

Renew Jal Urja Private Limited

January 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	659.32 (Reduced from 718.05)	CARE A+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of rating of bank facilities of Renew Jal Urja Private Limited (RJUPL), which is operating a 99-MW run-of-the-river hydropower plant and has been selling power on the power exchanges, factors in the strengthened credit profile of the asset as evident by the established operational track record of over five years with satisfactory operational performance. This is reflected by plant load factors (PLFs) broadly aligning with historical trends barring FY24 where the plant remained shut in the peak season due to flood related disruptions. Going forward, CARE Ratings Limited (CareEdge Ratings) expects generation performance to broadly align with past trends. CareEdge Ratings also notes that tariff realisation for the asset moderated but still remains buoyant, as reflected by average tariff of ₹5.7 per unit in FY25 and ₹5.0 per unit in 8MFY26. CareEdge Ratings in its base case had assumed a tariff of ₹4.0 per unit. As a result of the higher tariff, there has been faster-than-expected deleveraging, with the lender sweeping ₹30 crore in the current fiscal under the mandatory cash sweep clause.

CareEdge Ratings has revised its analytical approach for the rated entity from the earlier approach of "standalone plus factoring parent support" to a "Standalone" approach, considering sustained and marked improvement in the standalone credit profile of the asset. In CareEdge Ratings' opinion, standalone credit strength of the asset is stronger than that of the parent entity, and therefore, no explicit uplift considering parent support has been factored into the rating. CareEdge Ratings continues to recognise the strategic importance of the asset to the parent and the presence of operational, managerial, and governance linkages; however, these linkages are not considered credit-enhancing for the purpose of the rating.

CareEdge Ratings takes cognisance of moderation in exchange tariffs and has accordingly assumed a tariff of ₹4.0 per unit in its base-case scenario, which results in a debt service coverage ratio (DSCR) of ~1.4x. With a break-even tariff of ~₹2.80 per unit, the project exhibits a healthy margin of safety against adverse tariff movements. The company's liquidity profile remains structurally strong, supported by the seasonal nature of revenue generation, where a significant portion of cash flows is realised in the first half of the fiscal year, coinciding with the monsoon season. The surplus funds generated in the previous fiscal are upstreamed and swept towards the end of H1 of each fiscal. Consequently, by the time the surplus from the previous fiscal is upstreamed, the entity has already accumulated surplus balances from the current year's generation, which are scheduled to be upstreamed only in the subsequent fiscal. This operating cash-flow cycle ensures the availability of an adequate liquidity buffer at all times, supporting timely debt servicing. As on December 23, 2025, cash and liquid investments stood at ~₹131 crore, including a debt service reserve account (DSRA) of ₹29 crore. The rating also considers that this entity is a part of Renew Group (Renew Private Limited; rated CARE A; Stable/ CARE A1) which is one of the largest renewable power producers in India having an operational capacity of 11.6 GW and committed capacity of 6.9 GW as on September 30, 2025. The portfolio is well-diversified and spread across multiple geographies and contracted to multiple counterparties.

However, the rating is constrained considering absence of firm power purchase agreement as the power is being traded on exchange, exposing the company to off-take risks and exposure of project cash flows to adverse movement in merchant prices. CareEdge Ratings also factors in leveraged capital structure as reflected by total debt/earnings before interest, taxation, depreciation, and amortisation (EBITDA) of 3.7x as on FY25-end. Going forward, per CareEdge Ratings' base case, capital structure will continue to remain leveraged with total debt/EBITDA multiple remaining above 5.0x in the next few years. The rating also factors in the run-of-the-river nature of project, which is considered as an irregular source of power since such type of hydro projects have little or no capacity for energy storage and hence cannot meet peak power demand.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Actual generation remaining significantly higher-than-envisaged levels with tariff remaining above ₹5.0 per unit
- Faster-than-expected deleveraging with total debt/EBITDA remaining below 3.0x on a sustained basis.
- Tying up of entire capacity under long-term PPA at a remunerative tariff.

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

Negative factors

- Actual generation remaining significantly lower-than-envisaged levels and actual tariff remaining below ₹4.0 per unit on a sustained basis, resulting in weakening coverage metrics as reflected by average DSCR falling below 1.2x.

Analytical approach: Standalone

CareEdge Ratings has revised its analytical approach for the rated entity from the earlier approach of “standalone plus factoring parent support” to a “Standalone” approach, considering the sustained and marked improvement in the standalone credit profile of the asset. In CareEdge Ratings’ opinion, standalone credit strength of the asset is stronger than that of the parent entity, and therefore, no explicit uplift, considering parent support has been factored into the rating. CareEdge Ratings continues to recognise strategic importance of the asset to the parent and the presence of operational, managerial, and governance linkages; however, these linkages are not considered credit-enhancing for the purpose of the rating.

Outlook: Stable

The rating ‘CARE A+; Stable’ assigned to RJUPL reflects the project’s satisfactory power generation since commissioning, healthy tariff realisations and comfortable debt coverage metrics.

