May 29, 2025

Juniper Green Bess Zeta Private Limited: [ICRA]BBB (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term – Non-fund based - Bank guarantee	11.30	[ICRA]BBB (Stable); assigned
Total	11.30	

**Instrument details are provided in Annexure I*

Rationale

The assigned rating for Juniper Green Bess Zeta Private Limited (JGBZPL) factors in its strong parentage, being a subsidiary of Juniper Green Energy Private Limited (JGEPL; rated [ICRA]A+ (Stable)/ [ICRA]A1+), which is the Indian holding company (holdco) of the renewable energy business of the Group. The sponsors of JGEPL i.e., AT Holdings Pte. Ltd. (ATH) and Vitol Energy, have committed an equity of $450 million towards JGEPL. The Group has a diversified renewable power portfolio of ~3,370 MW, with an operational capacity of 854 MWac (25%) and the remaining 2,516 MWac (75%) is under construction, with another over 2 GW in the pipeline. JGBZPL's credit profile is expected to benefit from the financial, operational and managerial support of its strong parentage. ICRA also notes that the rated bank guarantee (BG) facility is backed by corporate guarantee from the Singapore holdco of the Group i.e. Juniper Renewable Holdings Pte Ltd.

The rating also factors in the presence of a long-term (25 years) power purchase agreement (PPA) with SJVN Limited at a fixed tariff of Rs. 4.25 per unit for the contracted capacity of 200 MW firm and a dispatchable renewable energy (FDRE) project under JGBZPL. The PPA provides long-term revenue visibility and mitigates offtake and pricing risks. ICRA also takes note of the strong credit profile of the counterparty which is expected to result in timely receipt of payments for the company.

However, the rating is constrained by the exposure to execution risks, given that the project under JGBZPL is in early stages of development. The PPA was signed recently in March 2025 and the project is scheduled to commission in March 2027. Also, the project configuration with respect to the mix of solar, wind and battery capacities is currently under finalisation. Nonetheless, the strong track record of the Group in developing renewable power projects, coupled with the available land bank at the Group level, mitigates this risk to a certain extent. The timely completion of land acquisition, construction work and evacuation infrastructure within the budgeted cost and time would remain an important credit monitorable.

There are additional risks in an FDRE project as any adverse deviation in meeting the minimum annual generation and availability during peak periods may attract a penalty equal to 1.5 times the PPA tariff. Hence, appropriate project sizing in terms of solar, wind and battery capacity to meet the PPA conditions remains important. Also, the project would be exposed to the merchant market for a portion of its generation, given the capacity oversizing. Further, the performance of the battery storage systems over a longer period in terms of cycle losses, efficiency and performance under varying weather conditions remains to be seen, given the lack of track record of battery storage projects in India. In order to mitigate these risks, the Group plans to enter into long-term service agreements with the suppliers, wherein all performance issues related to the battery will be covered by the battery supplier and any liability arising in the PPA on account of battery performance will be passed on to the supplier.

The project is being implemented at a total project cost of ~Rs. 2,840 crore through a mix of debt and equity. While financial closure for the project is currently under process, comfort is taken from the available liquidity and undrawn equity line at the parent level for funding the equity portion of this project. Also, the parent's track record in raising long-term debt at a competitive cost gives comfort over funding concerns.

The rating is also constrained by the vulnerability of the company's cash flows and debt protection metrics to its generation performance, post commissioning. Any adverse variation in weather conditions and equipment performance may impact the PLF levels and consequently affect its cash flows as the PPA tariff is single part in nature. Post commissioning, demonstration of sustained generation performance in line or above the appraised P-90 estimate and meeting of the PPA conditions remains a key monitorable. Given the expected debt equity mix of 80:20 for the project, JGBZPL is expected to have a leveraged capital structure, and the debt coverage metrics would remain exposed to adverse interest rate movements. The ratings also factor in the risks pertaining to the scheduling and forecasting framework for renewable energy projects.

The Stable outlook assigned to the long-term rating factors in expectations of a timely progress in the construction of the project, given the strong track record of the Group in executing renewable energy projects, along with the support available from the parent for meeting the funding requirements.

