

## ReNew Surya Ojas Private Limited

August 13, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	2,676.27 (Reduced from 2,710.14)	CARE A; Stable	Upgraded from CARE A-; Stable
Long Term / Short Term Bank Facilities	53.00 (Reduced from 143.00)	CARE A; Stable / CARE A1	Upgraded from CARE A-; Stable / CARE A2+

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The ratings upgrade on the bank facilities of ReNew Surya Ojas Private Limited (RSOPL) factors in successful commissioning of majority 433 MWp hybrid capacity (except one Wind Turbine Generator [WTG] of 3 MW); and 150 MWh battery energy storage system (BESS) in December 2024 within the budgeted cost. The remaining 3 MW wind capacity is pending due to approval delays for one of the WTG, and as articulated by the management, this is expected to be commissioned in August 2025. Further, the operational performance in the initial seven months of operations (post commercial operations date [COD]) has remained satisfactory, demonstrated by the project meeting the minimum peak power requirements consistently even in the low wind season, and meeting the minimum overall generation requirements. The collections have remained timely from its sole off-taker as reflected in average collection days of ~10 days.

Additionally, the project entails periodic battery augmentation costs every 4-5 years, which is expected to be funded through internal accruals. There has been a substantial decline of over 50% in the battery prices, over the last 12 months, which is likely to lower the incremental expenditure required for BESS augmentation. Anticipated reduction in augmentation cost and favourable movement in the interest costs is likely to support the project's coverage metrics. CARE Ratings Limited's (CareEdge Ratings) notes that while the extended scheduled commissioning date was in December 2024, the company had already started selling power from the partial operational capacity on power exchanges since April 2024 due to which it accumulated ~₹ 280 crore as in-firm/pre commissioning revenue from April to December 2024 (Pre-COD) which was majorly utilised to fund the interest cost beyond March 2024.

The Ratings continue to derive strength from the strong parentage of RSOPL as the company is promoted by Renew Solar Power Private Limited (RSPPL, rated CARE A+; Stable/ CARE A1+), which in turn is a wholly owned subsidiary of Renew Private Limited (RPL, RPL, rated CARE A+; Stable/CARE A1+) which has a long track record in developing and operating renewable power projects. Renew group has 51% ownership in RSOPL and remaining 49% is held by Gentari Renewables Pte Ltd, a subsidiary of Petronas, Malaysia. The ratings derive comfort from strong stated posture of the Renew Group towards RSOPL as exhibited by presence of limited period Corporate Guarantee (CG) provided by RPL and RSPPL. The guarantee will be valid for at least two years from COD and will fall upon stabilisation of the asset, creation and perfection of security, creation of two quarter's debt service reserve account (DSRA) and achievement of lender's approved base case debt service coverage ratio (DSCR) among others. This apart, there exists a promoter/sponsor undertaking from RSPPL and RPL covering the entire tenor of the debt. The ratings are also supported by the presence of a long-term power purchase agreement (PPA) with Solar Energy Corporation of India (SECI) which provides revenue visibility. As per CareEdge Ratings base case, the coverage indicators are expected to remain comfortable with average DSCR of ~1.30x for the tenor of the term debt. The rating also takes into account the presence of one quarter DSRA reserve, which will be increased to two quarter DSRA by December 2025, as per sanctioned terms.

The ratings, however, are constrained on account of exposure of the project to incur penalties, in case of non-compliance with the minimum generation required either during the peak hours (calculated monthly) or on the overall basis (checked annually). Given the peak power requirement of six hours in a day and storage capacity being there for only two hours, the project is likely to incur some penal charges, especially during the low wind season months which may hinder the charging of batteries. Further, the project cash flows might get exposed to adverse Deviation Settlement Mechanism (DSM) adjustments if there are any large deviations between the scheduled and actual supplied units on a sustained basis. CareEdge Ratings has estimated a nominal amount of shortfall penalties in its base case, and the actual extent of such penalties will continue to remain a key credit monitorable. Further, the performance of the batteries in line with the envisaged parameters is a key risk and would remain a key monitorable. Based on the track record of 7 months, BESS has demonstrated a round-trip efficiency of ~89%. The risk is mitigated to an extent due to the presence of guarantees from the system integrator and equipment suppliers. The ratings are impacted due to the leveraged capital structure on account of debt funded capex incurred for setting the project as reflected by

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

expected Total Debt/EBITDA above of ~6.0x over the next few years. Consequently, the company remains exposed to variations in the interest rates as the debt is linked to floating rates. CareEdge Ratings also factors in exposure of project cash flows to adverse variations in weather conditions given the single part tariff of the project coupled with asset concentration risk given the full capacity is located in one state.

### **Rating sensitivities: Factors likely to lead to rating actions**

#### **Positive factors**

- Improvement in generation performance in line with the P90 estimates with compliance on peak power requirements on a sustained basis, resulting in improvement in debt coverage metrics and liquidity profile.
- Faster than expected deleveraging of the asset

#### **Negative factors**

- Significant underperformance in generation and/or any increase in the debt levels of the entity thereby weakening the cumulative DSCR on project debt to less than 1.15 times
- Higher than envisaged penalties levied on account of non-compliance on minimum supply requirements as per PPA.
- Weakening of the credit profile of the parent, i.e., RSPPL, or any change in linkages/support philosophy between the parent and RSOPL.