Detailed description of key rating drivers:**Key strengths****Track record of around five years of sustained generation with healthy despite declining tariff realisations**

RJUPL operates a 99 MW run-of-the-river hydro plant, which was commissioned in December 2020 and has operational track record of around five years. Generation levels in FY25 improved to 50.58% compared to 45.13% in FY24, which was primarily attributed to the floods in Uttarakhand in FY24. Improvement in generation has also been seen in 8MFY26 as reflected by PLF of 68.13% against 8MFY25 PLF of 65.61%. RJUPL is selling power in the merchant market through power exchanges. Average realisations in FY25 and 8MFY26 stood at ₹5.7 and ₹5.0 per unit respectively. Going forward, the company is expected to achieve PLF levels in line with past trends on a sustained basis, with a competitive tariff of ~₹4.0 per unit. The company’s ability to realise a remunerative tariff in the medium-long term would be a key credit sensitivity.

Comfortable debt coverage indicators with presence of one quarter DSRA

Per CareEdge Ratings’ base case, assuming a merchant tariff of ₹ 4.00 per unit, debt coverage metrics of the project are expected to be comfortable as reflected by average DSCR being ~1.4x for the tenure of the rated facility. CareEdge Ratings notes that the company has realised average tariff of ₹5.7 per unit in FY25 and ₹5.0 per unit in 8MFY26. As a result of the higher tariff, there has been faster-than-expected deleveraging, with the lender sweeping ₹30 crore in the current fiscal under the mandatory cash sweep clause. The company is maintaining DSRA equivalent to one quarter of scheduled debt servicing, which provides comfort from credit perspective.

Operating track record of Renew group in renewable energy segment

RJUPL is a subsidiary of Renew Power Services Private Limited, which is a step-down sub-holding company of RPL. RPL is the flagship company and a subsidiary of Renew Energy Global PLC (REG), which is listed on NASDAQ. The group has experience of over a decade in developing and operating renewable energy projects and is one of the leading renewable energy developers in India having a cumulative operating capacity of ~11.6 GW as on September 2025 end. CareEdge Ratings notes that RPL has provided unconditional and irrevocable corporate guarantee covering the entire amount of loan, which is valid till the final settlement date of the rated facility. RPL plans to integrate the electricity produced from this plant with its upcoming innovative renewable energy projects, indicating high strategic importance of this project.

Key weaknesses**Offtake risk given no firm long term PPA for the entire capacity**

The 99 MW hydro power plant is exposed to off-take risk given no long-term PPA for the entire capacity. The plant had a track record of around five years and the electricity thus generated is getting sold on exchanges (IEX & PXIL) on a merchant basis. The electricity is primarily getting sold on the day ahead market (DAM). The company is also exposed to fluctuations in prices prevailing in the merchant market, which could have a bearing on its revenue and profitability.

Leveraged capital structure and exposure to interest rate risk

Given the high proportion of debt in the company's capital structure is highly leveraged as reflected by total debt/EBITDA of 3.7x as on FY25-end. Going forward, per CareEdge Ratings' base case capital structure will continue to remain leveraged with total debt/EBITDA multiple remaining range bound between 5.6-5.2x in the next three years. Debt protection metrics are expected to remain comfortable with expected average DSCR being ~1.4x throughout the tenor of long-term facility. The company's profitability remains exposed to adverse movement in interest rates, which is floating for the project debt and subject to periodic reset.

Hydrological risks associated with run-of-the-river power generation

Run-of-the-river power is considered an irregular source of power since a run-of-the-river project has little or no capacity for energy storage, and hence, cannot co-ordinate the output of electricity generation to match consumer demand. It thus generates much more power when seasonal river flows are high and much less in drier – winter months.

Liquidity: Adequate

As on December 23, 2025, the company has free cash and bank balance of ₹102 crore. Further, the company has created DSRA equivalent to one quarter of scheduled debt servicing amounting to ₹29 crore. Going forward, CareEdge Ratings expects generation performance to broadly align with historical trends, and receivables cycle to remain robust.

Per CareEdge Ratings base case, gross cash accruals (GCA) for FY26 and FY27 is expected to be ~₹50 crore annually against annual repayments of ~₹30 crore.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Infrastructure Sector Ratings](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

Incorporated in November 2006, RJUPL (formerly known as L&T Uttarakhand Hydropower Limited) is a subsidiary of Renew Power Services Private Limited, which is a step-down sub-holding company of RPL. The special purpose vehicle (SPV) is operating a run-of-the-river hydroelectric project named as "Singholi-Bhatwari Hydroelectric Project (SBHEP)" having aggregate capacity of 99 MW (3*33 MW) on river Mandakani, a tributary of river Alaknanda in Rudrapur district, Uttarakhand. The plant commenced operations in December 2020 and sells power on merchant basis (through power exchange).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	225.4	223.7
PBILDT*	186.1	190.4
Profit after tax (PAT)	208.0	160.8
Overall gearing (x)	0.50	0.40
Interest coverage (x)	2.74	2.90

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	June-2043	659.32	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	659.32	CARE A+; Stable	-	1)CARE A+; Stable (26-Nov-24)	1)CARE A; Stable (28-Dec-23)	1)CARE A; Stable (01-Nov-22)

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 details

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

Contact us

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About us:

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