May 04, 2026

JSW Green Energy Eight Limited: [ICRA]A (Stable); assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term fund based – Term loan	530.00	[ICRA]A (Stable); assigned
Long term non-fund based – Bank guarantee	60.00	[ICRA]A (Stable); assigned
Total	**590.00**	

**Instrument details are provided in Annexure II*

Rationale

The assigned rating for JSW Green Energy Eight Limited (JSWGEEL) factors in its strong parentage, being 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 Group. JSWEL's credit profile is supported by its large scale of operations and a diversified business profile with presence across thermal, hydro and renewable power generation, power transmission and power trading. The Group has a diversified power portfolio of ~32.06 GW, with an operational capacity of 13.34 GW, under-construction capacity of 14.06 GW and the remaining ~4.66 GW in the pipeline as on December 31, 2025. The operational 13.34-GW capacity includes 5.66 GW of thermal capacity and 7.68 GW of renewable energy (RE) capacity. JSWGEEL's credit profile is expected to benefit from the financial, operational and managerial support from its strong ultimate parent.

The rating also factors in the presence of a long-term (25 years) power purchase agreement (PPA) with a strong counterparty - Indus Towers Limited (ITL; rated [ICRA]AAA (Stable)/A1+) – at a competitive tariff for JSWGEEL's 130-MWAc solar power project. The PPA provides long-term revenue visibility and mitigates the offtake and pricing risks.

ICRA also notes that JSWGEEL has secured project debt at a competitive rate with an elongated repayment tenure, which along with the tariff competitiveness of the long-term PPA is expected to result in healthy debt coverage metrics for the company. The cumulative debt service coverage ratio (DSCR) on the external debt is estimated at around 1.25-1.30x over the debt tenure. Moreover, the availability of a one-quarter of debt service reserve account (DSRA) to be created within 12 months of the project's commissioning would support the company's liquidity profile.

However, the rating is constrained by the exposure to execution risks as JSWGEEL's project is under construction. As per the PPA, the scheduled commercial operation date (SCOD) is defined as 14 months from the execution of the shareholder subscription agreement in May 2025, translating to an SCOD of around July 2026. However, owing to minor delays in the receipt of certain connectivity-related approvals, the company is in discussion with the counterparty, Indus Towers Limited, for an extension of the SCOD to December 31, 2026. Further, no cost overrun is expected, as an adequate buffer had already been factored into the initial project cost. Additionally, the lender has agreed to the revised timeline and the bank's sanction letter reflects December 31, 2026 as the SCOD. The project is being implemented at a total estimated cost of Rs. 662.61 crore through a debt-equity mix of 80:20. The company has secured a project debt of Rs. 530.09 crore at a competitive rate with a long door-to-door tenure of 20 years, including a moratorium period of nine months.

The rating is also constrained by stabilisation risk associated with the project. Post commissioning, the company's cash flows and debt protection metrics would remain sensitive to its generation 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 module performance can impact the generation levels and consequently the cash flow. The demonstration of a generation performance in line or above the appraised P-90 PLF levels remains a key credit monitorable for JSWGEEL.

The company is also exposed to interest rate risks, given the leveraged capital structure emanating from the debt funded nature of the project and a floating interest rate, subject to regular resets. Further, the company's operations remain exposed to regulatory risks associated with forecasting and scheduling regulations for solar projects.

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

Key rating drivers and their description

Credit strengths

Experienced and strong sponsor with demonstrated track record in implementing renewable energy projects – JSWGEEL is a step-down subsidiary of JSWEL, a leading company in the power sector with presence 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. As on December 31, 2025, JSWEL had an operating generation capacity of 13.34 GW [thermal (42.4%), hydro (12.4%) and renewable energy (45.3%)] and an under-construction capacity of ~14.06 GW. ICRA draws comfort from JSWEL/JSWNEL's strong operational and financial linkages with JSWGEEL and a demonstrated track record of the Group in developing and operating renewable energy power projects. As a result, JSWGEEL enjoys strong financial flexibility from being part of an experienced and resourceful promoter group.

Revenue visibility from long-term PPA at a fixed tariff – The company has entered into a long-term PPA of 25 years with Indus Towers Limited at a competitive tariff. The PPA also has a lock-in period of 15 years, which provides long-term revenue visibility. Additionally, the debt tenure of COD plus ~19 years (including a nine-month moratorium) is well aligned with the project's cash flows, supporting financial stability.

