

ReNew Green (GJS THREE) Private Limited

October 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	165.87 (Reduced from 171.26)	CARE A-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating reaffirmation on the bank facilities of Renew Green (GJS Three) Private Limited (RGJ3), which is operating a 25.68 MWp/ 35.94 MW AC hybrid captive power plant (Wind: 17.60 MW, Solar: 18.34 MW AC) in Gujarat, reflects the satisfactory operational track record of over two years, wherein the collections from the offtaker have witnessed an improvement. The overall collection days have moderated from 280 days as on FY24 end to 52 days as on FY25 end. RGJ3 reported a weighted average plant load factor (PLF) of 25.7% in FY25 which was slightly better than 24.6% in FY24. However, the generation remained lower than the P90 estimate of 28.8%, primarily on account of lower resource availability. Going forward, basis the 4M FY26 trend where the performance remained subdued, CARE Ratings Limited (CareEdge Ratings), expects the generation to remain below the designed estimates over the near term. Nevertheless the impact of lower generation on the cashflows has been offset to a certain extent on account of reduction in interest cost by 100 bps, which is likely to keep the projected coverage metrics healthy as reflected by a cumulative debt-service coverage ratio (DSCR) of above 1.3x for the debt tenor as per CareEdge Ratings' base case.

The rating continues to factor in the strong parentage of RGJ3, by virtue of it being a subsidiary of ReNew Green Energy Solutions Private Limited (RGESPL, rated CARE A+; Stable). RGESPL is a wholly owned subsidiary of ReNew Private Limited (RPL, rated CARE A+; Stable/CARE A1+), a leading power producer in India. ReNew Group's stated posture towards RGJ3 is strong, as evidenced by the presence of a limited-period corporate guarantee from RPL and undertakings from RPL and RGESPL, covering the entire debt tenor. Per the undertakings, RPL and RGESPL, on a joint and several basis, will resize the outstanding debt at a cover of 1.2x. RGJ3's credit profile continues to derive strength from the presence of a long-term 25-year power purchase agreement (PPA) for the full capacity at a fixed tariff of ₹3.7/unit with strong counterparties: Epigral Limited (EL) under the group captive mechanism. Moreover, the presence of enabling clauses such as lock-in period for full tenor and compensation to the developer in case of default serve as necessary safeguards. The credit profile of RGJ3 is also supported by the presence of debt service reserve account (DSRA) equivalent to one quarter of debt obligations which is in adherence to the terms of the sanctioned loan.

The rating, however, continues to be constrained by the leveraged capital structure due to debt-funded capital expenditure incurred for setting up of the project. Going forward, per CareEdge Ratings' base case, the capital structure is expected to remain leveraged, with total debt/earnings before interest, taxes, depreciation, and amortisation (EBITDA) expected to remain range bound between 5.5-6.5x over the next few years. Furthermore, the company remains exposed to interest rate fluctuation risk due to the floating interest rate on the outstanding debt. CareEdge Ratings also factors in exposure of project cash flows to adverse variations in weather conditions, given the single-part tariff for the project.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Actual generation levels being in line with estimated P90 levels and receivable cycle remaining timely on a sustained basis, resulting in higher cash flows
- Faster-than-expected deleveraging of the project

Negative factors

- Significant underperformance in generation and/or increase in debt levels, thereby weakening cumulative DSCR on project debt to less than 1.15x on a sustained basis
- Weakening of the credit profile of the parent, RGESPL, or any change in linkages or support philosophy between RGESPL and RGJ3

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

Analytical approach: Standalone plus factoring in parent support-RGESPL

CareEdge Ratings expects RGESPL and RPL, parent and sponsor of RGJ3 respectively, to extend need-based support to RGJ3, if required, considering its strategic importance to ReNew Group.

Outlook: Stable

The stable outlook on the CARE A- rating of RGJ3 reflects CareEdge Ratings' opinion that the company will benefit from its long-term PPA with EL. Expectations of satisfactory generation and collection performance also support the outlook.

Detailed description of key rating drivers**Key strengths****Strong parentage and commitment by the Renew Group towards RGJ3**

RGJ3 is a subsidiary of RGESPL, which in turn is held by RPL. The group has ~15 years of experience in developing and operating renewable energy projects. RPL is among the largest renewable energy developers in India, with total operating capacity of ~11.1 GW) and committed capacity of ~7.1 GW as on June 30, 2025. The portfolio is well diversified across geographies and contracted to multiple counterparties. In the past, the group has secured investments from private equity firms, financial institutions, and pension funds, indicating healthy financial flexibility. The group has ongoing plans to enter related business verticals such as module manufacturing, transmission, and green hydrogen.

