August 06, 2026

JSW Renew Energy Thirty Two Limited: [ICRA]A (Stable); assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term fund based – Term loan	717.36	[ICRA]A (Stable); assigned	RBI
Total	**717.36**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The assigned rating for JSW Renew Energy Thirty Two Limited (JSWRE32L) factors in its strong parentage as a step-down subsidiary of JSW Energy Limited (JSWEL; rated [ICRA]AA (Stable)/[ICRA]A1+), which is the ultimate holding company (holdco) of the energy business of the JSW Group. JSWEL's credit profile is supported by its large scale of operations and a diversified business profile across thermal, hydro and renewable power generation, power transmission and power trading. The Group has a diversified power portfolio of about 32.4 GW, with an operational capacity of around 14.5 GW, under-construction capacity of about 14 GW and the remaining around 4.0 GW in the pipeline as on June 30, 2026. The operational 14.5-GW capacity includes around 5.7 GW of thermal capacity, approximately 1.8 GW of hydropower capacity, and almost 7.1 GW of renewable energy (RE) capacity. JSWRE32L's credit profile is expected to benefit from the financial, operational and managerial support from its strong parent.

The rating also factors in the long-term (25 years) power purchase agreement (PPA) with DCM Shriram Limited (DCM Shriram; rated [ICRA]AA+ (Stable)/[ICRA]A1+) under a group captive structure, at a fixed tariff for JSWRE32L's renewable power project of 136-MW contracted capacity. The company's project includes 68-MW solar, 68-MW wind and 3.4-MW/6.8-MWh battery energy storage system (BESS) components. The PPA also provides a fixed tariff on per MW per month basis for the BESS component. The long-term PPA provides revenue visibility and mitigates offtake and pricing risks. The rating draws comfort from a strong counterparty like DCM Shriram and the payment security mechanism, with a provision for a letter of credit equal to an average one-month billing under the PPA. These factors mitigate the counterparty credit risk.

The project is being implemented at an estimated cost of Rs. 900-910 crore. The company has tied up project debt of about Rs. 717.36 crore at a competitive interest rate with an elongated repayment tenure of around 25 years, including a 12-month moratorium period. ICRA notes that the competitive cost of debt, long repayment profile and tariff competitiveness under the long-term PPA are expected to support healthy debt coverage metrics over the project life. Moreover, the availability of a one-quarter debt service reserve account (DSRA) to be created within 12 months of commissioning would support the company's liquidity profile.

However, the rating is constrained by the company's exposure to execution risks as the project is under construction. As per the PPA, the Scheduled Commercial Operation Date (SCOD) for the project was December 2025. However, project commissioning has been delayed primarily due to right-of-way (RoW) challenges and delays in obtaining certain approvals, with the revised COD now expected in October 2026. Nevertheless, execution progress has been significant, with 52 MW of solar capacity along with contracted BESS capacity and 44 MW of wind capacity completed as of June 30, 2026. Accordingly, the project is likely to be commissioned by the revised COD.

The rating is also constrained by the stabilisation risks associated with the project, given its configuration incorporating BESS. The project entails integration and optimisation of multiple generation sources (solar/wind) along with storage capacity, increasing operational complexity compared to conventional renewable projects. After commissioning, the company's cash flows and debt protection metrics would remain sensitive to its generation/operational performance, given the single-part tariff under the PPA. This constraint would be amplified by the geographic concentration of the asset. Any adverse variation in weather conditions and equipment performance can impact generation levels and, consequently, cash flows. The demonstration of a generation performance in line with or above the appraised PLF levels remains a key credit monitorable.

The company is also exposed to interest rate risks, given the leveraged capital structure emanating from the debt-funded nature of the project and floating interest rate, subject to regular resets. Further, the company's operations remain exposed to regulatory risks associated with forecasting and scheduling requirements for renewable energy (RE) projects, as well as changes in regulations governing open access power procurement by commercial and industrial (C&I) consumers, which could impact project cash flows.

The Stable outlook assigned to the long-term rating factors in expectations of a timely progress in the completion of the project, given the strong track record of the Group in executing RE projects, along with support from the parent to meet funding requirements, as and when needed.

