

## RENEW GREEN (GJ EIGHT) PRIVATE LIMITED

October 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	254.90 (Reduced from 265.85)	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 (GJ Eight) Private Limited (RGJ8), which is operating a 56.42 MWp/46.90 MW AC hybrid captive power plant (Wind: 23.1 MW, Solar: 23.8 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 89 days as on FY24 end to 66 days as on FY25 end. RGJ8 reported a weighted average plant load factor (PLF) of 25.3% in FY25 which was better than 22.2% in FY24. However, the generation remained lower than the P90 estimate of 29.9%, 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 0.80 bps, which is likely to keep the projected coverage metrics healthy as reflected by a cumulative debt-service coverage ratio (DSCR) of above 1.15x for the debt tenor as per CareEdge Ratings' base case.

The rating continues to factor in the strong parentage of RGJ8, 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 RGJ8 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 1.1x and support debt shortfall throughout the life of the loan. RGJ8'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 ₹3.58/unit with strong counterparty: Arvind Limited (AVL, rated CARE AA-; Stable) a 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 RGJ8 is also supported by the presence of debt service reserve account (DSRA) equivalent to two 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 6.0-7.0x over the next few years. 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 RGJ8

<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 RGSPL and RPL, parent and sponsor of RGJ8 respectively, to extend need-based support to RGJ8, if required, considering its strategic importance to ReNew Group.

**Outlook:** Stable

The stable outlook on the CARE A- rating of RGJ8 reflects CareEdge Ratings' opinion that the company will benefit from its long-term PPA with AVL. 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 RGJ7**

RGJ8 is a wholly owned subsidiary of RGSPL, 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 RGJ8 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 RGSPL. As per the sanction terms, promoter through an undertaking ensures would ensure resizing of the outstanding debt in RGJ8 to maintain a minimum DSCR of 1.1x throughout the life of the loan.

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

RGJ8 has low off-take risk due to the presence of a long-term (25-year) PPA with AVL at a tariff of ₹3.58/kWh. The long-term PPA with credible counterparty 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 ~26 months. The plant reported a weighted average PLF of 25.3% in FY25 which was better than 22.2% in FY24, however remained lower than the P90 estimate of 29.9%, 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 ~66 days in FY25 from ~89 days in FY24. The receivable days still appears high due to delayed invoicing (~50 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 30 days.

**Comfortable debt coverage metrics**

CareEdge Ratings expects RGJ8 to have comfortable debt-protection metrics, with cumulative DSCR expected to remain above 1.15x over the tenor of the term debt. Further, the company is maintaining a DSRA equivalent to two 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 6.0x-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 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 special purpose vehicle (SPV) had free cash balances of ~₹5.76 crore. This apart, the entity has created a DSRA of ₹18.70 crore, equivalent to debt obligations of two quarters, in line with the sanction terms. CareEdge Ratings' base case expects adjusted gross cash accruals (GCA) for FY26 and FY27 to be ~₹12.2 crore and ~₹14 crore, compared to annual repayments of ~₹10.74 crore in FY 26 and in FY 27 each.

### **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

RGJ8 incorporated on September 28th, 2021, is a special purpose vehicle formed by Renew Group. The SPV is operating a 46.90 MW hybrid captive power plant (Wind- 23.10 MW, Solar- 23.80 MW AC) located at Village Otha, Taluka Mahuva, District Bhavnagar, Gujarat. RGJ8 has tied up the entire capacity through a 25-year PPA at a fixed tariff of Rs. 3.58/kWh under the group captive mechanism with AVL.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total Operating Income	26.3	36.1
PBILDT	22.6	30.0
PAT	-2.5	-3.7
Overall Gearing (times)	3.0	2.4
Interest Coverage (times)	1.0	1.1

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		-	-	Feb 29, 2040	254.9	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	254.9	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

<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>Ronak Jain Assistant Director <b>CARE Ratings Limited</b> E-mail: <a href="mailto:ronak.jain@careedge.in">ronak.jain@careedge.in</a></p>
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