

July 06, 2026

Rugby Renergy 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 | 17.68 | 9.50 | [ICRA]BBB+ (Negative); reaffirmed |
| Total | 17.68 | 9.50 | |

*Instrument details are provided in Annexure II

Rationale

The reaffirmation and continuation of the Negative outlook on the long-term rating of Rugby Renergy Pvt Ltd (RRPL) reflects the tariff renewal risks associated with a part of the capacity, as PPAs for 24 MW out of the total 37 MW have residual tenures shorter than the debt tenure, exposing the company to potential cash flow mismatches. ICRA also notes the absence of sustained operational recovery, with the machine availability and generation levels yet to stabilise to historical levels. This is primarily on account of the lower machine availability of RRPL's three Gujarat-based plants, aggregating to 24 MW of the total 37 MW capacity), which were affected by cyclone-related disruptions in FY2024. Although the machine availability of the three plants has improved to 78.6% in FY2026 from 71.2% in FY2025 and 67.0% in FY2024, backed by a better performance in H1 FY2026, the subsequent deterioration in H2 FY2026 indicates that the recovery has not been durable. While the performance has improved again in the first two months of FY2027, the trend remains volatile, limiting the visibility on sustained operational stability.

The rating is also constrained by the exposure of the company's cash flows and debt protection metrics to the seasonality and variation in wind power density over the years, given the single part and fixed nature of the tariff under the PPAs. Further, RRPL remains exposed to the credit risk profile of a relatively weak state utility, Hubli Electricity Supply Company Limited. (HESCOM), which is the offtaker for ~30% of the company's installed capacity, where the payments have been stretched in certain months. RRPL also remains exposed to the performance of O&M contractors like Suzlon, Vestas and Renom. Any deterioration in maintenance standards or service quality could adversely affect the machine availability and generation levels, particularly considering the relatively weak financial profile of some of these contractors. Moreover, given the ageing of the assets, the company is exposed to the risk of decline in PLFs and increase in maintenance costs. Further, there are regulatory challenges of implementing the scheduling and forecasting framework for wind power projects in Gujarat and Karnataka because of the variable nature of wind energy generation.

The rating, however, derives comfort from PPAs covering the entire 37-MW capacity, with 25.8 MW tied up with Gujarat Urja Vikas Nigam Limited (GUVNL) and 11.2 MW with HESCOM, providing near-term revenue visibility. The strong credit profile of GUVNL, the offtaker for ~70% of the capacity, supports timely realisations and lends stability to the cash flows. The rating also benefits from the competitive tariff levels (~Rs. 3.4/unit) and the geographical diversification of assets across five locations in two states, along with the promoters' established track record in the renewable energy sector.

ICRA notes the prepayment and closure of one of the two term loans, which provides some credit comfort. ICRA also notes that proceeds from the redemption of alternate investment funds (AIF) were extended as loans and advances to a group company in FY2026 and 3MFY2027. While no liquidity credit was earlier accorded to this investment, given its close-ended nature, any further extension of funds to group entities may constrain the liquidity and remains a key monitorable.

The Negative outlook reflects ICRA's expectation that the company's credit profile is likely to remain under pressure in the medium term on account of subdued operational performance and exposure to tariff renewal risks.

Key rating drivers and their description

Credit strengths

Long track record of generation; established presence of promoters in renewable energy business – RRPL has a long track record in power generation with most plants nearing two decades of operations. The generation performance remained satisfactory prior to the cyclone in Gujarat in June 2023, which has impacted performance over the past 2–3 years. Further, RRPL is promoted by the members of the Goyal family, who have been present in the renewable energy business over the last two decades. At present, the Group is operating wind power plants with cumulative capacities of ~70 MW across multiple locations.

PPA provides near term revenue visibility – RRPL has PPAs for its entire capacity with 11.2 MW contracted with HESCOM and 25.8 MW contracted with GUVNL. The strong credit profile of GUVNL, which is the offtaker for ~70% of the capacity, lends comfort to the company's credit profile. However, the long-term PPAs for some of the Gujarat-based projects will expire between March 2027 and September 2027, which could lead to offtake and tariff uncertainties.

Asset base spread across five locations in two states and timely payments from GUVNL – RRPL has an installed capacity of 37.0 MW across five locations in two states, providing diversification benefits. It operates 11.2-MW assets in Karnataka and 25.8 MW across four locations in Gujarat. This reduces the vulnerability of generation to location-specific issues. Majority of the offtake (~70%) is by GUVNL, which has a strong credit profile and hence assures timely payments, providing stability to the cash flows and supporting the company's liquidity profile.

Credit challenges

Risk of cash flow mismatch from shorter PPA than debt tenure; Ability to secure cost reflective PPAs post expiry remains critical for debt servicing – Some of the Gujarat-based project PPAs are scheduled to expire between March 2027 and September 2027, exposing the company to the risk of cash flow mismatch, particularly as the term debt is slated for repayment by FY2028. This could result in offtake and tariff uncertainties. The renewal of the expiring PPAs and the ability to secure cost-reflective tariff terms by RRPL remain a key monitorable. An improvement in the machine availability and generation to historical levels of the Gujarat based plants that were damaged by cyclone would also be important.

