ReNew Solar Energy (Jharkhand Five) Private Limited

September 15, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Non convertible debentures	714.98 (Reduced from 750.00)	CARE AA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has applied a combined approach to analyse ReNew Solar Energy (Jharkhand Five) Private Limited (Jharkhand 5) along with Aalok Solarfarms Limited (AaSL), Abha Solarfarms Limited (AbSL), Heramba Renewables Limited (HRL) and Shreyas Solarfarms Limited (SSL). This is on account of presence of an inter-company agreement between Jharkhand Five (referred to 'Issuer') and its Associates, AaSL, AbSL, HRL and SSL. Per the terms of transaction, non-convertible debentures (NCDs) have been raised in Jharkhand 5 and a portion of the proceeds have been transferred to the associates through inter-company loans. The issuer and associates are jointly and severally responsible for servicing Jharkhand 5's debt obligations. Further, it is to be noted that amounts available with associates are pooled on a monthly basis. This arrangement is irrevocable, unconditional, valid for full tenure of rated debt facility and characterised by the presence of a well-defined T minus structured payment mechanism.

CareEdge Ratings notes that the combined entity is operating 170 MW (AC) capacity in Rajasthan and has a weighted average track record of ~6 years. The rating reaffirmation on the ₹750 crore NCDs of Jharkhand 5 takes into account the combined entity's satisfactory operational performance, with generation levels better than P-90 estimates. Weighted average plant load factor for FY25 stood at 25.82% as against P90 level of 25.05%. CareEdge Ratings notes that the generation performance in FY25 was adversely impacted on account of flooding in 20MW capacity under SSL due to which the plant was shut down for 2 months in August-September 2024. However, the plant gradually ramped up its operations in a phased manner and is currently operating at its historical levels as reflected from ~99.5% machine availability (MA) in 4M FY26. CareEdge Ratings understands that the company has received insurance proceeds amounting to ~Rs 7 crore, of which Rs 4 crore has been received in FY25 and remaining in FY26.

The rating also factors in presence of long-term power purchase agreements (PPAs) at a weighted average fixed tariff of ₹3.40 per kWh with central counterparties SECI and NTPC. The collection performance is timely as reflected by average receivables of ~40 days. The debt protection metrics are comfortable as reflected by average debt service coverage ratio (DSCR) being 1.30x per CareEdge Rating's base case scenario. Moreover, the rating is supported by presence of one quarter DSRA. Furthermore, the rating factors in the strong parentage by virtue of these assets being a part of ReNew group. RPL has an operating capacity of 11.2 GW and a committed capacity of 7.3 GW as on March 2025 end. RPL has a track record of supporting project special purpose vehicles (SPVs) in case of cash flow mismatches, given the underlying economic incentive and moral obligations. CareEdge Ratings expects support from RPL towards Jharkhand Five to be forthcoming. CareEdgeRatings also notes the presence of quarterly testing of DSCR covenant for the trailing twelve months (TTM) which shall not be below 1.15x, failing which, mandatory prepayment clause shall be applicable. However, the issuer/associates would be given three chances throughout the tenor of the debt to cure the breach by infusing adequate funds to restore DSCR at 1.15x. If DSCR is over 1.15x and below 1.20x, entire cash surplus shall be trapped and in case TTM DSCR is greater than 1.20x, entire surplus shall be upstreamed. CareEdge Ratings notes that, while for the June 2025 quarter, the TTM DSCR stood at ~1.24x as per the compliance certificate shared with the debenture trustee (DT), no funds have been upstreamed yet.

However, the rating strengths are constrained considering refinancing risk given the short tenure of NCDs (maturity in August 2029). This risk is further accentuated due to the presence of a put option available with debenture holders after two years and eight months from the issuance date i.e. September 09, 2024. This option, if exercised, shall lead to repayment of entire debt at the end of three years from the issuance date i.e. September 09, 2024. Further, the rating is adversely impacted due to leveraged capital structure as reflected by total debt to earnings before interest, taxation, depreciation, and amortisation (TD/EBITDA) of 7.0x as on FY25 end and this is expected to remain above 5.5x over the next two years. Further, CareEdge Ratings also factors in asset concentration risk with full capacity located in Rajasthan and exposure of project cash flows to adverse variations in weather conditions.

