

ReNew Solar Energy (Jharkhand Three) Private Limited (Revised)

March 11, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	450.33	CARE A+; Stable	Assigned
Non-convertible debentures	495.00	CARE A+; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the proposed bank facilities and proposed non-convertible debentures (NCDs) of ReNew Solar Energy (Jharkhand Three) Private Limited (Jharkhand 3), which is operating a 300-MWAC (420 MWp) solar power project in Rajasthan, factors in the project's established operational track record of around four years with satisfactory generation and collection performance. The same is reflected by plant load factor (PLF) of 27.3% in FY25 against 27.8% in FY24, which was consistently above the designed estimates. However, the generation in 10MFY26 has moderated, as reflected by PLF of 25.1% (against 26.9% in 10M FY25) due to curtailment issues, adversely impacting grid availability. However, CARE Ratings Limited (CareEdge Ratings) notes that the grid availability has been restored at 100% in December 2025 - January 2026 period. Going forward, CareEdge Ratings expects the generation performance to remain broadly in line with the past trends.

The rating also factors in the presence of long-term power purchase agreement (PPAs) at an average fixed tariff of ₹2.54 per kWh with central counterparty- Solar Energy Corporation of India Limited (SECI; rated 'CARE AAA; Stable'). Collection performance is timely as reflected by average receivables of 40 days in FY25 (including unbilled revenue). The debt protection metrics of the company are comfortable as reflected by cumulative debt service coverage ratio (DSCR) being upwards of 1.2x over the debt tenor, per CareEdge Ratings' base case. CareEdge Ratings notes that per the provisions of the sanction terms of the proposed debt facilities, one-quarter debt service reserve account (DSRA) has to be created within two months from date of disbursement. The company is currently maintaining the one-quarter DSRA for the existing debt, which is expected to be released within five business days of repayment of existing loan facility, in accordance with the conditional no objection certificate (NOC) provided by the existing external commercial borrowing (ECB) lenders. Upon its release, the DSRA balance will be available to the new lenders to cover potential debt servicing shortfall, if required. Per the stipulated terms of the proposed debt, the cash surplus available in the existing Trust and Retention Account (TRA) account shall not be upstreamed until a balance equivalent to one quarter of debt servicing obligations is maintained. CareEdge Ratings notes that the company had adequate liquidity of ~₹30 crore as on February 15, 2026, in addition to the DSRA maintained with the current lender. CareEdge Ratings expects the company to receive billing for one more month before the end of FY26, while the year-end obligations on the existing debt are estimated to be ~₹30 crore. Accordingly, the company is expected to maintain surplus liquidity equivalent to about one month's billing in the interim period, providing an adequate liquidity cushion. CareEdge Ratings notes that Jharkhand 3 is a part of the Renew Group, which is a leading renewable energy developer and has an established track record of setting and operating renewable power projects in India.

CareEdge Ratings understands that per the proposed terms of transaction, the proposed debt shall be disbursed by end of March 2026 and would be utilised to extinguish the current external borrowings and a top up to be availed which is to be utilised towards repayment of outstanding capex creditors of the entity.

However, rating strengths are constrained considering refinancing risk given the short tenure of proposed instruments till September 2030. This risk is further accentuated due to the presence of put option available with debenture holders after three years from the issuance date. However, the refinancing risks are mitigated to an extent, given the healthy tail life of the project of over 10 years at the time of refinancing, translating into project life coverage ratio (PLCR) of 1.30x, providing sufficient financial flexibility. The rating is adversely impacted due to leveraged capital structure as reflected by total external debt/ earnings before interest, taxation, depreciation, and amortisation (EBITDA) of 6.3x as of FY25-end and this is expected to remain ~5.7-5.9x over the next few years, per CareEdge Ratings' base case. Consequently, the company remains exposed to interest rate fluctuation risk given the floating interest rate on the outstanding debt facilities. CareEdge Ratings also factors in the exposure of project cash flows to adverse variations in weather conditions given the single part tariff for the underlying capacity, and geographic concentration risk with the full capacity set up at a single location.

Rating sensitivities: Factors likely to lead to rating actions

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

Positive factors

- Sustained improvement in actual generation levels above P90 estimates, resulting in an average DSCR above 1.3x.
- Faster-than-expected deleveraging of asset.

Negative factors

- Significant underperformance in generation or sustained elongation in receivables, adversely impacting liquidity profile.
- Increase in debt level or interest rates, adversely impacting coverage metrics, as reflected by a reduction in the DSCR to less than 1.15x (excluding the year of refinancing).

Analytical approach: Standalone**Outlook:** Stable

The stable outlook on the CARE A+ rating of Jharkhand 3 reflects CareEdge Ratings' opinion that the entity would benefit from its long-term PPA with strong counterparty SECI. Expectations of operational performance to remain in line with the existing trend, supports the outlook.

