

May 25, 2026

MB Green Energy Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	11.85	7.49	[ICRA]BB+ (CE) (Stable); reaffirmed
Total	11.85	7.49	

Rating without explicit credit enhancement

[ICRA]BB-

*Instrument details are provided in Annexure II

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement.

Rationale

For the [ICRA]BB+(CE) (Stable) rating

The rating action is based on the strength of the corporate guarantee provided by Maheswari Mining and Energy Pvt. Ltd. (MMEPL; rated at [ICRA]BB+/Stable), the parent of MB Green Energy Private Limited (MBGEPL), for the rated borrowing programme. The Stable outlook on this rating reflects ICRA's outlook on the long-term rating of the guarantor, MMEPL.

The unsupported rating of MBGEPL factors in the limited demand and tariff risks for its 8.21-megawatt (MW) solar power capacity supported by the long-term power purchase agreements (PPAs) with various Government institutions under the rooftop scheme of the Solar Energy Corporation of India (SECI). The unsupported rating also considers the reputed and diversified mix of customers, comprising various Government institutions such as the All India Institute of Medical Sciences (AIIMS), the Indian Council of Agricultural Research (ICAR) and the Central Reserve Policy Force (CRPF), across different regions. In addition, its customer payment track record has remained largely timely. Further, the unsupported rating factors in the competitive tariff rates, which vary from Rs. 1.89 per unit to Rs. 3.33 per unit and remain at a substantial discount to the grid tariff rates offered by the respective state distribution utilities (discoms).

However, the unsupported rating is constrained by the lower P-90 estimated generation levels and lumpy debt service obligations, which is expected to lead to the company's debt service coverage ratio (DSCR) being in the range of 0.6-0.7 times between FY2027 and FY2028. ICRA notes that there has been a delay in the stabilisation of assets under MBGEPL, with the generation performance remaining significantly lower than the P-90 plant load factor (PLF) estimate since commissioning. Further, the company had received capital subsidy in FY2024, which was used to prepay its outstanding debt, but the repayment terms have not yet been revised to reflect the reduced debt amount, which has impacted the company's liquidity profile and the debt coverage metrics. Furthermore, the vulnerability of MBGEPL's cash flows to weather conditions and module performance, considering the single-part and fixed nature of the tariff under the PPAs, and the impact of the interest rate movement on the company's debt coverage metrics because of the fixed tariffs, also constrain the unsupported rating.

Adequacy of credit enhancement

For assigning the rating, ICRA has assessed the attributes of the guarantee issued by MMEPL in favour of MBGEPL's rated facility. While the guarantee is legally enforceable, irrevocable, continuing, covers the entire amount and tenure of the rated instrument, it does not have a well-defined payment mechanism. Taking cognisance of the above, ICRA has assigned a rating of [ICRA]BB+ (CE) to the said facility against the unsupported rating of [ICRA]BB- [and in relation to the guarantor's rating of [ICRA]BB+. In case the rating of the guarantor or the unsupported rating of MBGEPL was to undergo a change in future, the same would have a bearing on the rating of the aforesaid facility as well. The rating of this facility may also undergo a change in a scenario whereby in ICRA's assessment there is a change in the strength of the business linkages between the guarantor and the rated entity; or there is a change in the reputation sensitivity of the guarantor to a default by the rated entity; or there is a change in the strategic importance of the rated entity for the guarantor.

Salient covenants of the rated facility

- The company should not make investments in associates/ subsidiaries without the prior approval of the bank
- The company should not extend any corporate guarantee on behalf of its associates/subsidiaries without prior approval of the bank
- Any reduction in the project cost shall reduce the loan amount proportionately

For the [ICRA]BB+ (Stable) rating of MMEPL, the Parent

The rating of MMEPL reflects the revenue visibility from the long-term PPAs for its 63.21 MW operational capacity, supported by the strong performance of its 25 MW Telangana solar plants and the improved payment discipline of Telangana State Southern Power Distribution Company Limited (TGSPDCL) which has reduced its payment cycle to around two months in FY2026. However, the subdued generation in Assam (10 MW), Uttar Pradesh (20 MW), and the distributed rooftop projects (8.21 MW), along with the non-revision of repayment terms following the use of TGSPDCL dues for loan prepayment, has stretched the liquidity and increased the risk of cash flow mismatches. While the high tariff of Rs. 6.45 per unit raises grid curtailment risks for the Telangana projects, the competitive tariffs in Assam and Uttar Pradesh provide some cushion. The company remains exposed to solar generation variability, interest rate fluctuations, and regulatory uncertainties, though promoter support through equity and unsecured loans help tide over risks associated with cash flow timing mismatches. The Stable outlook on the rating reflects ICRA's opinion that the company would benefit from the long-term PPAs, demonstrating the healthy generation performance of the Telangana solar assets, and the improved payment discipline of the state discom, which is expected to keep its credit metrics at a satisfactory level commensurate with the current rating category.

