

## Renew Green (GJ Four) Private Limited

October 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	47.25 (Reduced from 49.78)	CARE A-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The rating reaffirmation on bank facilities of Renew Green (GJ Four) Private Limited (RGJ4), which is operating a 13.27 MWp/ 9.4 MW AC hybrid captive power plant (Wind: 4.4 MW, Solar: 5.0 MW AC) in Gujarat, reflects the satisfactory operational track record of over two years, wherein the collections from the off-taker have witnessed an improvement. Overall collection days have moderated from 130 days as of FY24-end to 80 days as of FY25-end. RGJ4 reported a weighted average plant load factor (PLF) of 25.7% in FY25, which was slightly better than 24.7% in FY24. However, the generation remained lower than the P90 estimate of 28.7%, primarily considering lower resource availability. Going forward, basis the 4MFY26 trend where the performance remained subdued, CARE Ratings Limited (CareEdge Ratings), expects the generation to remain below the designed estimates over the near term. However, the impact of lower generation on the cashflows has been offset to a certain extent considering 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 1.2x for the debt tenor per CareEdge Ratings' base case.

The rating continues to factor in the strong parentage of RGJ4, 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 RGJ4 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 in case the DSCR covenant is not met for two consecutive years or in case of a reduction in guaranteed off-take or realised tariff from the off-takers. RGJ4'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 ₹3.62/unit with strong counterparties: Greenply Industries Limited (GIL, rated 'CARE AA-/CARE A1+; Stable') and Greenply Speciality Panels Private Limited (GSPPL, rated 'CARE AA-/CARE A1+; Stable'), 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 RGJ4 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.

However, the rating 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 6.0x and 7.0x 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 change in linkages or support philosophy between RGESPL and RGJ4.

<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.

**Analytical approach:** Standalone plus factoring in parent support.

CareEdge Ratings expects RGE SPL and RPL, parent and sponsor of RGJ4 respectively, to extend need-based support to RGJ4, if required, considering its strategic importance to the ReNew Group.

**Outlook:** Stable

The stable outlook on the CARE A- rating of RGJ4 reflects CareEdge Ratings' opinion that the company will benefit from its long-term PPA with GIL and GSPPL. 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 RGJ4

RGJ4 is a wholly owned subsidiary of RGE SPL, 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 RGJ4 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 RGE SPL. Under the shortfall undertaking, RPL and RGE SPL will ensure resizing of debt in RGJ4 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 commercial and industrial counterparty

RGJ4 has low off-take risk due to the presence of a long-term (25-year) PPA with GIL and GSPPL at a tariff of ₹3.62/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 over two years; satisfactory collection cycle

The project has an operational track record of ~26 months. The plant reported a weighted average PLF of 25.7% in FY25 which was slightly better than 24.7% in FY24, however remained lower than the P90 estimate of 28.7%, primarily considering lower resource availability. Going forward, basis the 4MFY26 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 ~80 days in FY25 from ~130 days in FY24. The receivable days still appears high due to delayed invoicing (~50 days post month-end) considering 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 30 days.

#### Comfortable debt coverage metrics

CareEdge Ratings expects RGJ4 to have comfortable debt-protection metrics, with cumulative DSCR expected to remain above 1.25x 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 and 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 6.0x and 7.0x 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 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 special purpose vehicle (SPV) had free cash balances of ~₹15.3 crore. This apart, the entity has created a DSRA of ₹1.68 crore, equivalent to debt obligations of one quarter, in line with the sanction terms. CareEdge Ratings' base case expects adjusted gross cash accruals (GCA) for FY26 and FY27 to be ~₹2.7 crore each, compared to annual repayments of ~₹1.5 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](#)  
[Wind Power Projects](#)

### **About the company and industry**

#### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power Generation

RGJ4 incorporated on October 4, 2021, is an SPV formed by Renew Group. The SPV is operating a 9.4-MW AC hybrid captive power plant (Wind- 4.40 MW, Solar- 5.00 MW AC) located at Village Otha, Taluka Mahuva, District- Bhavnagar, Gujarat. RGJ4 has tied up the entire capacity through a 25-year PPA at a fixed tariff of ₹3.62/kWh under the group captive mechanism with GIL and GSPLL. The project was commissioned on June 17, 2023.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total Operating Income	5.6	7.4
PBILDT	4.9	6.9
PAT	0.0	0.3
Overall Gearing (times)	2.0	2.0
Interest Coverage (times)	1.4	1.4

A: Audited

**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
Term Loan-Long Term		-	-	March 31, 2043	47.25	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	47.25	CARE A-; Stable	-	1)CARE A-; Stable (12-Sep-24)	1)CARE A-; Stable (05-Oct-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	Term Loan-Long Term	Simple

**Annexure-5: Lender details**

To 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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