

**Date: 13<sup>th</sup> August 2020**

The Manager- Listing Department  
Wholesale Debt Market  
The National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor,  
Bandra Kurla Complex, Bandra (E)  
Mumbai-400051

Dear Sir,

***Re: SEBI Circular SEBI/HO/DDHS/CIR/P/2018/44 dated 26<sup>th</sup> November, 2018- Fund raising by issuance of debt securities by large entities***

With reference to the above circular, we wish to inform you that our Company, ReNew Wind Energy (Jath) Limited is “Not a large Corporate” (LC) as per the framework provided in the aforesaid circular.

Our credit rating of NCD is AA+(CE) which is the structured instrument as per credit rating agency. Rating letter is attached for reference.

We wish you to take the above on record.

**For and on behalf of  
ReNew Wind Energy (Jath) Limited**

**Sd/-**

**Pushkar Prasad  
Director  
DIN-06902708  
Date- 13<sup>th</sup> August 2020  
Place- Gurgaon**

**ReNew Wind Energy (Jath) Limited**

(Formerly known as ReNew Wind Energy (Jath) Private Limited)  
CIN No. U40101DL2012PLC236227

**Corporate Office:** ReNew. Hub Commercial Block-1, Zone 6, Golf Course Road, DLF City Phase-V, Gurugram – 122009  
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## ReNew Wind Energy (Jath) Limited

### Issuer Credit Research

#### Rating

INR3,800 million Non-convertible Debentures	IND AA+(CE)
Unsupported Rating	IND A

#### Outlook

INR3,800 million Non-convertible Debentures	Stable
Unsupported Rating	Stable

#### Transaction Summary

India Ratings and Research (Ind-Ra) has revised its Outlook on Renew Wind Energy (Jath) Limited's (RWEJL) secured, rated, listed, partially guaranteed, redeemable non-convertible debentures (NCDs) to Stable from Negative, while affirming its rating at 'IND AA+(CE)'. The agency has also assigned an unsupported rating to RWEJL in compliance with the Securities Exchange Board of India's circular dated 13 June 2019, which requires credit rating agencies to disclose unsupported ratings without factoring in the explicit credit enhancement (CE) and supported rating after factoring in the explicit CE.

The outlook revision reflects Ind-Ra's expectation of an improvement in RWEJL's receivable days in the near-to-medium term as demonstrated by its performance in 9MFY20. Additionally the project's plant load factor (PLF) is expected to slightly improve to 21.8% for FY20 (FY19: 21.6%), based on 11 months' operational history till February 2020, due to the project's exposure to a relatively better wind season in FY20 vis-à-vis that in FY19. Despite the consistent delay in revenue receipts beyond five months, the project is adept to manage cashflow mismatch with adequate internal reserves, free cash built-up and timely sponsor support, if required, without resorting to sanction of incremental working capital.

The rating is also supported by an intact debt service reserve account (DSRA); a partial unconditional and irrevocable guarantee by India Infrastructure Finance Company Limited (IIFCL; 'IND AAA/ Stable'), and timely creation of a fungible refinance reserve, as per the original plan. However, the project's standalone rating remains constrained by the project's single counterparty risk. Ind-Ra expects the sponsor to support the project in the event of distress as per the covenants documented in sponsor support undertaking.

#### Key Rating Drivers

**Strong Credit Profile of Partial Credit Enhancement (PCE) Provider:** The project's scheduled debt repayments are supported by an unconditional and irrevocable guarantee from IIFCL to the extent of 26% of the outstanding principal until September 2017 and thereafter 28% of the outstanding principal, or INR600 million, whichever is higher. The guarantee amount is limited to 50% of the outstanding principal throughout the debt tenor and will come into force after end-September 2027, as stipulated in the transaction documents. The company has sufficient liquidity to combat delayed revenue collections from the power purchase offtaker and hence, has not utilised PCE since the commencement of loan repayment.

**Liquidity Indicator-Adequate:** RWEJL has an existing DSRA of INR340 million, tantamount to two quarters of debt servicing, available in the form of a bank guarantee placed with IndusInd Bank Limited ('IND AA+/Stable'). Additionally, refinancing risk is addressed through an annual transfer of INR25 million until FY25 and INR50 million in FY26 from surplus cash flows to a fungible refinance reserve account (RRA) up to a total of INR300 million, as per the cash flow waterfall. The RRA, worth INR125 million as of 31 March 2020, shall be available for meeting any shortfall in debt repayments after tapping in the DSRA.

The transaction structure also consists of a separate cash trap account to capture surplus cash flows in the event of any covenant breach, including actual debt service coverage ratio (DSCR) falling below 1.20x. Only 75% of the trapped cash in any year will be available to RWEJL in the following years, post the breach is cured. The balance 25% shall be retained and will be available for debenture holders till the scheduled bond tenor.