Key rating drivers and their description

Credit strengths

Unconditional, irrevocable, and continuing corporate guarantee from MMEPL – The parent, MMEPL, has supported MBGEPL by extending a corporate guarantee that is unconditional, continuing and irrevocable. This indicates a strong intent to support MBGEPL by the parent. The promoters have experience of more than five years in the solar power business and are also involved in coal and commodities trading. The Group has 63.21 MW of operational solar power capacity across India.

Low demand risk – MBGEPL had been awarded 9 MW (reduced to 8.21 MW) of solar rooftop projects by SECI; these rooftop panels are set up on various Government buildings across multiple states. The company has signed PPAs for the entire capacity for 25 years at a fixed tariff with various Government institutions. The PPAs also include a provision for termination payments, which mitigates downside risks associated with premature PPA termination.

Competitive tariff rates offered by the company – The weighted average tariff rate for MBGEPL's portfolio is Rs. 2.48 per unit (varying at Rs. 1.899–3.33 per unit). The tariffs are highly competitive and remain at a substantial discount to the grid tariff rates offered by the respective state discoms.

Reputed and diversified customer profile – The PPAs with reputed customers mitigate the counterparty risk to an extent. While the payment track record has varied across sites since commissioning, the company’s diversified clientele has resulted in timely payments.

Credit challenges

Cash flow mismatch because of lumpy debt schedule repayments – The company had received a capital subsidy of Rs. 16.78 crore in FY2024 from SECI against the earlier expected subsidy of Rs. 19.43 crore due to a revision in the incentive structure notified and certain deductions for delays in commissioning. Of this subsidy, Rs. 10.66 crore was used to prepay its outstanding debt. However, the repayment terms for the residual debt have not yet been revised to reflect the reduced debt amount, resulting in a stretched liquidity.

Debt metrics for solar projects remain sensitive to PLF levels – The company’s cash flows remain linked to the generation achieved by its solar power projects, given the single-part tariff under the PPA. The generation would remain sensitive to weather conditions, equipment quality and operational & maintenance (O&M) practices. While comfort can be drawn from the diversification in the asset base, the generation performance since commissioning remains below the P-90 PLF estimate.

Exposed to interest rate risk – The project remains exposed to interest rate risk, given the single-part, fixed nature of the tariff, high leverage level, and floating interest rates. An increase in interest rates can exert pressure on the debt coverage metrics.

Credit profile of support provider constrained by subdued generation performance, weak tariff competitiveness of Telangana projects, stretched liquidity position, and high counterparty credit risks – The credit profile of MMEPL remains constrained by subdued generation performance across its assets in Assam, Uttar Pradesh, and the rooftop solar projects, with the PLFs being well below P-90 estimates. The liquidity is remains stretched due to the lumpy scheduled debt service obligations as the proceeds of TSSPDCL’s dues for loan prepayment, increasing the risk of cash flow timing mismatches. The high tariff of Rs. 6.45 per unit against the average power purchase cost (APPC) of the utility for the Telangana projects raises grid curtailment risks; though the competitive tariffs in Assam and Uttar Pradesh offer some cushion. However, the adequate debt coverage ratios and promoter support through equity and unsecured loans provide some financial resilience.

Liquidity position:

For the guarantor, MMEPL: Stretched

The liquidity position is likely to remain stretched given the lump scheduled debt repayments and the subdued generation performance of the solar projects at Assam. At a consolidated level, the low unencumbered cash balances in the company’s books stood at Rs. 0.58 crore, in the absence of any fund-based working capital facilities. Further, the company has debt service reserve account (DSRA) of Rs. 14.99 crore, as on March 31, 2026. Against these, the company has repayment obligations of Rs. 18.4 crore in FY2027, at a consolidated level.

For MBGEPL: Stretched

The liquidity position is stretched owing to lumpy debt service obligations and subpar generation levels. The available unencumbered cash balances in its books stood at Rs. 0.1 crore along with DSRA of Rs. 2.58 crore, as on March 31, 2026. Against these, the company has repayment obligations of Rs. 2.0 crore in FY2027.

Rating sensitivities

Positive factors – The rating remains sensitive to any improvement in the credit profile of the guarantor, MMEPL.

Negative factors – The rating remains sensitive to any deterioration in the credit profile of the guarantor, MMEPL. Continued under-performance in generation against the appraised level or delays in receiving payments from the customers, adversely impacting the liquidity profile, would be the other factors that could exert pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	Parent: Maheswari Mining & Energy Pvt. Ltd. The rating assigned to MBGEPL factors in the low likelihood of its parent extending financial support to it because of the close business linkages between them and the corporate guarantee extended by the parent to MBGEPL.
Consolidation/Standalone	The rating is based on the standalone financial profile of MBGEPL.