Key rating drivers and their description

Credit strengths

Experienced management team and past track record in renewable projects – JGBZPL 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 a 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, the Group has a renewable power portfolio of 3,370 MWac, with an operational capacity of 854 MWac (25%) and the remaining 2,516 MWac (75%) is under construction while more than 2 GW is in the pipeline. The Group has demonstrated a track record of executing renewable energy projects in a timely manner. Further, for the BG limit availed by JGBZPL, support is provided in the form corporate guarantee from Juniper Renewable Holdings Pte. Ltd.

Revenue visibility from long-term PPA at a competitive tariff – JGBZPL has signed a PPA with SJVN for 25 years for a 200-MW FDRE project. The tariff for the contracted capacity is fixed at Rs. 4.25 per unit for the entire PPA tenor. The long-term PPA provides revenue visibility and mitigates the offtake risks for JGBZPL.

Strong credit profile of customer – The presence of a strong counterparty like SJVN and a payment security mechanism in the PPA with a provision for letter of credit equal to an average one month billing provide rating comfort. Moreover, the presence of compensation in case of grid curtailment or backdown and a termination payment clause in the PPA ensuring fair compensation to JGBZPL offer comfort. Further, the competitive tariff offered by the project is a positive.

Project expected to achieve adequate debt coverage metrics post commissioning – The company's leverage level is expected to remain high as the project is expected to be funded through debt and equity in the ratio of 80:20. However, the debt coverage metrics are likely to remain adequate after commissioning, given the presence of a long-term PPA and expectations of availing financing at competitive rates.

Credit challenges

Project execution and funding risks – The company remains exposed to project execution risks as the project is in early stages of development. The company has secured connectivity approval for the project and about 35% of land acquisition for the solar capacity has been completed. The land acquisition for the wind capacity is under process. The project's scheduled commissioning is in March 2027. Going forward, a timely progress in completing the land acquisition, construction work and evacuation infrastructure within the budgeted costs would remain a key monitorable. While the project is yet to achieve financial closure, comfort is drawn from the available liquidity and undrawn equity at the parent level and the track record of securing debt financing in the past.

Sensitivity of debt metrics to energy generation – As the tariff is one part in nature for the project, the company may book lower revenues if the generation declines due to variation in weather conditions or any issues arising from equipment performance. This, in turn, would affect the company's cash flows and its debt servicing ability. Therefore, the company's ability to ensure a satisfactory operational performance in line with the appraised PLF level after the commissioning of the project remains an important credit monitorable.

There are additional risks in an FDRE project, such as deviation in meeting the minimum annual generation and availability which may attract penalty. Hence, appropriate project sizing in terms of solar, wind and battery capacity to meet the PPA conditions remains important. The project would also be exposed to the merchant market for a portion of its generation, given the capacity oversizing. The performance of battery storage systems over a longer period in terms of cycle losses remains to be seen. The management's plans to enter into long-term service agreements with the suppliers to cover all performance issues related to the battery and liability arising in the PPA on account of battery performance could mitigate this risk to a certain extent.

Interest rate and regulatory risks – The project is expected to be funded in a debt-to-equity ratio of 80:20, resulting in a leveraged capital structure. The profitability and debt coverage metrics remain exposed to the variation in interest rates because of the single-part nature of the tariff in the PPA and floating interest rates. The company's operations would also remain exposed to regulatory risks pertaining to the scheduling and forecasting requirements of solar and wind power projects due to the variable nature of generation for these projects.

Liquidity position: Adequate

The liquidity of the company is expected to remain adequate, given the expectations of timely equity support from the sponsor as well as the ability to tie up debt based on the project's progress. Further, the parent is expected to support the project in case of any time and cost overrun.

Rating sensitivities

Positive factors – ICRA could upgrade JGBZPL's rating if it achieves significant progress in building the project without any major time or cost overruns. Post commissioning, the demonstration of a generation performance in line or above the P-90 estimate on a sustained basis, leading to healthy debt coverage metrics, would be a trigger for upgrade. The rating also remains sensitive to the credit profile of its parent, i.e., JGEPL.