#### Analysts

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The financial covenant-based actual DSCR was 1.66x for FY19 (FY18: 1.80x). In FY19, a total surplus cash of approximately INR250 million was upstreamed to the sponsor (FY18: INR165 million), out of total surplus cash available of INR550 million (INR350 million), after fulfilling the restricted payment conditions.

These reserves are liened to the debenture trustee acting as a beneficiary of the bondholders until full NCD amortisation. Ind-Ra believes the combination of reserves, such as DSRA and RRA, along with a cash trap mechanism, safeguards against credit risks and strengthens the transaction structure. The available partial guarantee along with DSRA and RRA supports about 86% of the outstanding principal (INR1,450 million) if the put option is exercised on 31 October 2026. Additionally, the total cash available is sufficient to cover the balance principal outstanding. The total cash and bank balances (including current investments) moderately improved to INR773.1 million as of 6MFY20 (FYE19: INR705.3 million).

**Marginal Improvement in PLF in FY20 Despite Slight Deviation From P90 Estimates:** The project has largely been performing close to P90 levels, barring few years, since its operational commencement in August 2013; while the average gross PLF achieved in FY14 was low due to partial operations for only eight months (August-March), RWEJL demonstrated a lacklustre PLF performance in FY18 too due to lower-than-expected wind velocity. The project's overall PLF performance in FY19 and FY20 was broadly close to P-90 estimates of 22.84%, and Ind-Ra expects a marginal improvement in FY20 PLF performance due to the project being exposed to a relatively better wind season compared to FY19.

The project lacks a diversified wind portfolio for mitigating wind resource volatility and moderately high receivable days of a single counterparty, thereby affecting its standalone credit profile. The agency shall continue to closely monitor the PLF performance of the project along with receivables position of Maharashtra State Electricity Distribution Company Limited (MSEDCL) to highlight any event-related risks in the near term.

Meanwhile, the management believes the outbreak of COVID-19 will not materially impact the project's plant availability, given the operational risk measures adopted by the Renew Power Group.

**Low Revenue Risk:** RWEJL has a 13-year power purchase agreement (PPA) with MSEDCL since August 2013, for the entire plant capacity of 84.65MW. MSEDCL purchases power at a levelised tariff of INR5.67/unit and INR5.81/unit for 34.5MW and 50.15MW, respectively. The PPA, expiring on 7 August 2026, can be renewed on the mutual consent of both involved parties. Ind-Ra, in its base case, has factored in a much-lower tariff after the expiry of PPA; however, the agency believes if the current bid-based tariffs are applied, the coverage ratios would be at risk. However, the agency expects the sponsor to tie-up PPA ahead of its expiry.

Ind-Ra's base case is based on PLF performance close to P90 levels; cost assumptions similar to the operations and maintenance (O&M) contract terms, and the general trend of actual operating costs incurred historically. Ind-Ra's base case estimates indicate an adequate DSCR of above 1.20x throughout the debt maturity period.

**Low Operating Risk:** The wind turbine technologies employed by RWEJL are evolutionary designs and considered to be as per industry standards. Also, component issues are covered under warranty and considered in production loss factors and cost estimates. The stipulation of machine availability, at a minimum of 95%, in the O&M contract provides sufficient comfort. RWEJL's historical average machine availability was higher than the minimum warranted machine availability at 98.4% from FY16-11MFY20. Operating costs beyond the base case, including renegotiation of O&M contracts leading to higher costs, could lower the coverage ratios.

**Independent Trustee Monitored Payment Mechanism:** The payment mechanism is monitored by the debenture trustee, Vistra ITCL (India) Limited (erstwhile The IL&FS Trust

Company Limited), and RWEJL had a debenture redemption reserve account (DRRA). If there is a deficit in the DRRA 10 business days prior to the bond instalment date, the DRRA banker will inform the debenture trustee, who will inform the sponsor and guarantor. The sponsor shall have time to fund the shortfall until seven days prior to due date, or the trustee will dip into the DSRA to compensate for the shortfall. If a deficit in the DRRA still prevails until three days before the bond servicing date, the trustee shall invoke the PCE and the deficit shall be bridged a day prior to the bond servicing date.

**Covenanted Debt Package:** The debt structure envisages the following cash flow waterfall mechanism: (i) statutory dues; (ii) O&M expenses including sponsor charges of INR40 million; (iii) guarantee fee; (iv) transfer to debenture subaccount; (v) creation of guarantee fee reserve; (vi) payment of interest and principal in respect of guarantee utilised; (vii) Replenishment of DSRA utilised; (viii) RRA top up; (ix) transfers to cash trap account; and (x) surplus cash flows to surplus account.

