Renew Surya Vihaan Private Limited

June 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	959.00 (Enhanced from 326.00)	CARE A; Stable	Upgraded from CARE A-; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The upgrade in the rating assigned to the bank facilities of Renew Surya Vihaan Private Limited (RSVPL), which is operating a 300 MW_{AC} (405 MW_{DC}) capacity in Rajasthan, factors in the satisfactory operational performance of the 100 MW AC capacity commissioned in May 2024. The generation performance has remained in line with P90 levels with collections on an average being realised within 10 days from invoicing. The rating also derives strength from the successful commissioning of an additional 200 MW AC capacity in May 2025, in the same vicinity, without any cost and time overrun. The rating further draw comfort from the strong parentage of RSVPL by virtue of it being a wholly owned subsidiary of ReNew Solar Power Private Limited (RSPPL, rated CARE A+; Stable), which in turn is a 100% subsidiary of ReNew Private Limited (RPL, rated CARE A+; Stable). The stated posture of RPL towards RSVPL is strong as reflected by the presence of sponsor/promoter undertaking to support debt resizing or incurrence of higher than expected O&M expenses which shall be valid till the final settlement date. Additionally, there exists a debt shortfall undertaking from the sponsor with respect to the recently commissioned 200 MW_{AC} capacity till the stabilization of project operations.

The rating continues to draw comfort from the presence of long-term (25 years) power purchase agreements (PPAs) at a weighted average tariff of Rs. 2.46 per unit for the entire capacity with Solar Energy Corporation of India (SECI) and comfortable debt coverage metrics as reflected by average Debt Service Coverage Ratio (DSCR) being around 1.3x for the tenor of the debt. Further, there is a tail life of around five years which augments the financial flexibility of the company. The company continues to maintain Debt Service Reserve Account (DSRA) equivalent to one quarter of debt servicing as per the sanction terms.

However, the rating is constrained on account of project's exposure to stabilisation risk with respect to the recently commissioned 200 MW_{AC} capacity. Though, the same is mitigated to an extent as the project is situated in the same vicinity of the existing 100MW_{AC} capacity. The rating is further constrained by the leveraged capital as the project is funded through a debt equity mix of 74:26. Consequently, the Total Debt/ EBITDA is expected to remain above 6x in the initial few years of operations. The company remains exposed to variations in the interest rates as the debt is linked to floating rates. CARE Ratings also considers vulnerability of project cash flows to adverse variation in weather conditions, given the PPA tariff is single part and fixed for the full debt tenor.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Stabilisation of operations for the recently commissioned capacity as reflected by actual PLF being in line with the P-90 levels on a sustained basis
- Faster than expected deleveraging of the asset

Negative factors

- Significant underperformance in generation and/or any increase in the debt levels weakening the cumulative DSCR on project debt to less than 1.15x on a sustained basis
- Weakening of the credit profile of the parent, or any change in linkages/support philosophy of RSPPL towards RSVPL

Analytical approach: Standalone plus factoring in parent support

The analytical approach considers the standalone financial risk profile of RSVPL and applied parent notch-up factoring in the extent of support available from RSPPL which is a wholly owned step-down subsidiary of RPL.

Outlook: Stable

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

The stable outlook on the CARE A rating of RSVPL reflects CARE Ratings' opinion that the company would benefit from its long term PPA with SECI. Also, the expectation of satisfactory generation and collection performance supports the outlook.

Detailed description of key rating drivers:

Key strengths

Strong parentage and operating track record of ReNew Group in renewable energy segment

RSVPL is part of the ReNew Group, which is among the leading groups developing renewable energy in India. ReNew is one of the leading renewable energy developers in the country with total commissioned capacity of 10.4 GW and a further committed capacity of 5.9 GW as on October 2024 end. The group is backed by strong investors viz. Canada Pension Plan Investment Board (CPPIB), Platinum Hawk C 2019 RSC Limited (Backed by ADIA). Presence of strong shareholders provides superior financial flexibility to the group. The portfolio of the group is well diversified and spread across multiple geographies and contracted to multiple counterparties. The portfolio further is diversified on account of resources wherein wind, solar and hydro assets comprise 46%, 53% and 1% at present.