Vulnerability of cash flows to variation in weather conditions and interest rate – RRPL is entirely dependent on power generation by the wind power projects for its revenues and cash accruals, given the single-part nature of the tariff. As a result, any adverse variation in wind conditions may impact the PLF and consequently, the cash flows. This risk is partly mitigated by the diversity in the asset profile.

Exposure to improper O&M practices of contractors and challenges of implementing forecasting and scheduling regulations – The company remains exposed to the regulatory challenges of implementing the scheduling and forecasting framework for the wind power projects of Gujarat and Karnataka. This is mainly because of the limited experience of domestic industry players in scheduling and forecasting and the variable nature of wind energy generation. Also, the generation performance of the underlying assets may be adversely impacted in case of improper O&M practices by the contractors as some of them have weak financial profiles.

Liquidity position: Adequate

The company's liquidity position remains adequate, supported by comfortable cash flow from operations vis-à-vis its debt servicing obligations of ~Rs.5.5 crore in FY2027. As on June 10, 2026, RRPL had free cash and bank balances of ~Rs. 2.1 crore, providing additional comfort. While the cash flows are expected to be adequate to meet the company's debt servicing requirement, they can come under pressure on account of delays in collections from the offtakers and/or lower generation

due to variable weather patterns/older machines. Further, the ability to secure cost-reflective PPAs post expiry remains critical for debt servicing.

Rating sensitivities

Positive factors – The outlook may be revised to Stable if the company’s operating performance improves, with PLFs inching towards historical levels on a sustained basis, leading to improvement in debt coverage metrics. Further, timely realisation of receivables from offtakers, supporting a comfortable liquidity position, would also support a favourable rating action.

Negative factors – A further decline in generation, or a marked increase in receivables from discoms, or a sizeable outflow of funds to Group entities would adversely impact the company’s liquidity position and debt coverage metrics and result in a downgrade. Further, any debt-funded capex or acquisition that adversely impacts the debt coverage metrics would be a negative trigger. Additionally, the inability to secure timely PPA renewals at cost reflective tariffs adversely affecting cash flow visibility could lead to a rating downgrade.

Analytical approach

| Analytical approach | Comments |
|---------------------------------|--|
| Applicable rating methodologies | Corporate Credit Rating Methodology Power - Solar and Wind |
| Parent/Group support | Not applicable |
| Consolidation/Standalone | Standalone |

About the company

RRPL, incorporated in September 2013, is a wholly-owned subsidiary of Poysha Power Projects Pvt Ltd (an entity which was earlier a wholly-owned subsidiary of Goyal MG Gases Pvt Ltd or GMGGPL). Before June 2017, GMGGPL was the parent of RRPL, and thereafter Poysha Power Projects Pvt Ltd became RRPL’s holding company. RRPL operates five wind plants with a cumulative capacity of 37.00 MW, comprising one 11.20-MW plant in Karnataka and four wind power assets of 25.80 MW in Gujarat.

Key financial indicators (audited)

| RRPL Standalone | FY2024 | FY2025 |
|--|--------|--------|
| Operating income | 15.5 | 14.0 |
| PAT | 2.5 | 2.0 |
| OPBDIT/OI | 49.6% | 46.6% |
| PAT/OI | 16.4% | 14.6% |
| Total outside liabilities/Tangible net worth (times) | 0.6 | 0.5 |
| Total debt/OPBDIT (times) | 3.0 | 2.7 |
| Interest coverage (times) | 3.1 | 3.3 |

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 rating (FY2027) | | Chronology of rating history for the past 3 years | | | | | |
|--------------------|-----------|--------------------------|-----------------------|---|-----------------------|-------------|---------------------|-------------|-------------------|
| | | FY2027 | | FY2026 | | FY2025 | | FY2024 | |
| Instrument | Type | Amount rated (Rs. crore) | July 06, 2026 | Date | Rating | Date | Rating | Date | Rating |
| Term loans | Long term | 9.50 | [ICRA]BBB+ (Negative) | May 19, 2025 | [ICRA]BBB+ (Negative) | 22-Aug-2024 | [ICRA]A- (Negative) | 30-May-2023 | [ICRA]A- (Stable) |
| Unallocated | Long term | - | | - | - | 22-Aug-2024 | [ICRA]A- (Negative) | 30-May-2023 | [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 that fall under the 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 that fall under the regulatory purview of various Financial Sector Regulators (FSR), 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 Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

| 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 | Coupon rate | Maturity | Amount rated (Rs. crore) | Current rating and outlook |
|------|-----------------|------------------|-------------|----------|--------------------------|----------------------------|
| NA | Term loan | FY2023 | NA | FY2028 | 9.50 | [ICRA]BBB+ (Negative) |

Source: Company

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

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