**Rationale for Unsupported Rating:** The unsupported rating factors in the reasonably healthy PLF performance demonstrated by the project in the past six-and-a-half-years years (barring FY18 which had a low wind season); stable operating costs; strong sponsor support available and sufficient available liquidity to offset a moderate delay in MSEDCL's power purchase payments with an average receivable days of four to five months.

**Counterparty Profile Poses Moderate Liquidity Concerns:** The peak receivable days (including available credit period of 60 days) of the project's single counterparty, MSEDCL, had slightly improved to about 191 days (average-122 days) for the last 12 months ended December 2019 vis-à-vis a peak of 226 days (average-161days) for the last 12 months ended December 2018. The reasonably high delay in MSEDCL receivables is largely mitigated by internal reserves and sponsor support. The volatile receivable profile has introduced an uncertainty to the project and has necessitated dependence on the sponsor and the need to build-in additional liquidity.

Although there has been a marginal improvement in the project's average receivable days to approximately 122 days (peak receivable days – 191 days) for the receipt of invoices made during the last 12 months till December 2019 (12 months till December 2018: 161 days; 226 peak receivable days), the high receivable days of MSEDCL is a key concern for generating sufficient project cash flows to make timely debt repayments of RWEJL, in the absence of a tied-up working capital facility. Additionally, out of the total receivables worth INR434.3 million invoiced from August 2019 till February 2020, INR375.4 million (about 86% of the total) which was due as of 11 March 2020, has been received on 30 March 2020. The company has been maintaining adequate liquidity in the project to mitigate any shortfall in the debt servicing due to unanticipated delays of MSEDCL. Nevertheless, the overall liquidity of the project would be a key monitorable for Ind-Ra.

## Rating Sensitivities

### For CE rating:

**Negative:** One or more of the following events could lead to a negative rating action:

- any credit profile deterioration of the guarantor;
- any further deterioration in the standalone project profile;
- any deviation from the stipulated structured payment mechanism;

### For unsupported rating:

**Negative:** One or more of the following events could lead to a negative rating action:

## Applicable Criteria

Rating Criteria for Infrastructure and Project Finance (May 2019)

Rating Criteria for Partial-Credit Guarantee Backed Debt

- deviation in actual operational PLF performance by more than 10% from P90 estimate for two consecutive years;
- plant availability below warranted machine availability of 95% for two consecutive years;
- financial covenant based minimum DSCR lower than 1.20x annually;
- increased counterparty-related risks and continuing delay in receivable collections beyond average delay of four months;
- reduction in additional liquidity maintained in the project, excluding all stipulated reserves and DSRA, from a minimum of INR400 million in any financial year across the debt tenor;
- any material deviations from the envisaged structured payment mechanism strongly impacting the available liquidity support or debt service coverage ratio;
- a breach of any contractual sponsor support undertakings;

## Project Profile and Analysis

### Overview

ReNew Wind Energy (Jath) Limited (RWEJL) is a wholly owned subsidiary of Renew Power Limited (RPL, erstwhile Renew Power Ventures Private Limited). RWEJL was formed in May 2012 to build and operate a 84.65 plant MW in Jath, Maharashtra. The project cost was INR6,105.7 million funded through a debt of INR4,579 million and equity of INR1,526.7 million in the debt: equity ratio of 75:25.

