

October 19, 2026

Juna Renewable Energy Private Limited: [ICRA]BBB+ (Stable); Assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator [#]
Long-term – Fund-based – Term loan	1,025.00	[ICRA]BBB+(Stable); Assigned	RBI
Total	1,025.00		

*Instrument details are provided in Annexure I

[#]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.

Rationale

The assigned rating favourably factors in the strong parentage of Juna Renewable Energy Private Limited (JREPL), being part of the Acciona Group, a leading renewable energy (RE) company globally. JREPL is held through Corporacion Acciona Energias Renovables S.A. (CAER), the holding company of the Acciona Energia Group. CAER has an installed renewable energy capacity of ~14.6 GW as of June 30, 2026, across multiple countries. The rating derives strength from ICRA's expectation that the Group would extend timely financial support to JREPL, should such a need arise. This expectation is reinforced by the corporate guarantee provided by CAER, the holding company of the Acciona Energia Group, covering JREPL's external debt of Rs. 1,025 crore. However, the financing arrangements remain linked to the parent's credit profile. Any moderation in CAER's credit profile could affect JREPL's financing flexibility through higher borrowing costs and additional covenant requirements.

The rating also factors in the low off-take risk for the majority of JREPL's capacity, given the long-term power purchase agreement (PPA) executed with Manikaran Power Limited (MPL) for 234.5 MW (70% of the 335 MW AC/412.5 MWp project capacity). This agreement has a tenure until March 2040 and includes a lock-in period up to March 2035. ICRA also notes the gradual ramp-up in power generation following the commissioning of the solar power plant in June 2025.

The rating is, however, constrained by the exposure to merchant market risk for the untied ~30% of the capacity, which is currently sold on power exchanges. This exposes the company to volume and price volatility inherent in the merchant market. The rating is further tempered by the refinancing risk, as the external debt carries a three-year tenor with a bullet repayment at maturity. The accumulated cash accruals are expected to partially reduce the debt outstanding over the interim period. Nonetheless, the ability to secure timely refinancing on competitive terms remains a key credit consideration.

The rating additionally factors in the counterparty credit risk arising from the moderate credit profile of the offtaker, MPL, and the relatively low termination compensation. This limits the financial protection available to JREPL in the event of contract termination. The counterparty risk is, however, partly mitigated by the favourable billing and payment security mechanism under the PPA. This comprises a weekly billing cycle, a letter of credit of Rs. 18 crore and a late payment surcharge on delayed payments, which support timely realisation of receivables. ICRA notes that JREPL has received payments from MPL within the stipulated timelines since commissioning, with no material collection issues reported to date.

The rating is also constrained by the asset concentration risk, as the entire capacity is located at a single site in Bikaner, Rajasthan. This exposes cash flows to variability in solar irradiance, adverse weather conditions and module performance, given the single-part tariff structure under the PPA. The rating also incorporates the exposure to interest rate risk, given the leveraged capital structure and the floating-rate nature of the debt, which is subject to periodic resets. ICRA additionally notes that the promoter funding is in the form of euro-denominated external commercial borrowing (ECB) debt with annual interest

and repayment obligations. This exposes JREPL to forex fluctuation risk that is currently unhedged. Furthermore, the company is exposed to the regulatory risks inherent in the power sector, including changes in forecasting, scheduling and deviation settlement regulations. These could impact the project's operating performance and cash flows.

The Stable outlook reflects ICRA's opinion that JREPL will sustain its operational performance and maintain cumulative debt service coverage metrics commensurate with the current rating. The outlook further factors in ICRA's expectation of timely receipt of payments from the offtaker, the continued linkage with the parent, and no material deterioration in the credit profile of CAER over the medium term.

Key rating drivers and their description

Credit strengths

Strengths arising from being part of Acciona Group - JREPL is a part of the Acciona Group, one of the leading global renewable energy players. JREPL is held through CAER, the holding company of the Acciona Energia Group. CAER has an installed RE capacity of ~14.6 GW as of June 30, 2026, across multiple countries. The rating factors in the implicit benefit of the Group's association and ICRA's expectation of timely financial support from the Group, should such a need arise. This is reinforced by a corporate guarantee from CAER covering the external debt of Rs. 1,025 crore. The Group's linkage also enabled JREPL to secure competitively priced funding. However, the financing arrangements remain linked to the parent's credit profile. Any moderation therein could affect JREPL's financing flexibility through higher borrowing costs and additional covenant requirements.