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

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Actual generation remaining above P75 levels on a sustained improvement, resulting in an average DSCR above 1.4x
- Faster than expected deleveraging

Negative factors

- Overall receivables stretching beyond 90 days on a sustained basis
- Sustained underperformance in generation of the overall portfolio, resulting in downward revision of average DSCR to below 1.25x for the overall portfolio per CareEdge Ratings' base case

Analytical approach: Combined

CareEdge Ratings has applied a combined approach for the rating of instruments of Jharkhand 5 due to an intercompany agreement between Jharkhand 5, AaSL, AbSL, HRL and SSL for pooling of surplus cash flows to service shortfall in debt servicing in Jharkhand 5. The agreement is valid for the full tenure of rated debt facilities and has a well-defined T minus structured payment mechanism. The list of entities getting consolidated with Jharkhand 5 under the combined approach is attached as Annexure 6.

In a 'Combined Approach', CareEdge Ratings evaluates the group of entities as if it were a single entity and combines financials and business risk profiles of these entities to take a view on ratings. These entities are subsidiaries of Renew Private Limited (RPL) and are engaged in similar business (power generation).

Outlook: Stable

The stable outlook on the CARE AA rating of Jharkhand 5 reflects CareEdge Ratings' opinion that the combined entity would benefit from its long-term PPAs with strong counterparties SECI and NTPC. Assets' operational performance is likely to remain with the existing trend which supports the outlook.

Detailed description of key rating drivers:

Key strengths

Inter-company agreement for pooling of surplus cash flows
Per the intercompany agreement between Jharkhand 5 and its associates AaSL, AbSL, HRL and SSL, entities will be jointly and severally responsible for servicing debt obligations of Jharkhand 5. Further, it is to be noted that amounts available with associates would be pooled monthly and utilised for meeting shortfall at Jharkhand 5. This arrangement is irrevocable, unconditional, valid for full tenure of rated debt facility and characterised by the presence of a well-defined T minus structured payment mechanism.

Long term revenue visibility considering presence of long-term PPA with central counterparties
CareEdge Ratings factors in the presence of long term PPAs for entire capacity under structure with weighted average fixed tariff of ₹3.40 per unit, thus providing revenue visibility. Moreover, entire capacity is tied with central counterparties SECI and NTPC, leading to timely receipt of payments within 60 days from the date of invoice.

Operational track record of around five years with generation performance being significantly better than P90 benchmark
The combined entity which is operating 170 MW (AC) capacity in Rajasthan having a weighted average track record of ~6 years, was historically generating at more P-75 estimates. But, in FY25, there was a dip in generation as reflected by PLF of 25.82% in FY25 as against 27.22% in FY24. The same was due to MA issues in the Shreyas plant from the months of August to November due to severe floods in the area due to which the plant was shut down. The plant was made operational in a phase wise manner starting from December 2024 to March 2024 and is currently operating at pre-flood levels as reflected by 4M FY26 MA of 99.42%. The generation of the RG has also moderated in FY26 as reflected by 4M FY26 PLF of 27.42% as against 4M FY25 PLF of 29.12% due to resource availability issues due to onset of early monsoon. Beyond FY26, CareEdge Ratings expects the generation performance to remain satisfactory and in line with the historical performance.

Comfortable debt protection metrics
Entities on a combined basis have comfortable debt-protection metrics as reflected by combined average DSCR being 1.30x for the tenure of rated facility. The structure mandates maintenance of one quarter DSRA per stipulated terms of instrument which provides comfort from the credit perspective.

Strong parentage and operating track record of ReNew Group in renewable energy segment
Five entities are ultimately owned by RPL. RPL is one of the largest renewable energy developers in India. ReNew group has an operating capacity of 11.2 GW and a committed capacity of 7.3 GW as on March 2025 end. The portfolio is well diversified and spread across multiple geographies and contracted to multiple counterparties. RPL has a history of supporting project SPVs in case of cash flow mismatches, driven by economic incentives and moral obligations towards underlying assets, including the 5 SPVs.