Figure 1

### Project Summary

#### Project Summary Data

		Financial Data	Summary
Project type	Wind project	Debt terms (amount, interest rate etc)	<b>Issue size:</b> INR4,510m <b>O/s as of 31-Mar-20:</b> INR 3,660m (~18.8% amortised) <b>Original Tenor:</b> 18 years (30-Sep-15 to 31-Mar-33) <b>Remaining Tenor:</b> 13 years (as of 31-Mar-20) <b>Payment Frequency:</b> Bi-annual <b>Interest:</b> 9.75% pa <b>Step up interest:</b> As per Clause 4.4 of Schedule III of Debenture Trust Deed, 0.10% per annum (p.a.) for first notch of rating downgrade below IND AA+(SO) 0.25% p.a. upwards for every notch downgrade in the credit rating below IND AA(SO) 2% p.a. upwards increase from 31-Oct-26 onwards unless waived off by majority bondholders
Project location	Jath, Maharashtra	Rating Downgrade Event	As per Clause 6A of Debenture Trust Deed, if rating of NCDs is downgraded 3 or more notches below AA+(SO) and if not reinstated to atleast AA-(SO) within 60 days from such downgrade, the debenture trustee, with the consent of majority NCD holders, shall exercise the option to redeem the NCDs outstanding in full.
Status	Operational since August 2013	Amortisation profile	Amortisation – 36 semi-annual payments with a put/call option at the end of twelve years from the date of allotment i.e. 31-Oct-26
Completion guarantor	N.A	Guarantors	Unconditional and irrevocable guarantee from IIFCL to an extent of maximum of (i) INR600m or; (ii) 26% of the outstanding principal till Sep-17 and 28% of outstanding NCD principal thereafter. Guarantee amount shall be 50% of outstanding NCD principal after Sep-27
Revenue basis	Actual	Reserves	DSRA: INR340 million, equivalent to 2 quarters of debt service obligations, in the form of a an irrevocable and unconditional bank guarantee placed with IndusInd Bank Limited ( <a href="#">IND AA+/ Stable</a> )
Concession maturity	Not Applicable	Key Financial Covenants	DSCR: 1.2x DSCR calculation on revenues realised basis. D/E ratio not exceeding 3.15:1
Concession granting authority	Not Applicable		
Applicable regulation	The Electricity Act, 2003 and CERC notifications and orders		
Off-taker(s)	Maharashtra State Electricity Distribution Company Ltd (MSEDCL)		
Contractor	Gamesa Wind Turbines Private Limited		
Operator	Gamesa Wind Turbines Private Limited		
Debenture Trustee	Vistra ITCL (India) Limited (erstwhile IL&FS Trust Company Limited)		
Equity sponsors	Renew Power Limited		

Source: RWEJL

### Sponsors

Established in the year 2011 by Sumant Sinha, Renew Power Private Limited (RPPL; erstwhile Renew Power Limited) has majority shareholding held by marquee investors from across the globe such as Goldman Sachs, Abu Dhabi Investment Authority, Canada Pension Plan Investment Board and JERA (a joint venture between two of Japan's largest utilities



companies, Tokyo Electric Power Co., Inc. and Chubu Electric Power Co.).

RPPL specialises in renewable power generation business (wind and solar power), mainly through its wholly-owned/ majority-owned SPVs. The company has expanded its capacity significantly in the recent years and had a total operational capacity of around 5.43 GW (60% - Wind, 40% - Solar) as of February 2020, all of which has PPA tie-up ranging between 10 years to 25 years. The proportion of wind capacity in RPPL's overall portfolio has increased subsequent to acquisition of Ostro Energy Group's wind and solar assets (Actis backed renewable energy platform) in March 2018. Additionally, the company has around 2.6 GW of power projects under construction as of end-February 2020. Post commissioning of these renewable assets under implementation, RPPL will have a total operational capacity of approximately 8 GW (51% - Wind, 49% - Solar).

RPPL's projects are well diversified with strong presence in 7 states (Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Andhra Pradesh, Telangana and Karnataka). Moreover, the company has tie-up with a diversified list of power procurers (including multiple state discoms) while any power purchase off-taker does not have more than 15% share in the total operational capacity of RPPL as on February 2020. After completion of the entire 2.6 GW in pipeline, the counterparty mix is expected to change moderately with the concentration of state distribution companies (DISCOMS) likely to reduce, considering that most of the under construction assets of RPPL have Solar Energy Corporation of India Ltd. (SECI) has the power purchaser.

Mr. Sumant Sinha, founder & CEO of RPPL is well-qualified and has more than two decades of experience in leadership roles across various organizations. The Goldman Sachs group, through its investment arm, GS Wyvern Holdings Limited (GSH), has been making significant equity investment in RPPL since FY12 and is the single largest shareholder, holding 48.62% as of 30-Sep-19. The other major shareholders of RPPL include Canada Pension Plan Investment Board (CPPIB), Abu Dhabi Investment Authority (ADIA, through its arm Green Rock B 2014 Ltd) and JERA Power holding 16.22%, 15.92% and 9.06% of the total shareholding respectively as of 30-Sep-19.

## Technology Risk

The technology used by RPL is as per industry standards, and technology risk is also mitigated by the presence of a reputed wind turbine manufacturer, Gamesa Wind Turbines Private Limited, who is also the O&M contractor for 10 years post commissioning. Hence, technology-related risks are minimal.

The project achieved commercial operations in August 2013. Gamesa Wind Turbines Private Limited (Gamesa) supplied wind turbine generators (WTG) for the project which includes thirty 2MW G97 WTGs and twenty nine 0.85 MW G58 WTGs.

## Operation Risk

The Sponsor is a reasonably experienced player in the renewable industry, with operational assets of about 5.3GW. Nevertheless, the project is managed by Gamesa, a well-established supplier and operator of the wind turbines in the country.