Low offtake risk with presence of long-term PPA for 70% of capacity - JREPL has entered into a long-term PPA with MPL for a contracted capacity of 234.5 MW, representing 70% of the total project capacity of 335 MW AC/412.5 MWp, with a tenure until March 2040 and a lock-in period until March 2035. The long-term contractual arrangement for the majority of the capacity, coupled with the favourable billing and payment security provisions under the PPA, lends stability to the cash flows over the PPA tenure. ICRA notes that the contractual arrangement provides comfort against off-take risk for the tied capacity over the PPA tenure. However, the exposure to the merchant market would increase thereafter, upon expiry of the PPA.

Credit challenges

Exposed to merchant market risk for untied capacity - While 70% of the capacity is contracted under the long-term PPA, the balance ~30% of the capacity is sold on a merchant basis on the power exchange - Indian Energy Exchange (IEX). This exposes the company to volume and price risks inherent in the merchant market. Unlike the contracted capacity under long-term PPAs, revenue from merchant sales is dependent on prevailing power prices and the actual quantum of power cleared in the exchange market. Consequently, the company remains susceptible to tariff volatility arising from fluctuations in demand-supply dynamics. Sustained weakness in merchant tariffs or lower-than-expected energy dispatch could impact the project's cash flow generation and debt coverage metrics.

Exposure to refinance risk - The external debt carries a three-year tenor with a bullet repayment at maturity. Consequently, the company remains dependent on timely refinancing of the debt at maturity, which exposes it to refinancing availability and interest rate risks. While accumulated cash accruals over the interim period are expected to partially reduce the debt outstanding ahead of maturity, the ability to refinance the residual debt on competitive terms remains a key monitorable. Nevertheless, comfort is derived from JREPL's linkages with the Acciona Group..

Counterparty credit risk - For the capacity tied up under long-term PPAs, the offtaker MPL is a power trading company with a moderate credit profile, exposing JREPL to counterparty credit risk. The risk is heightened by the trader's dependence on merchant power sales to end-consumers. This risk is, however, partly mitigated by the favourable billing and payment security mechanism under the PPA. Under this, JREPL raises weekly energy bills, supported by a letter of credit of Rs. 18 crore and a late payment surcharge on delayed payments. Since commissioning, JREPL has consistently received payments from MPL

within the stipulated timelines, with no material delays or collection issues reported to date. This lends comfort on the timeliness of realisations. Nevertheless, any deterioration in the credit profile of the offtaker or any weakening in the payment security mechanism would remain a key monitorable.

Asset concentration risk; cash flow vulnerable to variability in solar irradiance; Exposure to interest rate movement and regulatory risk - Given the single-part tariff structure under the PPA, the project's revenues are directly linked to generation levels. This renders the cash flows sensitive to any adverse variation in solar irradiance, weather conditions, equipment performance or module degradation. This risk is further increased by the geographic concentration of the entire capacity at a single location in Bikaner, Rajasthan. The company also remains exposed to interest rate risk, given the leveraged capital structure and the floating-rate nature of the debt, which is subject to periodic resets. ICRA additionally notes that the promoter funding is in the form of euro-denominated ECB with annual interest and repayment obligations. The servicing of these obligations in foreign currency exposes JREPL to forex fluctuation risk, which is currently unhedged. Further, the company remains exposed to the regulatory risks inherent in the power sector, including changes in the forecasting, scheduling and deviation settlement regulations. Any adverse movement in these could impact the project's operating performance and cash flows.

Liquidity position: Adequate

JREPL's liquidity is likely to remain adequate, supported by healthy cash flow from operations and the absence of near-term principal repayment on the external debt, given its three-year bullet structure. Liquidity is further supported by the proposed drawdown of the balance ECB facility of ~Rs. 42 crore in FY2028. Debt servicing obligations are expected to increase from FY2028 with the commencement of repayments on the promoter-group ECB, including accrued interest, and related prepayments of external debt.

Rating sensitivities

Positive factors – ICRA could upgrade the company's rating upon a sustained generation at or above P-90 PLF levels, and successful tying up of the pending capacity under long-term PPAs at remunerative tariffs, leading to an improvement in the debt coverage metrics. The rating will also remain sensitive to the credit profile of the CAER.

Negative factors – Pressure on the rating could arise if the actual PLF remains below the P-90 estimate on a sustained basis, moderating the cumulative DSCR. Also, any delays in payments by the customers adversely impacting the company's liquidity position would be a negative trigger. A material weakening in the credit profile of CAER and/or any weakening in the linkages with parent will also create pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	The rating for JREPL considers the implicit benefit of being a part of the Acciona Energia Group, led by CAER. ICRA expects CAER to extend financial support to JREPL, should such a need arise.
Consolidation/Standalone	The rating is based on the standalone financial profile of the company.