Key rating drivers and their description

Credit strengths

Experienced and strong sponsor with track record of implementing RE projects – JSWRE32L is a step-down subsidiary of JSWEL, a leading company in the power sector with operations across thermal, hydro and renewable power generation, power transmission and power trading businesses. The RE segment remains JSWEL's focus of growth and JSW Neo Energy Limited {JSWNEL; rated [ICRA]AA-(Stable)/[ICRA]A1+} is the holding company for JSWEL's RE business. ICRA draws comfort from JSWEL's established track record in executing large power projects and its demonstrated commitment to providing timely financial and operational support to its project SPVs. JSWEL's financial flexibility remains strong, reflected in consolidated cash and cash equivalents of approximately Rs. 12,880 crore as on June 30, 2026. The same is further supported by the company's successful fund raise of Rs. 8,275 crore during January-June 2026 through a mix of preferential allotment, qualified institutional placement and stake sale in a group entity. Further, JSWEL is expected to receive an additional Rs. 1,875 crore over the next 12 months.

Revenue visibility from long-term PPA at fixed tariff – The company has entered a long-term PPA with DCM Shriram for a tenure of 25 years at a fixed tariff. The PPA also provides a fixed tariff on per MW per month basis for the BESS component. The long tenure of the PPA provides revenue visibility and limits demand and tariff risk.

Low counterparty risk due to strong offtaker – The counterparty risk is mitigated by the strong off taker—DCM Shriram—as the counterparty. The long-term PPA covering the entire project capacity provides revenue visibility, while it has been signed at competitive tariff, which is at a significant discount to the grid tariff, thereby mitigating the offtake risk.

Healthy debt coverage metrics – The project's financial risk profile is supported by expectations of healthy debt coverage metrics, post-commissioning, aided by a reasonable PPA tariff, a long debt repayment period and competitive interest rates. Despite this, the capital structure will remain leveraged in the near term owing to the debt-funded nature of the project.

Credit challenges

Project exposed to execution risks – The company remains exposed to project execution risks as it is in under construction. As per the PPA, the SCOD for the project was December 2025. However, project commissioning has been delayed primarily due to RoW challenges and delays in obtaining certain approvals, with the revised COD now expected in October 2026. Nevertheless, execution progress has been significant, with 52 MW of solar capacity and 44 MW of wind capacity completed as of June 30, 2026. Accordingly, the project is expected to be commissioned by the revised COD.

Sensitivity of debt metrics to operational performance and interest rate fluctuations – The project capacity is concentrated at a single location in Rajasthan, which exposes it to site-specific risks, including variability in solar irradiance and wind density. Given the single-part tariff in the PPA, any adverse variation in generation impacts the company's cash flows and debt servicing metrics. Additionally, the project remains exposed to interest rate risk, given the variable interest rate structure under the financing arrangement. Any upward movement in interest rates would adversely impact the debt servicing metrics.

Exposure to regulatory risks – The rating remains constrained by regulatory risks associated with deviation settlement and forecasting regulations, as well as the evolving regulatory framework for open access power procurement by C&I consumers. Any significant generation deviations or adverse regulatory changes could impact project cash flows.

Liquidity position: Adequate

The liquidity of the company is likely to remain adequate, given the expected timely infusion of equity support from the promoters/ Group captive customer as well as a tie-up of 100% debt for funding the project cost. The debt is anticipated to be drawn up over the coming months, based on the project's progress. Further, the project debt also benefits from an adequate moratorium period, which is estimated to support cash flow stabilisation and provide cushion for debt servicing during the initial phase of operations. Also, a DSRA of one quarter will be created within 12 months of commissioning of the project.

Rating sensitivities

Positive factors – A timely commissioning of the project without any cost overruns along with stabilisation of plant performance leading to satisfactory operating performance in line with appraised level, could result in a rating upgrade. The rating also remains sensitive to the credit profile of its ultimate parent, JSWEL.

Negative factors – The rating could be downgraded in case of further delays in commissioning the project, resulting in time or cost overruns impacting the company's debt coverage metrics. Also, the rating may be affected if the operating performance is lower than the appraised levels, post-commissioning, or if there are delays in payments from the offtaker impacting its liquidity position. Further, any weakening of linkages with the parent or a deterioration of the credit profile of the parent will be a negative factor as well.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power – Solar and Wind
Parent/Group support	ICRA expects JSWRE32L's parent, JSWEL to be willing to extend financial support to JSWRE32L, should there be a need, given the strategic importance that JSWRE32L has for JSWEL, and out of its need to protect its reputation from distress in a Group entity. Such support is expected to be routed through the immediate holding company, JSWNEL.
Consolidation/Standalone	The rating is based on the standalone financial profile of the company.