## Operator

The WTGs have been supplied and is operated for 10 years by Gamesa. Gamesa will undertake preventive and major maintenance if any required. Under the terms of the contract, first two years' O&M charges are free and RWEJL will pay INR2.25 annually for every G97 WTG and INR0.8 million annually for every G58 WTG from the third year. The escalation rate will be 5% and 7% for the third to fifth year and sixth to tenth year, respectively. The total operating expenses were INR1.45 million per MW, INR1.61 million per MW and INR1.61 per MW in FY17, FY18 and FY19, respectively. Additionally, the total operating expenses for FY20

is estimated to be INR1.39 per MW on an annualised basis, based on financials for 1HFY20.

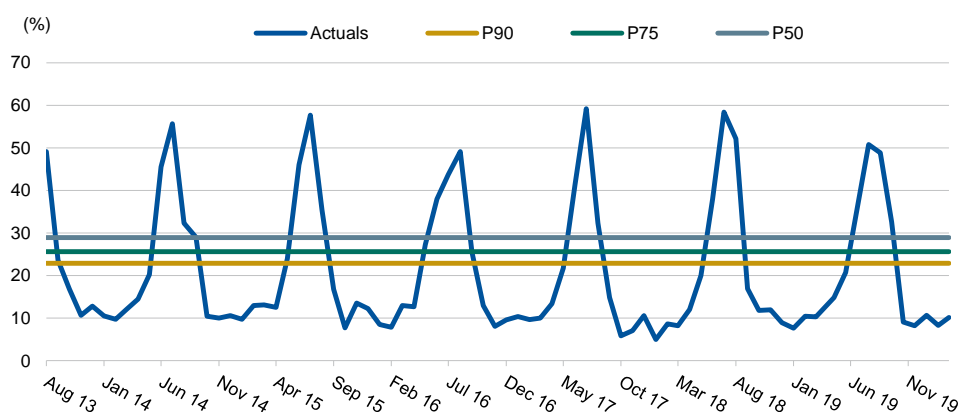
Ind-Ra believes that the contract terms would offer sufficient comfort, and the established track record of Gamesa addresses the operation risk to an extent. Ind-Ra understands that there are adequate substitute operators if a replacement operator is required. The contract guarantees adequate machine availability for the projects at 95%. The actual average machine availability of RPPL observed historically during the 4 years period FY16-11MFY20 was 98.4%.

## Historical Operational Performance

Ind-Ra believes the cost of operating the wind plant is predictable. The O&M cost forecasts are based on the executed O&M agreements and insurance contracts. The Ind-Ra's base case projections assume costs as indicated in the contracts.

Figure 2

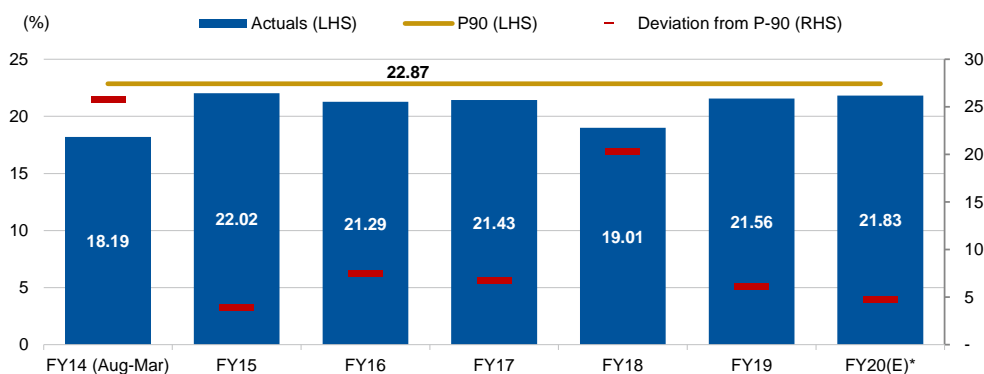
### PLF Peak Performance Seen During 3 Months Monsoon Season (June-August)



Source: RWEJL, Ind-Ra

Figure 3

### Marginal Deviation of Annual Operational Performance from P-90 Barring FY18

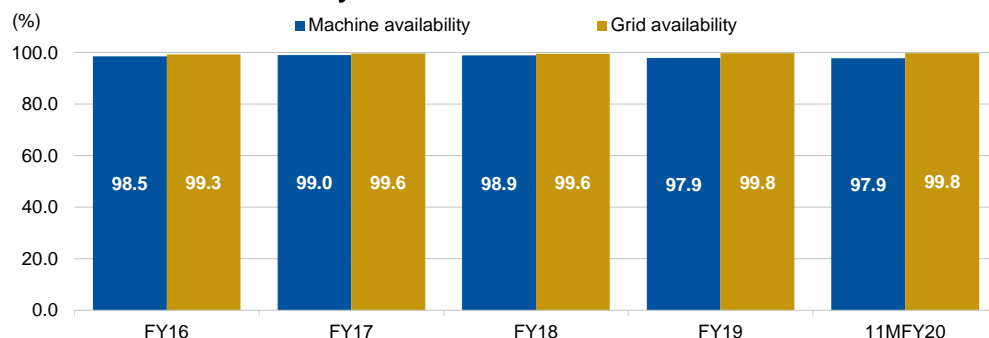


Source: RWEJL, Ind-Ra; \*FY20 PLF is based on actual performance for 11 months ended Feb 2020