About the company

JREPL, a part of the Spain-based Acciona Group, operates a 335 MW AC/412.5 MWp solar power project in Bikaner, Rajasthan, which was commissioned in June 2025. JREPL has entered into a long-term PPA with MPL for a contracted capacity of 234.5

MW, representing 70% of the total project capacity of 335 MW AC/412.5 MWp, with a tenure until March 2040 and a lock-in period until March 2035. JREPL is ultimately owned through Corporacion Acciona Energias Renovables S.A. (CAER), which is the holding company of the Acciona Energia Group and is the ultimate sponsor of the project.

Key financial indicators (audited)

Juna Renewable Energy Private Limited (Standalone)	FY2025	FY2026*
Operating income	0.0	131.9
PAT	-7.8	-22.7
OPBDITA/OI	-	85.9%
PAT/OI	-	-17.2%
Total outside liabilities/Tangible net worth (times)	6.2	7.5
Total debt/OPBDITA (times)	-183.4	13.0
Interest coverage (times)	-58.2	1.1

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDITA: 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					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	October 19, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long term	1,025.00	[ICRA]BBB+ (Stable)	-	-	-	-	-	-

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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulator [#]
NA	Term loan	FY2027	-	FY2030	1,025.00	[ICRA]BBB+ (Stable)	RBI

Source: Company

#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.

[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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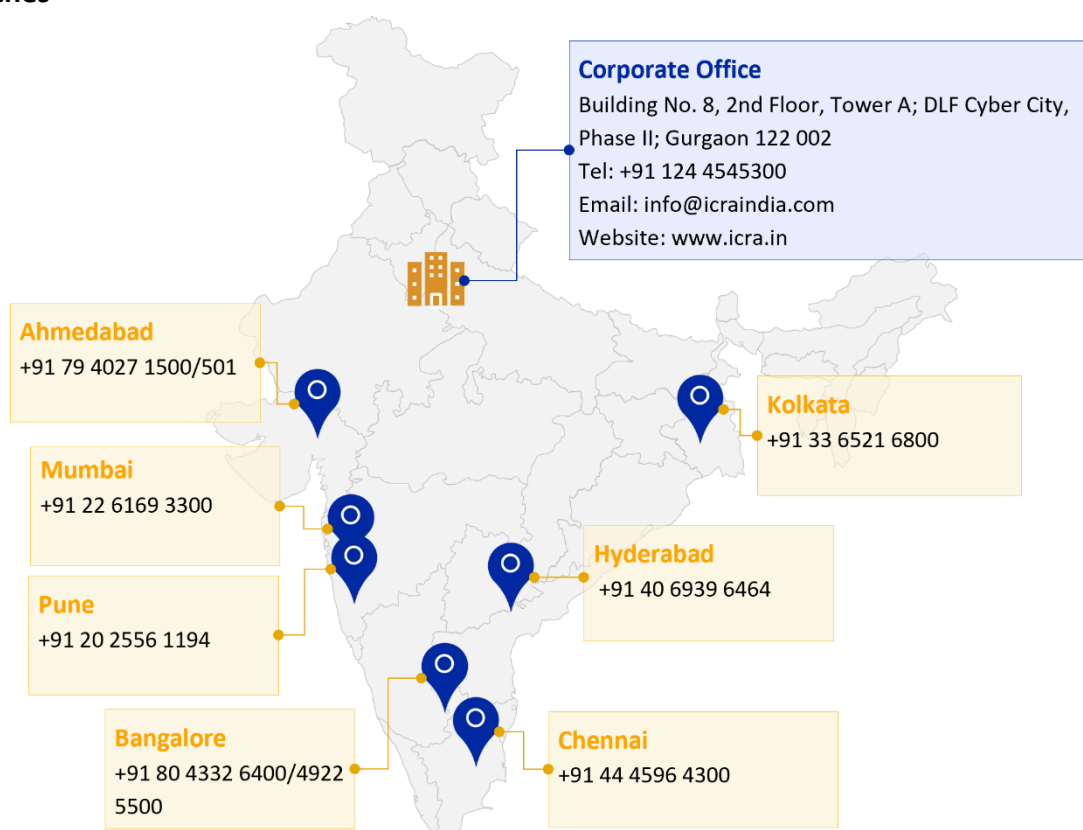
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