April 03, 2025

Juniper Green Gamma One Private Limited: Rating upgraded to [ICRA]A (Stable)

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Term loan	315.75	315.75	[ICRA]A (Stable); upgraded from [ICRA]A- (Stable)
Total	**315.75**	**315.75**	

Instrument details are provided in Annexure I

Rationale

The rating upgrade for Juniper Green Gamma One Private Limited (JGGOPL) factors in a modest track record of close to 12 months of its 75 MW(AC)/105 MW (DC) project in the Nanded district of Maharashtra since its timely commissioning in March 2024 and the demonstration of a perceptible improvement in the generation levels above the P-90 level since January 2025. ICRA notes that while the teething issues faced during the initial stabilisation period, an extended monsoon in 2024 and a phase-wise implementation of robotic cleaning for operations and maintenance (O&M) kept the generation performance lower than the P-90 levels during March to December of 2024, these temporary factors have been addressed/improved and the monthly plant load factor (PLF) has inched up above the P-90 levels to 20.3-20.5% since January 2025. ICRA expects the generation performance of the project to improve sequentially FY2026 onwards.

It is also to be noted that the project has been implemented at a reduced project cost of Rs. 400.1 crore (earlier estimated cost of Rs. 421 crore), which has resulted in lower debt drawal by ~Rs. 16 crore. Further, the interest rate on the term debt has been reduced by 30 basis points, post the commissioning of the project. These factors have supported the project's debt coverage metrics despite the lower P-90 generation performance in the current fiscal. However, demonstration of a sustained generation performance in line or above the appraised P-90 PLF levels remains a key credit monitorable.

The rating continues to factor in its strong parent – Juniper Green Energy Private Limited {JGEPL; rated [ICRA]A+ (Stable)/[ICRA]A1} - which has an established track record in the renewable energy sector along with JGGOPL's experienced management team. The availability of long-term PPAs at competitive tariffs, the satisfactory generation performance of the assets under JGEPL and the availability of long-term project finance at competitive interest rates have resulted in a strong credit profile for the promoter company. JGEPL has an operational renewable portfolio of 854 MW and is developing an additional capacity of 1,830 MW across Gujarat, Rajasthan and Maharashtra.

The rating also factors in the limited demand and tariff risks for JGGOPL because of its 25-year long-term power purchase agreement (PPA) for its 75-MW (AC) solar power capacity with Maharashtra State Electricity Distribution Company Limited (MSEDCL) at a fixed tariff of Rs. 2.90 per unit, providing visibility on revenues. The tariff rate offered by the company is at a significant discount to the state grid tariff rates, thus resulting in savings for the customers.

The company has secured project debt at a competitive cost with structured repayments in 76 quarters, which has led to adequate debt coverage metrics over the tenure of the debt. The company's cash flows and debt protection metrics 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 equipment performance can impact the generation levels and consequently the cash flow. Also, the lender can exercise the option to call back the loan at the end of 10 years which will expose the company to refinancing risk.

Also, the rating remains constrained by the counterparty credit risk arising from the exposure to a single buyer, namely MSEDCL. The financial profile of MSEDCL is constrained by its low profitability, high receivable position and modest debt coverage metrics. However, ICRA notes the track record of timely payments by MSEDCL wherein the payments have been received within an average of 40-50 days over the past few months for this project. MSEDCL has also provided letter of credit (LC) equivalent to one month's average billing as payment security, in line with PPA terms of the project. Apart from this, for the other operational projects of the Group, the state utilities have displayed payment discipline after the implementation of the Late Payment Scheme, 2022. Further, the company is also exposed to interest rate risks, given the leveraged capital structure and a floating interest rate, subject to regular resets.

The Stable outlook on the rating reflects ICRA's opinion that JGGOPL will continue to benefit from the presence of a long-term PPA with MSEDCL, a track record of timely collections and efficient plant operations, which are expected to keep its DSCR and liquidity position at comfortable levels, going forward.

Key rating drivers and their description

Credit strengths

Presence of long-term PPA - JGGOPL has signed a long-term PPA with MSEDCL for the entire project capacity of 75 MW at a fixed tariff of Rs. 2.90 per unit for a tenure of 25 years, thus limiting the demand and tariff risks. The tariff remains competitive for the offtaker, namely MSEDCL, in comparison to its average power procurement cost.

Healthy debt coverage metrics of project - The company's debt coverage metrics are expected to remain healthy with an improvement in generation and the cumulative DSCR over the debt tenure being estimated at 1.3 times, supported by the long-term PPA at a reasonable tariff, the long tenure of the project debt and highly competitive interest rates. Also, the timely payments from MSEDCL and the creation of a peak two-quarter debt service reserve are expected to support the liquidity profile.