Detailed description of key rating drivers:**Key strengths****Long-term revenue visibility considering presence of long-term PPA with central counterparty**

The company has low off-take risks considering its long-term (25-year) PPA with SECI at a fixed tariff of ₹2.54 per unit for the entire capacity, thus providing healthy revenue visibility. Moreover, the collections have remained timely with the payments being realised within 10 days of billing and average receivable days of 40 days (including unbilled revenue) in FY25.

Operational track record of around five years with generation performance being significantly better than P90 benchmark

The entity is operating 300-MW (AC) capacity in Rajasthan having an average track record of ~4 years. The generation performance is has remained better than P-90 estimates as reflected by actual PLF for FY25 of 27.3% against 27.8% in FY24. However, the generation in 10MFY26 was moderated, as reflected in PLF of 25.1% (against 26.9% in 10M FY25) due to curtailment issues in few months impacting the grid availability. However, the grid availability has been restored at 100% in December 2025-January 2026 period. Going forward, CareEdge Ratings expects the generation performance to remain broadly in line with the past trends.

Comfortable debt coverage metrics

CareEdge Ratings anticipates Jharkhand 3 to have comfortable debt-protection metrics, with cumulative DSCR expected to remain above 1.2x over the term debt tenor. CareEdge Ratings notes that per the provisions of the sanction terms of the proposed debt facilities, one-quarter DSRA must be created within two months from date of disbursement. The company is currently maintaining the one-quarter DSRA for the existing debt, which is expected to be released within five business days of repayment of existing loan facility, in accordance with the conditional NOC provided by the existing ECB lenders. Upon its release, the DSRA balance will be available to the new lenders to cover potential debt servicing shortfall, if required. Per the stipulated terms of the proposed debt, the cash surplus available in the existing TRA account could not be upstreamed until there is balance equivalent to one-quarter debt servicing is maintained.

Strong parentage and operating track record of ReNew Group in renewable energy segment

Jharkhand 3 is a step-down 51% subsidiary of Renew Private Limited (RPL, rated 'CARE A; Stable/ CARE A1'). RPL is the flagship company and a subsidiary of Renew Energy Global PLC (REG), which is listed on NASDAQ. 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 operating capacity of 11.4 GW and committed capacity of 7.8 GW as on December 31, 2025. The portfolio is diversified across geographies and contracted to multiple counterparties.

CareEdge Ratings recognises the strategic importance of the asset to the parent and the presence of operational, managerial, and governance linkage. However, these linkages are not considered credit-enhancing for the purpose of the rating.

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

The entity's capital structure is leveraged as reflected by total debt/EBITDA of 6.3x as of FY25 end and this is expected to remain ~5.7x-5.9x over the next few years, per CareEdge Ratings' base case. Consequently, the company remains exposed to interest rate fluctuation risk given the floating interest rate on the outstanding debt facilities.

CareEdge Ratings also notes that the proposed debt is exposed to refinancing risk, given that ~79% of the principal debt is due in September 2030. This risk is further accentuated due to the presence of put option available with debenture holders after three years from the issuance date. Given the long term of underlying asset and short/medium term financing instruments, the company remains exposed to refinancing and rolling over the debt at competitive interest rates. However, the refinancing risks are mitigated to an extent, given the healthy tail life of the project of over 10 years at the time of refinancing, translating into PLCR of 1.30x, providing sufficient financial flexibility.

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 in turn would affect its cash flows and debt servicing ability.

Liquidity: Adequate

As of February 2026 end, the entity has strong liquidity position as reflected by cash balances of ~₹66.2 crore (including ~₹35 crore earmarked for payment of capex creditors). This apart, the group is maintaining DSRA aggregating to ~₹36 crore which is equivalent to cover one quarter of debt service obligations under the existing debt facilities.

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](#)

[Solar Power Projects](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

Incorporated on June 14, 2016, Jharkhand 3 is a 51% subsidiary of Renew Solar Power Private Limited (RSPPL; rated 'CARE A; Stable / CARE A1') and remaining 49% is owned by GS Engineering & Construction Corp. Jharkhand 3 is operating a 300-MW_{AC} (420 MW_{DC}) solar photovoltaic power project in Rajasthan. The project was fully commissioned in December 2021. The company has signed a long-term (25 years) PPA with SECI at a fixed tariff of ₹2.54 per unit.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	180.6	179.3
PBILDT*	152.0	151.2
Profit after tax (PAT)	22.4	27.6
Overall gearing (x)	2.8	3.9
Interest coverage (x)	1.6	1.6

A: Audited UA: Unaudited; 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non-convertible debentures	INE436W07019	-	-	-	495.00	CARE A+; Stable
Fund-based - LT-Forward Contract		-	-	-	30.00	CARE A+; Stable
Term Loan-Long Term		-	-	30-09-2030	420.33	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	Debentures-Non-convertible debentures	LT	495.00	CARE A+; Stable				
2	Term Loan-Long Term	LT	420.33	CARE A+; Stable				
3	Fund-based - LT-Forward Contract	LT	30.00	CARE A+; Stable				

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	Complex*
2	Fund-based - LT-Forward Contract	Simple
3	Term Loan-Long Term	Complex*

*there's a put/call option at the end of 3 years from the date of allotment

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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About us:

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