity	Extent of consolidation (%)
Sterling and Wilson Renewable Energy Spain S.L.	100
Sterling and Wilson Solar Spain S.L	100
Esterlina Solar - Proyecto Uno, S.L.*	100
Esterlina Solar – Proyecto Dos, S.L.*	100
Esterlina Solar – Proyecto Tres, S.L.*	100
Esterlina Solar – Proyecto Cuatro, S.L. *	100
Esterlina Solar – Proyecto Cinco, S.L. *	100
Esterlina Solar – Proyecto Seis, S.L.*	100
Esterlina Solar – Proyecto Siete, S.L.*	100
Esterlina Solar – Proyecto Ocho, S.L.*	100
Esterlina Solar – Proyecto Nueve, S.L.*	100
Esterlina Solar Engineers Private Limited	100
Sterling and Wilson (Thailand) Limited	100
Sterling and Wilson Saudi Arabia Limited	100
Sterling Wilson – SPCPL – Chint Moroccan Venture	92
Sterling and Wilson Solar LLC	70

**The mentioned company were dissolved in April 2025*

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.