

July 16, 2025

Jindal Green Private Limited: [ICRA]A+ (Stable)/[ICRA]A1 assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term/Short term - Non-fund based	665.00	[ICRA]A+ (Stable)/[ICRA]A1; assigned
Total	665.00	

*Instrument details are provided in Annexure I

Rationale

The assigned ratings for Jindal Green Private Limited (JGPL) factor in the company's role as the holding arm for the renewable energy projects of the Naveen Jindal Group, including for supplying renewable power to Jindal Steel & Power Limited (JSPL) to help it meet its sustainability goals. JGPL is 100% held by Jindal Renewable Private Limited, which is ultimately held by the holding entities of the Naveen Jindal Group, which provides considerable financial flexibility. The Group has diversified interests in steel, mining, power, ports, cement etc in India and abroad. Domestically, the key entities of the Naveen Jindal Group include JSPL and Jindal Power Limited (JPL).

The ratings factor in the presence of long-term power purchase agreements (PPAs) for 2.8-GW renewable energy capacity being developed in two of its subsidiaries under the captive mode with JSPL (rated [ICRA]AA (Stable)/[ICRA]A1+) at a fixed tariff, providing revenue visibility and limiting offtake and pricing risks. JGPL's subsidiaries are Jindal Green Wind 1 Private Limited (JGW1PL; rated [ICRA]A+ (Stable)/[ICRA]A1) which is setting up a 1.4-GW wind power project, and Sunbreeze Renewables Nine Private Limited (SRNPL; rated [ICRA]A+ (Stable)/[ICRA]A1) which is setting up a 1.4-GW solar power project. While the 2,450-MW under-construction capacity is scheduled to be operational by April 2026, the remaining 350 MW of wind capacity is likely to witness delays in commissioning due to pending connectivity approvals. Accordingly, the debt drawdown for the 350-MW capacity will be deferred in line with its revised commercial operation date (CoD). The presence of a strong counterparty for its 2.8-GW portfolio is expected to result in timely receipt of payments. The tariff rate offered by JGPL's projects in the SPVs remains competitive for the customer. This apart, ICRA notes that JGPL has won a bid for a 350-MW hybrid power project under NTPC's 1.2-GW auction, in April 2025, for which the PPA is yet to be signed.

ICRA factors in the long tenure of the debt availed by the special purpose vehicles (SPVs) at competitive rates, which is likely to result in healthy debt coverage metrics for JGPL at a consolidated level, post commissioning, with an expected debt service coverage ratio of over ~1.3 times over the debt tenure. Also, the liquidity position is expected to be supported by the presence of a one-quarter debt service reserve at the SPV level and expectations of timely payments from the customer.

The ratings also positively factor in an experienced management team and the tying up of the required debt for the projects under the SPVs. Of the total project cost of Rs. 18,778 crore for the 2.8-GW capacity, around 17% has been expended as of May 2025. Of the equity requirement of Rs. 4,695 crore, the equity infused till date is Rs. 1,386 crore, and the balance is expected to be infused in a timely manner in the form of equity/convertible debt instruments through the holding entities of the Group. In addition, JPL has provided a letter of comfort for the sanctioned non-fund-based limits of JGPL and acts as a sponsor for the project SPVs, with an undertaking to bring in the required equity in case of cost overrun for the 2.8-GW projects.

The ratings are, however, constrained by the exposure to execution risks as the SPVs' (SRNPL+JGW1PL) entire project capacity of 2.8 GW is under construction. While there has been considerable progress in land acquisition, the installation of solar modules and wind turbine generators (WTG) is currently at a nascent stage. A timely completion of the balance land acquisition, module/wind turbine installation, setting up of transmission infrastructure and sourcing of the required equipment within the budgeted costs would remain important for project completion within the scheduled timeline and capital cost.

The ratings will also be constrained by the vulnerability of the company's cash flows and debt protection metrics to its generation performance. Any adverse variation in weather conditions and module/WTG performance may impact the PLF levels and consequently affect its cash flows, given that the PPA tariff is single part in nature. A sustained generation performance in line or above the appraised P-90 estimate for the entire capacity post commissioning remains a key monitorable for the company. Nonetheless, the wind projects are spread across four different locations in Tamil Nadu and Karnataka, providing some comfort in terms of better protection against localised weather patterns and grid issues.

Further, with a debt equity mix of approximately 75:25 for the projects, the entity is expected to have a leveraged capital structure, and the debt coverage metrics would remain exposed to adverse interest rate movements. Any further increase in the consolidated leverage to meet the project funding requirements will remain a key rating sensitivity for the company. The ratings further factor in the risks pertaining to the scheduling and forecasting framework for renewable energy projects and any adverse changes in regulations for group captive projects.

The Stable outlook on the rating reflects ICRA's opinion that the company will be able to commission the projects without any major time or cost overruns and its cash flows over the project life will be supported by the long-term PPAs with a strong counterparty.

Key rating drivers and their description

Credit strengths

Strong financial flexibility from being a part of the Naveen Jindal Group – JGPL enjoys strong financial flexibility from being a part of the Naveen Jindal Group. The Group has diversified interests in steel, mining, power, ports, cement etc in India and abroad. JGPL is also expected to benefit from the Group's established track record in the successful commissioning of greenfield/brownfield capacities in the steel and power segments as well as the healthy capacity utilisation levels of the plants.