Experienced management team along with need-based access to financial support from parent, Juniper Group - JGGOPL is a subsidiary of JGEPL, which is promoted by ATH. The sponsor has a track record of developing and operating renewable power projects in India. ATH had earlier promoted the renewable energy portfolio of close to 1 GW under the Orange Group. This platform was subsequently sold to the Greenko Group in FY2019. ATH has assets under management of around $2.5 billion. At present, JGEPL has an operating renewable portfolio capacity of 854 MW and assets under construction capacity of 1,830 MW. Apart from this there are some projects which are in the pipeline stage where PPAs are yet to be signed.

Credit challenges

Exposure to variability in generation due to climatic conditions - In its first 11 months, the plant exhibited a PLF below P90 owing to initial stabilisation issues commonly faced by such projects, along with an extended monsoon in 2024 and the gradual implementation of robotic cleaning for O&M. Hence, it is imperative for the project to demonstrate a performance above the P-90 level, going forward, for maintaining healthy debt coverage metrics. The company's earnings also remain exposed to the generation level because of the single-part structure under the PPA. Hence, any adverse variation in weather conditions, operations and maintenance practices of the plant, and/or module performance may impact the PLF and consequently the cash flows. The geographic concentration of the asset amplifies the generation risk. A demonstration of performance above P90 remains a key monitorable.

Counterparty credit risk towing to exposure to MSEDCL - The company remains exposed to counterparty credit risks due to its exposure to a single buyer, namely MSEDCL. The financial profile of MSEDCL is constrained by its low profitability, high receivable position and modest debt coverage metrics. However, the payments by MSEDCL have been timely in the last 11 months since commissioning. MSEDCL has also provided LC equivalent to one month's average billing as payment security, in line with PPA terms of the project. ICRA also notes that the track record of timely payments by MSEDCL for the other operational projects of JGEPL has been timely, showcasing the payment discipline by the state utilities after the implementation of the Late Payment Scheme, 2022.

Interest rate risk - The company's leveraged capital structure and fixed tariff under the PPA exposes its debt coverage metrics to interest rate movement. Further, as per the terms of the term loan facility, there is a call option available to the lender post the completion of the 10th year from the date of first repayment, exposing the company to refinancing risk. Nonetheless, the availability of an adequate tail period in the PPA is expected to mitigate this risk.

Liquidity position: Adequate

JGGOPL's liquidity position is expected to be adequate with sufficient buffer between the cash flow from operations and debt service obligations. The debt repayment is scheduled to commence in June 2025, giving the project adequate time to stabilise before the repayment starts. The company is expected to generate cash flow from operations of Rs. 12-13 crore in FY2026 against a debt repayment of Rs. 10.20 crore. Further, the company has a provision for a peak-two quarter DSRA. The company has already created the two quarter of DSRA in the form of a bank guarantee.

Rating sensitivities

Positive factors – ICRA could upgrade JGGOPL's rating if its generation performance is above the P-90 estimate on a sustained basis and the payments from the offtaker are timely, leading to an improvement in the debt coverage metrics. Also, the rating would remain sensitive to the credit profile of its parent, JGEPL.

Negative factors – Pressure on JGGOPL's rating could arise if the generation performance is below the P-90 estimate, which will weaken the cumulative DSCR on the project debt to less than 1.20 times. Also, delays in the realisation of payments from the offtaker adversely impacting JGGOPL's liquidity profile would be a negative trigger. Further, the rating would remain sensitive to the credit profile of its parent, JGEPL.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Power - Solar
Parent/Group support	Parent Company: Juniper Green Energy Private Limited. The rating assigned to JGGOPL factors in the implicit support available from JGEPL, if required
Consolidation/Standalone	Standalone

About the company

Juniper Green Gamma One Private Limited (JGGOPL) is a wholly-owned subsidiary of Juniper Green Energy Private Limited (JGEPL). JGGOPL has set up a 75 MW(AC)/105 MW (DC) project in the Nanded district of Maharashtra which was commissioned on March 14, 2024. The company has signed a PPA for 25 years with the state utility - MSEDCL - for the entire capacity at a fixed tariff of Rs. 2.90 per unit.

Key financial indicators (audited)

JGGOPL- Standalone	FY2023	FY2024
Operating income	-	1.4
PAT	-0.0	-1.1
OPBDIT/OI	-	70.5%
PAT/OI	-	-77.4%
Total outside liabilities/Tangible net worth (times)	-14.5	10.0
Total debt/OPBDIT (times)	-4.8	381.1

Interest coverage (times)	-	0.2

Source: Company, ICRA Research; 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

Current (FY2026)				Chronology of rating history for the past 3 years					
Instrument	Type	Amount rated (Rs. crore)	Apr 03, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	315.75	[ICRA]A (Stable)	-	-	Mar 31, 2024	[ICRA]A- (Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term -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
NA	**Term loans**	September 2023	NA	FY2044	315.75	[ICRA]A (Stable)

Source: Company

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

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

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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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