**Analytical approach:** Standalone plus factoring in Parent Support.

CareEdge Ratings expects RSOPL's parent, RSPPL and the ultimate parent RPL, to be willing to extend need-based support to RSOPL, should there be a need, given the strategic importance of the latter to RSPPL and RPL

**Outlook:** Stable

The Stable outlook on the CARE A rating of RSOPL reflects CareEdge Ratings' opinion that the company would benefit from its long term PPA with SECI. Expectations of satisfactory generation and collection performance supports the outlook.

### **Detailed description of key rating drivers:**

#### **Key strengths**

##### **Experienced and resourceful parentage in the form of Renew Private Limited (RPL)**

RSOPL is part of the ReNew Group, which is one of the leading renewable energy developers in the country with total commissioned capacity of 11.2 GW and a committed capacity of 7.3 GW as on March 2025 end. The group is backed by strong investors viz. Canada Pension Plan Investment Board (CPPIB), Platinum Hawk C 2019 RSC Limited (Backed by ADIA) among others. 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 45%, 54% and 1% at present.

Further, Renew Group has demonstrated strong support philosophy as exhibited by the presence of limited period unconditional and irrevocable corporate guarantee from RSPPL and RPL towards RSOPL's debt facilities. The guarantee will be valid for at least two years and will fall upon stabilisation of the asset, creation and perfection of security, creation of two quarter's DSRA and achievement of lender's approved base case DSCR among others. This apart, there exists a promoter undertaking from RSPPL and RPL covering the entire tenor of the debt.

##### **Strong revenue visibility on account of presence of long term PPA with SECI**

RSOPL has executed PPA with SECI for the offtake of electricity generated from the entire capacity thereby exhibiting strong revenue visibility for the company. The PPA shall be valid for a period of 25 years from the date of commissioning i.e., December 11, 2024. SECI purchases power at a tariff of ₹ 2.88 per unit during off peak hours and at a tariff of ₹ 6.85 per unit during peak hours, with a capping of ₹ 3.96/unit of weighted average basis. CareEdge Ratings further notes that SECI has signed PSAs with Haryana (150 MW) and Goa Discom (150 MW). The presence of a strong counterparty viz. SECI provides comfort on the timely collections on a sustained basis, as reflected in average collection days of 10 days over the initial seven months of operations.

### **Successful commissioning of the project**

RSOPL has successfully commissioned 81 MW<sub>AC</sub> (113 MW<sub>DC</sub>) solar capacity and ~319 MW (out of total 322MW) of wind capacity along with 150 MWH BESS capacity in a phased manner, to meet the contracted peak power requirement of 300 MWAC. The remaining 3 MW of wind capacity is pending due to approval delays for one of the WTG, and as articulated by the management, the same is expected to be commissioned in August 2025. Further, the operational performance during the initial seven months of operations (post COD) has remained satisfactory, demonstrated by the project meeting the minimum peak power requirements consistently even during the low wind season, and meeting the minimum overall generation requirements. The collections have remained timely from its sole offtaker as reflected in average collection days of ~10 days.

CARE Ratings Limited's (CareEdge Ratings) notes that while the extended scheduled commissioning date of the project was in December 2024, the company had already started selling power from the partial operational capacity on power exchanges since April 2024 due to which it had accumulated ~₹ 280 crore as in-firm/pre commissioning revenue from April to December 2024 (Pre-COD). which was majorly utilised towards funding of the interest cost beyond March 2024.

### **Key weaknesses**

#### **Exposure of project to incur penalties due to lower generation especially during the peak hours**

As per the PPA, the power producer is exposed to incur penalties in case of non-compliance with the minimum generation required either during the peak hours (penalties to be calculated monthly @ ₹6.88/unit) or on the overall basis (to be checked on an annual basis @1.44/unit). Given the peak power requirement of six hours in a day and storage capacity being there for only two hours, and the remaining requirement to be met through wind and solar generation. Hence, the project is likely to incur some penal charges, especially during the low wind season months which may hinder the charging of batteries. However, based upon the initial track record of seven months, the company has been able to meet its minimum monthly peak power requirements with an average BESS cycle of 1 per day.

Further, there might be project cash flows are exposed to adverse DSM adjustments if there are any large deviations between the scheduled and actual supplied units on a sustained basis. However, the operational performance during the initial seven months of operations (post COD) has remained satisfactory, demonstrated by the project meeting the minimum peak power requirements consistently even during the low wind season, and meeting the minimum overall generation requirements in initial seven months period. CareEdge ratings has estimated a nominal amount of shortfall penalties in its base case, and the actual extent of such penalties will continue to remain a key credit monitorable.

