ReNew Surya Jyoti Private Limited

August 11, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	610.28	CARE A-; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the bank facilities of Renew Surya Jyoti Private Limited (RSJPL), which is operating a 210 MW (AC)/ 283.5 MWp solar power plant in Barmer, Rajasthan factors in the strong parentage of RSJPL by virtue of it being a wholly owned subsidiary of Renew Green Energy Solutions Private Limited (RGESPL, rated CARE A+; Stable), which is a wholly owned subsidiary of Renew Private Limited (RPL, rated CARE A+; Stable/ A1+). RPL has an established track record of setting up and operating renewable energy projects as reflected by operating renewable capacity of 11.2 GW as on March 31, 2025. The stated posture of RPL towards RSJPL is strong as exhibited by the presence of limited period shortfall support undertaking covering debt servicing shortfall, which shall be valid until at least May 2027. The shortfall undertaking will thereafter fall, subject to project getting stabilised, achievement of stipulated DSCR and creation of stipulated DSRA of one quarter. Beyond this period, RPL has provided a debt servicing shortfall undertaking of not exceeding ₹ 50 crore per demand, which shall be valid till the final settlement date.

CARE Ratings Limited (CareEdge Ratings) notes that the entire capacity is being traded on exchange and thus, remains exposed to pricing risks. Taking cognizance of the falling exchange prices, CareEdge Ratings has assumed a tariff of ₹ 2.25 per unit in its base case. Considering the same, the debt coverage metrics are expected to remain comfortable with average DSCR remaining upwards of 1.30x throughout the tenor of loan. The loan covenants also include a cash sweep clause, exercising which will lead to faster than expected deleveraging of the asset. CareEdge Ratings has previously noticed that lenders to the exchange driven projects have exercised this option in the past. CareEdge Ratings expects the project to remain self-sustainable. However, any material adverse deviation in either generation or realisation would be considered a credit-negative event.

However, the rating is constrained on account of absence of any firm power purchase agreement (PPA) for the entire capacity thereby exposing the company to offtake and pricing risks. The rating further takes into account the stabilisation risk as the project achieved commissioning in May 2025 and thus shall remain a key monitorable. The capital structure of the project is leveraged as reflected by Total Debt/EBITDA which is expected to remain higher than 6.0x over the next three years. The rating is adversely impacted on account of exposure of project cash flows to adverse movement in merchant prices and interest rates given the interest rate is floating in nature. Further, CareEdge Ratings also factors in exposure of project cash flows to adverse variations in weather conditions given the single part tariff of the project.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Actual generation levels being in line with designed energy estimates and actual tariff remaining above ₹ 3.0 per unit on a sustained basis leading to faster than expected deleveraging of the asset
- Tying up of entire capacity under long term PPA with a strong counterparty at a remunerative tariff

Negative factors

- Actual generation remaining significantly lower than envisaged levels and actual tariff remaining below ₹ 2.0 per unit on a sustained basis resulting in weaking of coverage metrics as reflected by average DSCR falling below 1.15x
- Any weakening of the credit profile of the parent, i.e., RGESPL, or any change in linkages/support philosophy between RGESPL and RSJPL

Analytical approach: Standalone plus factoring in parent support of RGESPL

CareEdge Ratings expects RSJPL's parent, RGESPL, to remain willing towards extending financial support to RSJPL, if required, given RSJPL's high strategic importance to the parent.

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

Outlook: Stable

The stable outlook on CARE A- rating of the RSJPL reflects CareEdge Ratings' expectation of satisfactory generation and expectation of actual realisations remaining higher than ₹ 2.3 per unit, which shall result in strong coverage metrics.

Detailed description of key rating drivers:

Key strengths

Strong parentage and operating track record of Renew group in renewable energy segment

RSJPL is a 100% subsidiary of RGESPL. RGESPL is a wholly owned subsidiary of RPL, which is the main holding company of the Renew group. It is one of the leading renewable energy developers in the country. RPL has an established track record of setting up and operating renewable energy projects. Renew Group has a total capacity of 18.5 GW, comprising an operational capacity of 11.2 GW and committed capacity of 7.3 GW as on March 31, 2025. 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 stated posture of RPL towards RSJPL is strong as exhibited by the presence of limited period shortfall support undertaking covering debt servicing shortfall, which shall be valid until at least May 2027. The shortfall undertaking will thereafter fall, subject to project getting stabilised, achievement of stipulated DSCR and creation of stipulated DSRA of one quarter. Beyond this period, RPL has provided a debt servicing shortfall undertaking of not exceeding ₹ 50 crore per demand, which shall be valid till the final settlement date.

Comfortable debt coverage indicators with presence of one quarter DSRA

As per CareEdge Ratings' base case, assuming a merchant tariff of ₹ 2.25 per unit, the debt coverage metrics of the project are expected to be comfortable as reflected by average DSCR being upwards of 1.30x for the tenure of the rated facility. The loan covenants also include a cash sweep clause, exercising which will lead to faster than expected deleveraging of the asset. Moreover, the company is maintaining Debt Service Reserve Account (DSRA) equivalent to one quarter of peak debt servicing obligations which provides comfort from credit perspective.

Key weaknesses

Offtake risk given no firm long term PPA for the entire capacity

The 210 MW solar power plant is exposed to offtake risk given no medium to long term PPA is entered into for the entire capacity. The plant has had an operational track record of around 2 months, and the electricity thus generated is being sold on power exchange (IEX). The electricity is primarily getting sold as green power in Green Day Ahead Market (G-DAM). Further, the company is also exposed to fluctuations in prices prevailing in the merchant market which could have a bearing on its profitability.

Limited track record of operations

The project achieved commissioning in May 2025 and thus has a limited operational track record. The generation performance for the given track record of operations remains lower than designed energy estimates as the project is under stabilisation phase. Going forward, CareEdge Ratings expects the operations to stabilise and generation performance to remain in line with P-90 estimates.

Leveraged Capital structure along with exposure to interest rate risk

The capital structure of the company is leveraged as the project is funded in the debt-equity mix of 75:25. The same is reflected from the Total Debt/EBITDA, which is expected to remain more than 6.0x over the next three years. Further, the company's profitability remains exposed to adverse movement in interest rates as the interest rates are subject to annual resets.

Vulnerability of cash flows to variation in weather conditions

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

Liquidity: Adequate

As on July 28, 2025, the company had cash and bank balance of ~₹ 88.69 crore which is inclusive of DSRA equivalent to peak one quarter of scheduled debt servicing of ~₹ 22.77 crore.

As per CareEdge Rating's base case, GCA for FY26 and FY27 is expected to be ~₹ 38 crore and ~₹ 40 crore respectively as against annual repayments of around ₹ 27 crore and ₹ 37 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

RSJPL, incorporated on June 19, 2020, is a wholly owned subsidiary and special purpose vehicle (SPV) promoted by Renew Green Energy Solutions Private Limited (RGESPL, rated CARE A+; Stable) which in turn is a subsidiary of Renew Private Limited (RPL, rated CARE A+; Stable/ A1+). RSJPL has set up 210 MW_{AC} grid-connected facility located in Neemba, Barmer district, Rajasthan, India. The project achieved commissioning in May 2025. At present, the SPV is selling power on merchant basis (through power exchange).

Brief Financials: Not Applicable as the project has commissioned recently in May 2025

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-Funded Interest term Loan		-	-	2045	610.28	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-Funded Interest term Loan	LT	610.28	CARE A-; Stable				

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-Funded Interest 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.

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About us:

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