Figure 4

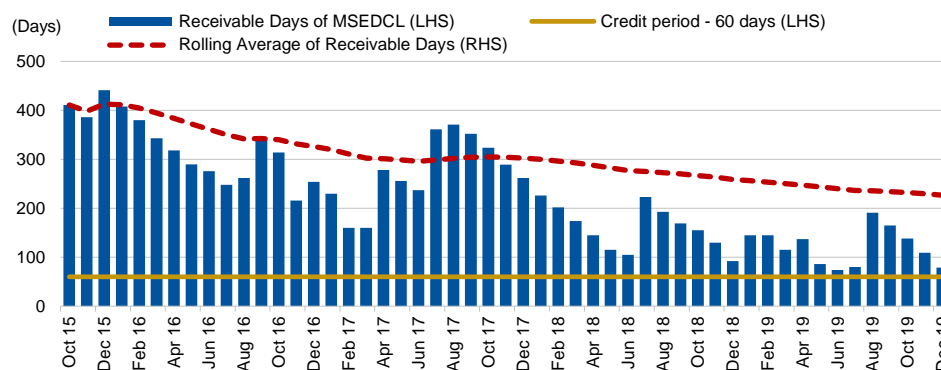
## Machine & Grid Availability



Source: RWEJL, Ind-Ra

Figure 5

## Historical Trend Shows Moderate Improvement in Recent Bill Payments



Source: RWEJL, Ind-Ra

## Supply Risk

The project rating draws strength from the wind resource and the consistent performance of the WTG, which indicates adequate availability of wind in the region. Ind-Ra takes comfort from the actual PLF levels, machine and grid availability demonstrated historically.

Post the start of commercial operations, though the plant encountered stabilisation issues until May 2014, historical PLF levels during FY15-11MFY20 were largely close to P90 levels, barring FY18 whose PLF was impacted due to a low wind season. However, throughout the same period, during wind seasons (June- August), PLFs were over 50%. Moreover, the project's PLF is expected to slightly improve to 21.8% for FY20 (FY19: 21.6%), based on 11 months' operational history till February 2020, due to the project's exposure to a relatively better wind season in FY20 vis-à-vis that in FY19.

The wind resource study indicates lesser PLF variations between P90 and P50 levels, suggesting the lesser possibility of variation between these levels.

## Tail Risk

The economic life of wind turbine is 25 years post commissioning which is 7 years longer than the debt instrument tenor of 18 years. There are no major handover requirements being a Build, Own, Operate (BOO) project the tail risk is minimal.

## Revenue Risk

### Contracted Long Term Agreement

The project has tied up its entire capacity with Maharashtra State Electricity Distribution Company Limited (MSEDCL) for a levelized tariff of INR5.67/ kWh over the term of 13 years post project commissioning and shall expire on 7 August 2026. The contract also provides for renewal of agreement before the expiration of the term.

The energy bill will be invoiced within 15 days after the end of calendar month. After invoicing, the payment will be made within 60 days from the receipt of the invoice. In the event of delay beyond the due date, a surcharge of 1.25% per month will be levied by RWEJL. However, the management confirmed that till end-FY20, all surcharges have been waived off by RWEJL in relation to delayed payments of MSEDCL.

Receivable days peaked to above 400 days (at end October 2015) before falling to just below 122 days on an average for the twelve months period ended December 2019 (January-December). Although the project's historical payment record has been significantly volatile, Ind-Ra expects an improvement in RWEJL's receivable days in the near-to-medium term as demonstrated by its performance in 9MFY20. The company has been maintaining adequate liquidity in the project to mitigate any shortfall in the debt servicing due to unanticipated delays of MSEDCL. Nevertheless, the overall liquidity of the project would be a key monitorable for Ind-Ra.

In the event of continuance of non-payment by MSEDCL, RWEJL shall have the option to terminate the PPA contract.

### Generation Based Incentive (GBI)

As per the Ministry of New and Renewable Energy (MNRE) guidelines dated 04 September 2013 on GBI for grid interactive wind power projects, RWEJL is eligible for a GBI for INR0.50 per unit with a cap of INR10 million per MW for the electricity generated. The Company has received average annual GBI of INR74.5 million during the past 4 year period viz. FY16- FY19 and INR61.1 million during 1HFY20. The remaining payment of GBI revenues outstanding is expected to be fully completed by FY24.