High revenue visibility and low offtake risks, supported by long-term PPAs at fixed tariffs – The presence of long-term PPAs for a tenure of 25 years signed with JSPL for the entire renewable capacity of 2.8 GW under the subsidiaries of JGPL at a fixed tariff provides revenue visibility and mitigates demand and tariff risks. The PPAs include provision for take or pay clause and termination payments.

Presence of PPAs with strong counterparty likely to enable timely payments; superior tariff competitiveness – The counterparty credit risk for the company is low as 100% of the capacity is tied up with JSPL {rated [ICRA]AA (Stable)/[ICRA]A1+}, which has a strong credit profile. The presence of a strong counterparty is expected to result in a timely receipt of payments for the company. Moreover, the tariff offered by the renewable power project remains competitive from a customer perspective. Further, it would enable the customer to meet its sustainability targets.

Debt coverage metrics expected to remain healthy, post commissioning of the 2.8-GW portfolio – The company's consolidated debt coverage metrics are expected to remain healthy, with a projected cumulative DSCR of more than 1.3x on the external debt, considering the P-90 PLF estimates and commissioning of the entire 2.8-GW portfolio. This is supported by the presence of long-term PPAs at adequate tariff rates, the long maturity profile of the project debt and a competitive cost of debt.

Credit challenges

Exposure to execution and stabilisation risks with entire capacity being under-construction – The projects (under the subsidiaries of JGPL) remain exposed to project execution and stabilisation risks as the entire 2.8-GW capacity is under construction. While 2,450 MW is scheduled to be operational by April 2026, the remaining 350-MW wind capacity is likely to witness delays in commissioning due to pending connectivity approvals. Accordingly, debt drawdown for the 350-MW capacity will be deferred in line with its revised commercial operation date (CoD). While there has been considerable progress in land acquisition, the installation of solar modules and WTGs is currently at a nascent stage. Therefore, a timely completion of the

land acquisition, setting up of the transmission infrastructure and sourcing of the required equipment within the budgeted costs would remain important for the completion of the projects within the scheduled timeline and capital cost. After the commissioning of the projects, the ability to achieve timely stabilisation of the assets and ensure a satisfactory operational performance in line with the expected PLF level remains important from a credit perspective.

Exposure to PLF variation and interest rate risk – The debt metrics of solar and wind power projects remain sensitive to the PLF level, given the one-part tariff structure under the PPA. Hence, any adverse variation in weather conditions and/or module/WTG performance may impact the PLF and consequently the cash flows. Moreover, given the single-part tariff for the entire project duration and the leveraged capital structure for the projects under the SPVs, the company’s consolidated cash flows and debt metrics remain exposed to interest rate risk.

Regulatory risks – The Group’s operations are exposed to regulatory risks pertaining to the scheduling and forecasting requirements applicable for RE projects, given the intermittent nature of generation. Also, the company remains exposed to adverse changes in regulations related to captive projects.

Liquidity position: Adequate

The company’s liquidity position is expected to remain adequate, with the required debt funding for the ongoing renewable projects in subsidiaries largely in place. The equity funding is expected to be made available by the promoters in a timely manner. Herein, comfort is drawn from the established track record of the promoter in the steel and power sectors. The funding for the projects is being met through project-specific debt and equity commitments from JGPL and contribution from captive customers. While the company does not have any debt at the standalone level, the operating costs will be met through equity support from the promoters. Post commissioning of the renewable assets, the operating costs for JGPL will be met through the surplus generated by the SPVs.

Rating sensitivities

Positive factors – The ratings can be upgraded if the under-construction projects are commissioned under the SPVs without any major time and cost overruns, along with the demonstration of a generation performance in line or above the appraised PLF level, post commissioning, resulting in strong debt coverage metrics.

Negative factors – The ratings could be downgraded if there are any major time or cost overruns in developing the under-construction projects in the SPVs, thereby adversely impacting the cash flow generation and debt coverage metrics. Further, a material under-performance in generation by the renewable assets in SPVs, post commissioning or delays in receiving payments from the offtaker impacting the company’s liquidity profile could warrant a downgrade. Also, a material increase in leveraging on the books of the holding company to fund the project SPVs’ requirements may trigger a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power – Solar Power - Wind
Parent/Group support	NA
Consolidation/Standalone	The ratings are based on the consolidated financials of JGPL

About the company

JGPL is the renewable energy holding company (RE Holdco) of the Naveen Jindal Group and a subsidiary of JRPL. All RE projects, including the planned 350-MW project (where NTPC is the counterparty), will be housed under separate SPVs under JGPL. JGPL

is the holding entity for JGW1PL and SRNPL and does not have any standalone operations. JGPL's sanctioned facilities are backed by letter of comfort from Jindal Power Limited.

Key financial indicators (audited) - Not applicable as entities under JGPL are project stage companies currently

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						
			FY2025		FY2024		FY2023		
Instrument	Type	Amount rated (Rs. crore)	July 16, 2025	Date	Rating	Date	Rating	Date	Rating
Non-fund based facilities	Long term/ Short term	665.00	[ICRA]A+ (Stable)/ [ICRA]A1	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term - Non-fund based facilities	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	Long term/Short term - Non-fund based facilities	-	-	-	665.00	[ICRA]A+ (Stable)/ [ICRA]A1

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Jindal Green Wind 1 Private Limited	74%	Full consolidation
Sunbreeze Renewables Nine Private Limited	74%	Full consolidation
Jindal Green Wind 2 Private Limited	100%	Full consolidation

Source: Company

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