#### **Risk pertaining to performance of battery and capex on battery augmentation**

The project is dependent on the performance of BESS as it would serve as a key medium to supply power during the peak hours. Thus, the performance of the batteries to remain in line with the envisaged parameters is a key risk factor and would remain a key monitorable. As articulated by the management, BESS would have a life of ~6000 cycles and daily usage of battery storage is expected to average around one cycle. Based on the track record of seven months, the battery has demonstrated a round-trip efficiency of ~89% and at an average cycle of ~1 time in a day. The risk is mitigated to an extent due to the presence of guarantees from the system integrator and equipment suppliers for 20 years. The company has entered into a 20-year agreement with battery supplier and system integrator wherein, liquidated damages (LD) have been stipulated for shortfall in annual availability, round trip efficiency of battery, etc. Although, the extent of LDs may not entirely compensate the project SPV for the actual losses suffered. Additionally, the project entails periodic battery augmentation costs every 4–5 years, these are expected to be funded through internal accruals.

#### **Leveraged Capital structure along with exposure to interest rate risk**

The project is funded through a debt equity mix of 75:25. Given the large debt funded capex, the capital structure is expected to be leveraged as reflected by expected Total Debt/EBITDA above of ~6.0x over the next few years. Moreover, due to the single-part nature of fixed tariff in PPA and floating interest rate, company's profitability remains exposed to fluctuation in interest rates.

#### **Vulnerability of cash flows to variation in weather conditions**

The project's cash flows are exposure of project cash flows to adverse variations in weather conditions. As tariffs are one part in nature, the company may book lesser revenues from non-generation of power due to variation in weather conditions and/or equipment quality. This may affect its cash flows and debt servicing ability. Geographical concentration of asset amplifies generation risk.

## Liquidity: Adequate

The liquidity of the company is adequate as reflected by free cash and bank balances of ~₹109 crore as of June 2025 end. This apart, the company has created DSRA of ₹94.5 crore covering 1 quarter of debt servicing obligation, which will be increased to two quarter DSRA by December 2025, as per the stipulated terms.

As per CareEdge Ratings' base case, Adjusted GCA for FY26 and FY27 is expected to be ~₹135 crore and ~₹168 crore as against annual repayments of ~₹119 crores and ~₹95 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](#)

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## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power Generation

RSOPL, incorporated in November 2019, is a special purpose vehicle promoted by Renew Solar Power Pvt Ltd (RSPPL, rated CARE A+; Stable/ CARE A1+) which in turn is a wholly owned subsidiary of Renew Private Limited (RPL, rated CARE A+; Stable / CARE A1+). RSOPL is 51% owned by RSPPL and remaining 49% is owned by Gentari Renewables Pvt Ltd (a subsidiary of Petronas Malaysia). The company has set up a 433 MWp (3 MW wind was pending to be commissioned as on June 2025 end) hybrid power plant along with storage facility in state of Karnataka. The project is a wind dominated hybrid power plant wherein, wind capacity is 322 MW and solar capacity is 81 MW (AC) [113 MW DC]. Along with the said capacities, the company has also installed Battery Energy Storage System (BESS) having capacity of 75MW (150 MWh) in line with bid requirements. This integrated setup is designed to meet a PPA requirement of 300 MW with SECI, including peak power requirements. The project was commissioned on December 11, 2024.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	NM	368.2
PBILDIT	NM	344.8
PAT	NM	44.6
Overall gearing (times)	2.3	2.5
Interest coverage (times)	NM	1.5

NM: Not Meaningful as plant was under construction, A: Audited, UA: Unaudited; 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
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	10.00	CARE A; Stable / CARE A1
Non-fund-based - LT/ST-Loan Equivalent Risk		-	-	-	43.00	CARE A; Stable / CARE A1
Term Loan-Long Term		-	-	31-December-2043	2676.27	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	Term Loan-Long Term	LT	2676.27	CARE A; Stable	-	1)CARE A-; Stable (20-Jun-24)	1)CARE A-; Stable (28-Jun-23)	-
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	10.00	CARE A; Stable / CARE A1	-	1)CARE A-; Stable / CARE A2+ (20-Jun-24)	-	-
3	Non-fund-based - LT/ ST-Loan Equivalent Risk	LT/ST	43.00	CARE A; Stable / CARE A1	-	1)CARE A-; Stable / CARE A2+ (20-Jun-24)	-	-

LT: Long term; LT/ST: Long term/Short 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	Non-fund-based - LT/ ST-Bank Guarantee	Simple
2	Non-fund-based - LT/ ST-Loan Equivalent Risk	Simple
3	Term Loan-Long Term	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CareEdge 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

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Saikat Roy Senior Director <b>CARE Ratings Limited</b> Phone: 912267543404 E-mail: <a href="mailto:saikat.roy@careedge.in">saikat.roy@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Jatin Arya Director <b>CARE Ratings Limited</b> Phone: 91-120-4452021 E-mail: <a href="mailto:Jatin.Arya@careedge.in">Jatin.Arya@careedge.in</a></p> <p>Saurabh Singhal Assistant Director <b>CARE Ratings Limited</b> Phone: 91-120-4452000 E-mail: <a href="mailto:saurabh.singhal@careedge.in">saurabh.singhal@careedge.in</a></p> <p>Vaani Gupta Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Vaani.gupta@careedge.in">Vaani.gupta@careedge.in</a></p>
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