ReNew Group's stated posture towards RGJ3 is strong, as evidenced by the presence of a limited-period corporate guarantee and an undertaking covering the entire tenor of debt from RPL and RGESPL. Under the shortfall undertaking, RPL and RGESPL will ensure resizing of debt in RGJ3 to maintain a minimum DSCR of 1.2x in case of (i) non-compliance with financial covenants for two years from commercial operations date (COD), (ii) reduction in guaranteed off-take for the full tenor by the procurer, and (iii) reduction in tariff during the tenor.

Long-term revenue visibility considering long-term PPA with reputed C&I offtaker

RGJ3 has low off-take risk due to the presence of a long-term (25-year) PPA with EL at a tariff of ₹3.7/kWh. The long-term PPA with credible counterparties provides revenue visibility. The presence of enabling clauses such as lock-in period for the entire tenor and compensation to the developer in case of default serve as necessary safeguards.

Operational track record of more than two years; satisfactory collection cycle

The project has an operational track record of ~27 months. The plant reported a weighted average PLF of 25.7% in FY25 which was slightly better than 24.6% in FY24, however remained lower than the P90 estimate of 28.8%, primarily on account of lower resource availability. Going forward, basis the 4M FY26 trend where the performance remained subdued, CareEdge Ratings expects the generation level to remain below the designed estimates for FY26 and FY27 and shall achieve P90 levels thereafter.

The receivable cycle improved significantly, with the receivables period reducing to ~52 days in FY25 from ~280 days in FY24. The receivable days still appears high due to delayed invoicing (~40 days post month-end) on account of delay in adoption of energy accounting by Gujarat state utilities. The average collection days (excluding unbilled revenues and invoicing delays) remains comfortable at less than 15 days.

Comfortable debt coverage metrics

CareEdge Ratings expects RGJ3 to have comfortable debt-protection metrics, with cumulative DSCR expected to remain above 1.3x over the tenor of the term debt. Further, the company is maintaining a DSRA equivalent to one quarter of debt obligations, in line with the sanctioned terms.

Key weaknesses**Leveraged capital structure along with exposure to interest rate risks**

The portfolio's capital structure is leveraged due to debt-funded capital expenditure incurred for project setup, reflected by expected total debt/ EBITDA remaining range bound between 5.5x-6.5x over the next few years, per CareEdge Ratings' base

case. Given the leveraged capital structure, fixed tariff under the PPA, and floating interest rates subject to annual reset, profitability remains exposed to any increase in interest rates.

Vulnerability of cash flows to variations in weather conditions and exposure to fluctuations in interest rates

Project cash flows are exposed to adverse variations in weather conditions, given the project's single-part tariff structure. As tariffs are single part in nature, the company may book lower revenue in case of non-generation of power due to variation in weather conditions and/or equipment quality. This may impact cash flows and debt servicing ability. The geographical concentration of the asset heightens generation risk.

Liquidity: Adequate

As on July 31, 2025, the company has maintained DSRA of Rs. 7.8 crore covering one quarter of debt servicing obligation as stipulated in the sanctioned terms. This apart, there exists a free cash and bank balance of Rs. 30.4 crore. CareEdge Ratings' base case expects adjusted gross cash accruals (GCA) for FY26 and FY27 to be ~₹12-14 crore, compared to annual repayments of ~₹7.0-7.5 crore.

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](#)

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About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power Generation

RGJ3 incorporated on September 24th, 2021, is a special purpose vehicle formed by Renew Group. The SPV is operating an 35.94 MW hybrid captive power plant (Wind- 17.60 MW, Solar- 18.34 MW AC) located at Village Otha, Taluka Mahuva, District Bhavnagar, Gujarat. RGJ3 has tied up the entire capacity through a 25-year PPA at a fixed tariff of Rs. 3.70/kWh under the group captive mechanism with EL.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	23.5	29.7
PBILDT	20.6	27.8
PAT	-1.3	4.1
Overall gearing (times)	1.6	1.5
Interest coverage (times)	1.3	1.7

A: Audited; 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		-	-	30-09-2041	165.87	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*	165.87	CARE A-; Stable	-	1)CARE A-; Stable (12-Sep-24)	1)CARE A-; Stable (04-Sep-23)	-

*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 detailsTo view 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

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