Key weaknesses

Leveraged capital structure and exposure to refinancing risk
The combined entity's capital structure is leveraged as reflected by TD/EBITDA of 7.0x as on FY25 end and this is expected to remain above 5.6x over the next two years per CareEdge Ratings base case scenario. CareEdge Ratings notes that the debt is exposed to refinancing risk, given that ~78% of the principal debt is due in August 2029. This risk is further accentuated due to the presence of put option available with debenture holders after two years and eight months from the issuance date. This option, if exercised, shall lead to repayment of entire debt at the end of three years from the issuance date. Given the long-term of underlying assets and short/medium term financing instruments at a fixed rate of interest, the company remains exposed to refinancing and rolling over the debt at competitive interest rates.

Concentration risk with full capacity in Rajasthan
Assets under RG are in Rajasthan exposing the company to geographical concentration risk. Though, this is largely mitigated given the adequate resource availability for solar generation in Rajasthan.

Vulnerability of cash flows to variation in weather conditions
As tariffs are one part in nature, the company may report lesser revenues, considering non-generation of power due to variation in weather conditions and/or equipment quality. This would affect its cash flows and debt servicing ability.

Liquidity: Strong

The combined entity has strong liquidity position as reflected by cumulative total free cash balance of ~Rs 52 crore as on September 04, 2025. This apart the group is maintaining DSRA aggregating to ~Rs 25 crore which is equivalent to cover one quarter of debt service obligations as per the stipulated terms.

Going forward, CareEdge Ratings expects generation level to remain in line with past trends and collection to remain timely ensuring internal accruals are adequate, considering Jharkhand 5's debt obligations. Per CareEdge Ratings' base case, adjusted gross cash accruals (GCA) for entities on a combined basis for FY26 and FY27 is expected to be ~₹47 -₹53 crore as against annual repayments of ₹30 and ₹31 crore respectively

Applicable criteria

Consolidation
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

ReNew Solar Energy (Jharkhand Five) Private Limited (Jharkhand 5), incorporated on March 27, 2015, is a special purpose vehicle formed by Renew Solar Power Private Limited. Jharkhand Five has set up a 110 MW AC (153.75 MW DC) solar photovoltaic power project in Rajasthan. The project was fully commissioned in December 2020. The company is supplying power under a power purchase agreement signed with SECI Limited for 25 years at a fixed tariff of ₹2.49 per unit.

Brief Financials: ReNew Solar Energy (Jharkhand Five) Private Limited (Standalone)

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	67.0	66.6
PBILDT	58.5	58.1
PAT	2.8	0.4
Overall gearing (times)	4.9	8.8
Interest coverage (times)	1.4	1.0

A: Audited; Note: these are latest available financial results

Brief Financials: Combined Entity

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	132.8	123.5
PBILDT	114.5	102.4
PAT	17.9	8.2
Overall gearing (times)	2.9	2.8
Interest coverage (times)	1.6	1.4

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
Debentures-Non Convertible Debentures	INE154Z07011	09-Sep-2024	8.44%	30-Apr-2025	714.98	CARE AA; 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	Debentures-Non Convertible Debentures	LT	714.98	CARE AA; Stable	-	1)CARE AA; Stable (16-Sep-24) 2)Provisional CARE AA; Stable (21-Aug-24)	-	-
2	Rating in the absence of the pending steps/documents	LT	-	-	-	1)Withdrawn (16-Sep-24) 2)CARE AA- (21-Aug-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	Debentures-Non-Convertible Debentures	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Aalok Solarfarms Limited	Full	Operational and financial linkages
2	Abha Solarfarms Limited	Full	Operational and financial linkages
3	Heramba Renewables Limited	Full	Operational and financial linkages
4	Shreyas Solarfarms Limited	Full	Operational and financial linkages

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.

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About us:

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