Negative factors – The rating could be downgraded in case of delays in commissioning the project, resulting in major 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](#) [Power - Wind](#)
Parent/Group support	Parent Company: Juniper Green Energy Private Limited ICRA expects JGBZPL's parent to extend financial support to the company, if required
Consolidation/Standalone	For arriving at the rating, ICRA has considered the standalone financials

About the company

JGBZPL was incorporated in 2016. The company is being promoted by Juniper Green Energy Private Limited. The company has an under-construction FDRE project having a contracted capacity of 200 MW for which the company is currently constructing a solar component of 200 MW, wind component of 300 MW and ESS component of 60 MWh in Gujarat and Rajasthan. The company has signed a 25-year PPA with SJVN Limited at a fixed tariff of Rs. 4.25 per unit.

Key financial indicators (audited)

JGBZPL - Standalone*	FY2023	FY2024
Operating income	-	-
PAT	0.1	0.2
OPBDIT/OI	-	-
PAT/OI	-	-
Total outside liabilities/Tangible net worth (times)	0.0	0.0
Total debt/OPBDIT (times)	-	-
Interest coverage (times)	-	-1.0

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

** The key financial indicators are not meaningful 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 (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	May 29, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Bank guarantee	Long term	11.30	[ICRA]BBB (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Non-fund based - Bank guarantee	Very 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	**Bank guarantee**	NA	NA	NA	11.30	[ICRA]BBB (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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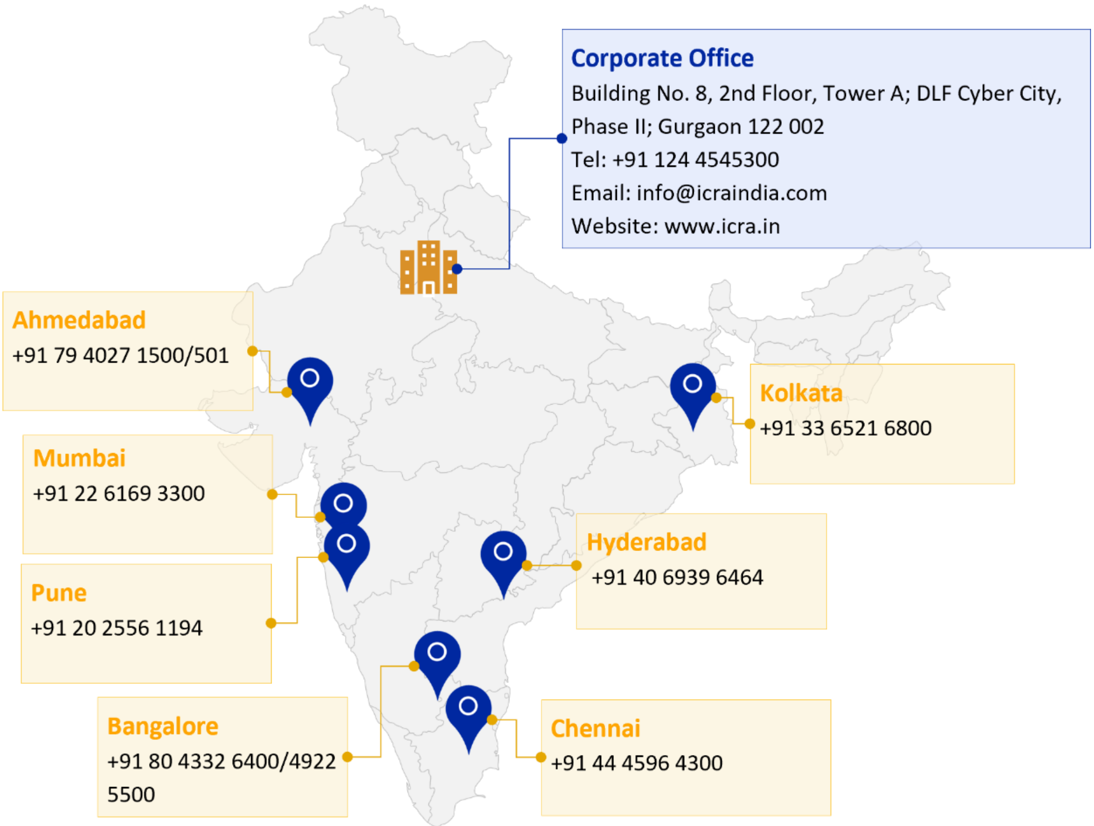

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