Further, the stated posture of RPL towards RSVPL is strong as exhibited by the presence of limited period debt shortfall undertaking for the recently commissioned 200 MW_{AC} till the stabilization of project operations. The promoter/sponsor has also provided with an undertaking to support debt resizing or incurrence of higher than expected O&M expenses which shall be valid till the final settlement date.

Long-term revenue visibility on account of PPA with SECI

RSVPL has entered into a long-term (25-year) PPA with SECI at a weighted average tariff of Rs. 2.46 per unit for the entire duration of the project, i.e. till May 2050, which provides revenue visibility. The presence of a strong intermediate counterparty like SECI has led to the timely realisation of payments under the PPA, with the payments being cleared within 10 days from the date of raising of invoice, thus availing the benefit of rebate of 1.5%.

Further, CARE Ratings notes that the PPA tariff may witness an upward revision on account of change in GST rates on the solar modules which is expected to trigger a PPA clause with respect to 'Change in Law' and therefore, may lead to an uptick in the tariff by Rs. 0.11 per unit. On account of the same, the company may become eligible for a sanction of an additional ~Rs. 22 crore.

Operational track record of 1 year with satisfactory operational performance being in line with P90 estimate

The 100 MW_{AC} solar power project located in Jaisalmer, Rajasthan, was fully commissioned in May 2024 and therefore has an operational track record of ~1 years with the generation being in line with P90 estimates since commissioning as reflected by 12M TTM PLF of 26.6% as against P90 of 26.6%. Based upon this, the operational performance with respect to the 200 MW_{AC} capacity is expected to be in line with the P90 estimates. Going forward, CARE Ratings expects the generation performance to remain in line with the historical trend.

Key weaknesses

Limited track record of the recently commissioned 200 MW_{AC} capacity exposing the company to stabilisation risk

Out of the total 300 MW_{AC} capacity, 100 MW_{AC} capacity achieved commissioning in May 2024 and the remaining 200 MW_{AC} capacity achieved commissioning in May 2025. Thus, there exists a limited track record of operations with respect to the 200 MW_{AC} capacity. However, CARE Ratings draws comfort from the satisfactory operational performance of the 100 MW_{AC} capacity. Further, the collections from the SECI, since commissioning, have been timely. Thus, going forward, CARE Ratings expects the generation and collection performance to remain in line with the existing trends.

Leveraged capital structure along with exposure to interest rate risks

The capital structure of the company is leveraged as reflected by the External Debt/ EBITDA remaining above 6x over the next few years as per CARE Ratings base case scenario. Given the leveraged capital structure, single part nature of the fixed tariff in the PPA and floating interest rates, its profitability remains exposed to any increase in interest rates.

Vulnerability of cash flows to variations in weather conditions

As tariffs are one part in nature, the companies 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 the cash flows and debt servicing ability.

Liquidity: Adequate

The liquidity of the company is adequate as reflected by DSRA balance of ~Rs 36 crore covering 1 quarter of debt servicing obligation as stipulated by facilities agreement and free cash and bank balance of Rs. 152 crore as on March 2025 end. The cash bank will be utilised to pay the capex creditors amounting to Rs 70 crore.

As per CARE Ratings' base case, Adjusted GCA for FY26 and FY27 is expected to be ~Rs. 46 crore and ~Rs. 64 crore as against annual repayments of ~Rs. 25 crores and ~Rs. 34 crore respectively.

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
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

RSVPL, incorporated on February 13, 2020, is a SPV promoted by ReNew Solar Power Private Limited (RSPPL, rated CARE A+; Stable/ CARE A1+). RSVPL has set up a 300 MW (AC) solar power plant, in the state of Rajasthan. It has entered into a long-term PPA of 25 years with SECI, at a weighted average tariff of Rs. 2.46 per unit.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (P)
Total operating income	14.9	52.2
PBILDT	15.3	51.6
PAT	-4.8	-6.4
Overall gearing (times)	0.6	1.6
Interest coverage (times)	1.6	1.3

A: Audited, P: Provisionals; Note: these are latest available financial results

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

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-Sept-2043	959.00	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	959.00	CARE A; Stable	-	1)CARE A-; Stable (11-Jul-24)	-	-

LT: Long 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 the lender wise details of bank facilities please click here

Note on complexity levels of rated instruments: CARE 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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About us:
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