### Price Risk

There exists minimal price risk, as the agreement has delineated the levelized tariff for the wind zone.

## Termination Risk

PPA delineates that, in the event of a default by parties and continuance of any such event of default even after 30 days of the cure period, the project will be terminated.

## Industry Risk

Ind-Ra has revised the rating outlook to Negative from Stable for the wind power sector for FY21, due to the weakening counterparty profiles, underperformance in FY20 and weak profiles of O&M contractors. Projects rated in the 'A' category have strong or diversified counterparties and liquidity buffers to tide over the moderately stressed level of generation and delays in payment from offtakers. Projects rated in the 'BBB' category have lower liquidity buffers, minimal geographical or counterparty diversification and weak debt structures.

**Geographical Diversity Gives Limited Upside:** Pooling of wind projects at various locations fails to offer much comfort because the generation dips or picks up synchronously, unlike solar where diversity gives adequate comfort. This perhaps elevates the downside risk. During the FY19, 55.1% (FY18: 29.3%) projects rated by Ind-Ra surpassed the P90 value. Ind-Ra rated projects have a buffer for 10%-12% underperformance from the base case, to address this risk

of volatility in generation.

**Emerging Fears of O&M Risk:** The weak finances of turbine suppliers (Suzlon Energy Limited, Inox Wind Limited and Regen Powertech Private Limited) have played out on the machine availability of few projects. In the event of a protracted financial recovery of these players or delays in tying with third-party O&M contractor, the project's performance will be dented. The average machine availability of the majority of the projects was above 90% in 9MFY20. Ind-Ra favourably considers sponsors with a large portfolio and internal capability for carrying out O&M.

The agency will continue to monitor the impact on cash flows, if any, due to the non-performance of existing O&M contractor and a transition to any new contractor.

**Adequate Liquidity:** Across Ind-Ra rated operational wind projects, 'A' category projects have a higher DSR of 4.6 months than just 2.6 months for 'BBB' category rated projects. 40% of rated entities used working capital or availed sponsor support to tide over the acute delays in revenue receipts during 2018 and 2019.

## Potential Disrupting Factor

- Discoms of Andhra Pradesh, Rajasthan, Karnataka (specifically Gulbarga and Hubli) and Tamil Nadu have delayed payments and high receivable days continue.
- Discoms depending on additional debt for making payments is not sustainable; Any adverse liquidity event for these discoms will be negative. Shifting to third-party O&M players for a large quantum of capacity in a short tenor is untenable and some capacities might have low machine availability.

## Annexure 1: Historical Financial Information

Figure 6

### Renew Wind Energy (Jath) Limited

Particulars (INR million)	1H FY20 <sup>a</sup>	FY19	FY18
Income from sale of solar power → (A)	696.3	875.7	774.3
Generation based incentives → (B)	61.1	76.2	67.4
Other income → (C)	38.8	64.8	48.0
<b>Total Income → (D = A+B+C)</b>	<b>796.2</b>	<b>1,016.7</b>	<b>889.7</b>
Operating expenditure	75.3	136.3	136.7
<b>EBITDA</b>	<b>720.9</b>	<b>880.4</b>	<b>753.0</b>
<b>EBITDA margin (%)</b>	<b>90.5</b>	<b>86.6</b>	<b>84.6</b>
Finance cost	213.8	440.9	468.0
<b>Debt</b>			
Secured long-term borrowings → (E)	3,759.3	3,885.9	4,098.5
Unsecured loan from promoters → (F)	-	-	-
<b>Total → (G = E+F)</b>	<b>3,759.3</b>	<b>3,885.9</b>	<b>4,098.5</b>
<b>Networth</b>			
Equity share capital → (H)	153.0	153.0	153.0
Other equity → (I)	1,586.6	1,321.8	1,216.3
<b>Total → (J = H+I)</b>	<b>1,739.6</b>	<b>1,474.8</b>	<b>1,369.3</b>
Net fixed assets	3,767.5	3,916.1	4,213.4
Trade and other receivables	454.8	248.0	487.7
Current investments → (K)	-	-	347.3
Cash and cash equivalents → (L)	773.1	705.3	184.6
<b>Total liquidity → (M) = (K+L)</b>	<b>773.1</b>	<b>705.3</b>	<b>531.9</b>
<b>Net working capital</b>			
Current assets → (N)	1,898.0	1,541.1	1,451.0
Current liabilities (excl. current maturity of term debt) → (O)	146.7	117.0	289.2
<b>Net working capital → (P) = (N-O)</b>	<b>1,751.3</b>	<b>1,424.1</b>	<b>1,161.8</b>
<b>Coverage ratios (x)</b>			
Total secured debt/annualised EBITDA	3.57	4.41	5.44
Net secured debt/annualised EBITDA	2.84	3.61	4.74
Interest service cover	2.93	1.91	1.90
<b>Liquidity ratios</b>			
Liquidity as a % of total secured debt outstanding	20.6	18.2	13.0