About the company

MB Green Energy Private Limited is a 100% subsidiary of Maheswari Mining & Energy Pvt. Ltd. and has set up 8.21-MW solar rooftop projects awarded by SECI under the Renewable Energy Service Company (RESCO) model. The tariffs are fixed based on the project zones, starting from Rs. 1.899 per unit to Rs. 3.33 per unit valid for a period of 25 years from CoD. Further, the projects were eligible for subsidy from SECI, based on the project zone and target achievement. The assets in Zone-2 were commissioned in August 2021, Zone-3 assets between July 2021 and September 2021, and Zone-4 assets in August 2021 with the full DC capacity installed gradually in FY2023.

Key financial indicators (audited)

MBGEPL (Standalone)	FY2025	FY2026*
Operating income	2.1	2.1
PAT	(0.9)	(1.1)
OPBDIT/OI	69.4%	67.8%
PAT/OI	-41.8%	-51.8%
Total outside liabilities/Tangible net worth (times)	1.8	2.1
Total debt/OPBDIT (times)	14.2	14.8
Interest coverage (times)	0.8	0.7

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore
PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	May 25, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Long term – Fund based - Term loan	Long-term	7.49	[ICRA]BB+ (CE)(Stable)	-	-	Feb 28, 2025	[ICRA]BB+ (CE) (Stable)	Nov 21, 2023	[ICRA]BB+ (CE) (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 the regulatory purview of various Financial Sector Regulators (FSRs), 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 the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual 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 FSRs other than SEBI.

Complexity level of the rated instrument

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 II: Instrument details

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Long-term – Fund-based – Term loan	Jun 2021	-	FY2030	7.49	[ICRA]BB+ (CE) (Stable)

Source: Company

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

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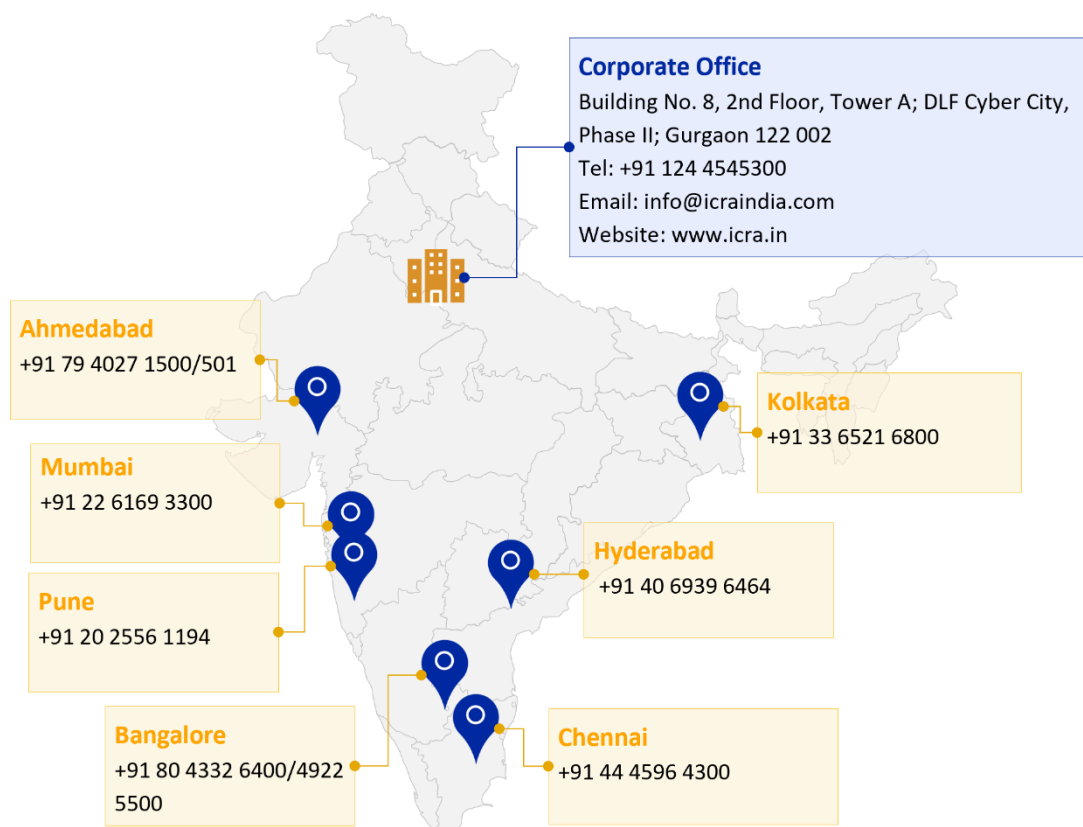
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