About the company

JSW Renew Energy Thirty Two Limited was incorporated in August 2024 as a special purpose vehicle (SPV) of JSW Neo Energy Limited, the renewable energy platform of the JSW Group. The company is developing a 136 MW hybrid renewable energy project in Rajasthan, comprising 68 MW of wind capacity and 68 MW of solar capacity (97.24 MWp DC) along with 3.4 MW/ 6.8 MWh BESS capacity. The project has entered a long-term PPA with DCM Shriram for a tenure of 25 years under the group captive framework at a fixed tariff. The PPA also provides a fixed tariff on per MW per month basis for the BESS component.

Key financial indicators (audited): Not applicable as the project is under construction.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current (FY2027)		Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Aug 06, 2026	Date	Rating	Date	Rating	Date	Rating
Fund Based – Term Loan	Long-Term	717.36	[ICRA]A (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-Term – Fund Based – Term Loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulator#
NA	Long-Term – Fund Based – Term Loan	FY2025	-	FY2047	717.36	[ICRA]A (Stable)	RBI

Source: Company

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Girishkumar Kashiram Kadam
+91 22 6114 3406
girishkumar@icraindia.com

Ankit Jain
+91 124 4545 865
ankit.jain@icraindia.com

Rachit Mehta
+91 22 6169 3328
rachit.mehta2@icraindia.com

Arnav Gandhi
+91 22 6169 3359
arnav.gandhi@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

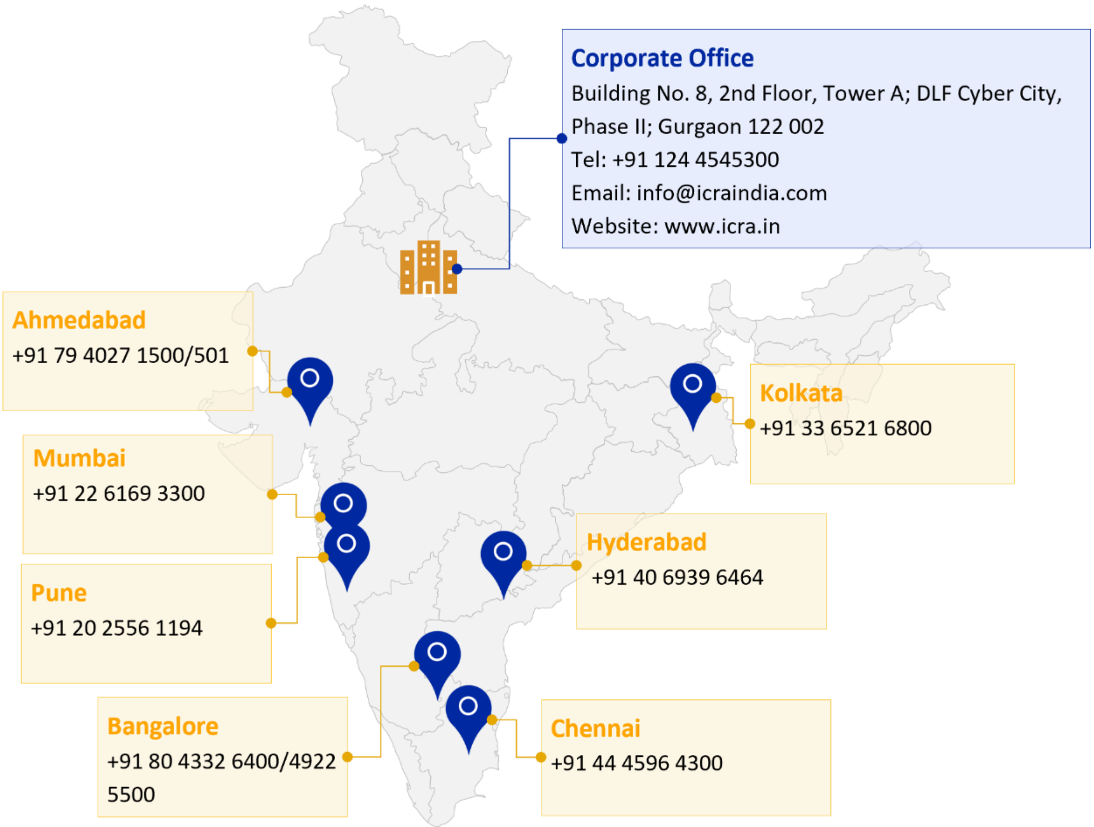
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.