Low counterparty risk due to presence of a strong offtaker – The presence of a strong counterparty like Indus Towers Limited, rated [ICRA]AAA (Stable)/A1+, which is a market leader in the telecom tower industry, provides comfort. Given the healthy credit risk profile of the offtaker, the counterparty risk remains low. Also, the PPA has been signed for the entire capacity at a competitive tariff, which is at a discount to the grid tariff, thereby mitigating the offtake risk.

Satisfactory debt coverage metrics – The company's debt coverage metrics are expected to remain satisfactory, with an estimated cumulative DSCR of around 1.25-1.30x over the debt tenure. Notwithstanding 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 solar power plant under JSWGEEL is exposed to project execution risk as it has not yet commenced operations. As of December 2025, the company had incurred around ~15% of the total project cost, indicating an early stage of execution. Notwithstanding this, land acquisition (leased land) for the project has been largely completed, with over 95% of the land acquired. Further, the right of way (RoW) risks for the project are limited owing to the relatively short transmission line required for power evacuation from the project to the substation. Moreover, the entire equity infusion has been committed by the sponsor, and the debt tie-up for the project has been completed, reducing the execution risk to an extent.

Sensitivity of debt metrics to energy generation levels and interest rate fluctuations – The debt metrics of the project remain sensitive to the PLF level, given the one-part tariff structure under the PPA. Hence, any adverse variation in weather conditions/solar irradiance and/or module performance may impact the PLF and, consequently, the cash flows. The geographic concentration of the asset in Karnataka amplifies the generation risk. 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 company is exposed to regulatory risks, as the framework prescribed by the state electricity regulatory commission stipulates penalty for deviations between forecasted and actual generation beyond a certain threshold for solar power projects. Accordingly, variability in generation – given the inherent susceptibility of solar projects to weather conditions – could result in penalties which may adversely impact the company's cash flows and debt metrics.

Liquidity position: Adequate

The liquidity of the company is expected to remain adequate, supported by the timely infusion of equity by the promoters/group captive customer as well as the tie-up of 100% debt for funding the project cost. Majority of the debt is expected to be drawn over the coming months based on the project's progress. Further, the company has adequate timeline buffer as the principal repayment will start from December 2027, whereas the project is expected to achieve commissioning by December 2026. Also, a debt service reserve account (DSRA) of one quarter will be created within 12 months of the commissioning of the project.

Rating sensitivities

Positive factors – ICRA could upgrade JSWGEEL's rating if the project is commissioned without any major time or cost overruns. Post commissioning, demonstration of a generation performance in line with or above the P-90 estimate on a sustained basis, leading to healthy debt coverage metrics, and maintenance of adequate liquidity would be a trigger for 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 delays in commissioning the project, resulting in time or cost overruns and impacting the company's debt coverage metrics. Also, the rating may be affected if the generation performance is lower than the estimated 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.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	ICRA expects JSWGEEL's ultimate parent, JSWEL, to be willing to extend financial support to JSWGEEL, should there be a need, given the strategic importance that JSWGEEL has for JSWEL and its intent 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 Green Energy Eight Limited (JSWGEEL), incorporated on October 18, 2024, is a special purpose vehicle (SPV) of the JSW Group. The company is developing a 130 MWAc/185.9 MWDc solar power project in Ganagapura village, Afzalpur taluka, Kalaburagi (Gulbarga) district, Karnataka. JSWGEEL has entered into a power purchase agreement (PPA) with Indus Towers Limited (the procurer) on December 12, 2024, for a tenor of 25 years from the commercial operation date (COD) under the group captive structure, at a competitive tariff.

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

Instruments	Current (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	May 04, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based – Term loan	Long term	530.00	[ICRA]A (Stable)	-	-	-	-	-	-
Non-fund based – Bank guarantee	Long term	60.00	[ICRA]A (Stable)	-	-	-	-	-	

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

($) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI

4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: 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.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term fund based – Term loan	Simple
Long term non-fund based – Bank guarantee	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Long-term fund based – Term loan**	FY2026	-	FY2046	530.00	[ICRA]A (Stable)
NA	**Long-term non-fund based – Bank guarantee**	NA	NA	NA	60.00	[ICRA]A (Stable)

Source: Company

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

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

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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.

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