<sup>a</sup> Unaudited financials  
Source: RWEJL, Ind-Ra

## Annexure 2

Figure 7

### Amortisation Profile

Fiscal year	Principal (INR million)
FY16	100
FY17	100
FY18	160
FY19	220
FY20	270
FY21	290
FY22	345
FY23	370
FY24	350
FY25	360
FY26	355
FY27	270
FY28	250
FY29	240
FY30	240
FY31	220
FY32	200
FY33	170
<b>Total</b>	<b>4,510.00</b>

Source: RWEJL, Ind-Ra

## Annexure 3: Group Company Ratings of Ind-Ra Portfolio

Figure 8

### Group Company Ratings

Name of the company	Brief company details	Ratings
ReNew Wind Energy (Karnataka) Private Limited (RWEKPL) / Sponsor's Other Project SPV	RWEKPL is a group captive unit, and is 70% held by ReNew Power Ventures Private Limited. RWEKPL was established in May 2012 to build and operate a 50.4MW capacity in Tadas, Karnataka. The project cost of INR3,081.6m was funded through a debt of INR2,311m and equity of INR770.4m.	Withdrawn dated 5-Jul-17 (Assigned IND BBB+/ Stable)
Renew Akshay Urja Limited (RAUL) / Sponsor's Other Project SPV	<p>The Telangana government awarded RAUL an aggregate capacity of 124MW under a tariff-based competitive bidding, as part of the 500MW bidding for solar power projects. RAUL has set up the capacity across two locations in Telangana: 100MW in Mahbubnagar and 24MW in Medak. RAUL is promoted by ReNew Solar Power Private Limited, a wholly owned subsidiary of ReNew Power Limited.</p> <p>ReNew Power Limited holds 56% in RAUL, followed by the Hanwha group, which holds 44% through its solar power business entity Hanwha Q Cells Corporation Limited and is the module supplier.</p> <p>The total project cost was INR9,694.3 million and debt-equity ratio was 3.63:1.</p> <p>The project commenced commercial operations in three phases: 60MW in Mahbubnagar on 12 April 2016, 40MW in Mahbubnagar on 30 June 2016 and 24MW in Medak on 5 June 2016.</p>	<p>NCDs (standalone) – IND A-/ RWN, dated 01-Jul-19</p> <p>NCDs (partial credit guarantee) – IND AA+(CE)/ RWN, dated 16-Sep-19</p>
ReNew Solar Energy (Telangana) Private Limited (RSETPL) / Sponsor's Other Project SPV	<p>RSETPL is developing a 143MW solar photovoltaic project in Dichipally, Nizamabad, Telangana. The project cost of INR10,476 million was funded in a debt-equity ratio of 75:25. The project was commissioned on 12 July 2017 compared to the target commissioning date of 3 June 2017.</p> <p>RSETPL is a joint venture of Renew Solar Power Private Limited (51%) and Haeron Power Singapore Private Limited (49%). Renew Solar Power is a fully owned subsidiary of Renew Power Limited (erstwhile Renew Power Ventures Private Limited).</p>	Withdrawn dated 22-Nov-19 (Previous Rating: IND A-/ Stable)
Ostro Mahawind Power Private Limited (OMPPL) / Sponsor's Other Project SPV	<p>OMPPL was set up to implement a 60MW wind power project at Sattigeri village in Saundatti District, Karnataka, comprising of 30 wind energy converters (a hub height of 106m and rotor diameter of 114m) having a capacity of 2MW each.</p> <p>OMPPL is a wholly owned subsidiary of Ostro Energy Private Limited which is entirely held by Renew Power Services Private Limited. Renew Power Limited wholly owns Renew Power Service</p>	IND BBB/ RWN, dated 12-Nov-19
Ostro Renewables Private Limited (ORPL) / Sponsor's Other Project SPV	<p>ORPL was set up to implement a 25.6MW wind power project at Dangri village in Jaisalmer District, Rajasthan comprising of 32 wind energy converters a hub height of 75m and rotor diameter of 52.9m) having a capacity of 800kW each.</p> <p>ORPL is a wholly owned subsidiary of Ostro Energy Private Limited which is entirely held by Renew Power Services Private Limited. Renew Power Limited wholly owns Renew Power Services.</p>	IND BBB/ RWN, dated 14-Nov-19

Source: Ind-Ra

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