



Press Release
PIONEER GENCO LIMITED
December 29, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	179.73	ACUITE BBB Stable Upgraded	-
Total Outstanding Quantum (Rs. Cr)	179.73	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to '**ACUITE BBB**' (read as **ACUITE triple B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) on Rs.179.73 Cr bank facilities of Pioneer Genco Limited (PGL). The outlook is '**Stable**'.

Rationale for rating upgrade:

The rating upgrade reflects the migration from 'Issuer non-cooperative status' and sustained improvement in operating performance, reflected in sharp recovery in power generation and plant load factors (PLFs) in FY2025 & 7MFY2026, improvement in financial risk profile with improvement in cash accruals and improved liquidity position. The rating continues to draw comfort from the extensive experience of the promoters, long-term PPAs with BESCOM along with strong payment track record. However, the rating is constrained by exposure to the hydrological risks associated with run-of-the-river power generation and counter party risks.

About the Company

Pioneer Genco Limited (PGL), headquartered in Hyderabad and incorporated in 2001, is engaged in power generation through two small hydroelectric plants of 24.75 MW each, located on the Cauvery and Krishna Rivers in Karnataka. The company has a long-term Power Purchasing Agreement (PPA) with Bangalore Electricity Supply Company (BESCOM) for supply of power. The directors of the company are Mr Satish Reddy Katta, Mr Sailesh Reddy, Mr Deepthi Reddy Puttam Reddy and Mr Ramesh Reddy Puttamreddy.

About the Group

Hyderabad based, Pioneer Group consists of Pioneer Genco Limited (PGL) and Pioneer Power corporation Limited (PPCL) and are engaged in hydel power generation. The group operates four small hydro power plants with the generation capacity of 24.75 Mega Watt (MW) each, unit 1 of PGL and unit 1 of PPCL were located on Cauvery River and unit 2 of PGL and unit 2 of PPCL were located on Krishna River in Karnataka region. Both units of PGL along with unit 1 of PPCL have long-term PPAs with BESCOM, while PPCL unit 2 two has multiple short term PPAs with reputed companies including CISCO Systems Pvt Ltd and others.

Unsupported Rating

Not applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has consolidated business and financial risk profile of Pioneer Power Corporation Limited and Pioneer Genco Limited referred as "Pioneer Group" to arrive at the rating. The consolidation is in the view of common management, identical business line and intercompany linkage.

Key Rating Drivers

Strengths

Experienced management with strong promoter and group support:

The group benefits from a highly experienced management with extensive industry experience in power generation and infrastructure, having successfully developed and operated multiple hydroelectric projects and other diversified business. The promoter Mr. P Pratap Reddy has extended their personal guarantees aligning with the strong commitment to the business. Additionally, the group's long-term debts were also secured by the corporate guarantees through related entities there by demonstrating strong group support. Acuite believes that the group's experienced management and strong promoter support will continue to benefit its operational and financial stability.

Presence of long-term Power purchasing agreement (PPA) ensuring revenue visibility

Pioneer group operates four hydro power plants with the capacity of 24.75MWs each with the combine capacity of 99 MWs. Unit1, Unit2 of PGL and unit 1 of PPCL with combine capacity of 74.25 MWs has long term PPA with Bangalore Electricity Supply Company (BESCOM) and Unit2 of PPCL with the capacity of 24.75 MWs has short term PPAs with other third parties. PPAs with BESCOM are at fixed price of Rs.2.91 per unit in PGL unit1, Rs.3.4 per unit for unit 2 and Rs.2.8 per unit for PPCL unit 1, while short term PPAs with third parties average around Rs.4.50 per unit. Acuite believes, these arrangements substantially mitigates demand and price risks, ensuring long-term cash flow visibility for the projects.

Recovery in operations with improved generation across the units:

Power generation improved significantly in FY2025 across all units, recovering from the sharp decline in FY2024 caused by inadequate rainfall. The average Plant Load Factor (PLF) for units on the Cauvery River (PGL Unit 1 and PPCL Unit 1) rose to 42.76 percent and 57.94 percent, respectively, in FY2025, compared to 33.61 percent and 42.56 percent in FY2024. Similarly, units on the Krishna River (PGL Unit 2 and PPCL Unit 2) recorded PLFs of 26.24 percent and 30.99 percent in FY2025, up from 5.45 percent and 9.66 percent in FY2024. The generation levels continued to improve during the first seven months of FY2026, with PLFs of 68.73 percent and 95.79 percent for PGL and PPCL Unit 1, and 56.94 percent and 58.09 percent for Unit 2 of PGL and PPCL, respectively. This strong recovery in generation has driven higher revenues, with the company reporting Rs.110.19 Cr during 7MFY2026, compared to Rs.78 Cr in 7MFY2025. Acuite believes that the recovery from the weak hydrology in FY2024 demonstrates the group's ability to sustain operations under favourable conditions, which is expected to positively impact cash flows and liquidity.

Strong payment track record from BESCOM and third parties:

The group has strong payment track record from its counterparties, including BESCOM and other buyers, resulting in low counterparty risk. Payments from BESCOM are typically received within 30-45 days and the payments are routed through a Trust and retention account (TRA), which ensures that 50 percent of the inflows are allocated towards repayment and the balance towards operational expenses. PPCL unit 2, which supplies power under short-term PPAs to other third parties such as CISCO Systems Pvt. Ltd and other companies also has a strong payment track record, with collections occurring within 15 to 20 days. Going forward group's ability to maintain its receivable cycle will remain a key rating sensitivity.

Weaknesses

Hydrological risks associated with run-of-the-river power generation:

The group's power generation remains exposed to hydrology risk inherent in run-of-the-river projects, wherein generation is directly dependent on seasonal water inflows. Variability in rainfall patterns and river flows can lead to fluctuations in plant load factor (PLF) and cash flow visibility, particularly during lean flow periods. To partially mitigate this, group has constructed a barrage, which ensures adequate water supply to generate power for minimum 3-4 hours even during lean season of the year. However, the project primarily depends on adequate flow of river water and is dependent on well spread monsoon to support higher unit generation. Acuite believes, sustained adequate rainfall will be critical for maintaining generation levels and cash flows stability.

Exposure to counter party risk

The group's revenue profile remains highly dependent on counterparty, BESCOM, exposing it to counterparty concentration risk. Although BESCOM has demonstrated a strong and consistent payment track record in the past, any deterioration in its financial position, changes in regulatory framework, or delays in tariff approvals could adversely impact the Pioneer group's cash flows and liquidity position.

Rating Sensitivities

- Sustained generation levels with improved PLF.
- Significantly lower-than-expected generation due to weak hydrology.
- Any material deterioration in the counterparty's credit profile.

Liquidity position: Adequate

The group had registered net cash accruals (NCAs) of ~Rs.77.00 Cr during FY2025, which was insufficient to meet the maturing debt obligations of Rs.85.49 Cr for the same period. However, all the repayment obligations were timely met through the receivables from BESCOM. Going forward, pioneer group is expected to generate net cash accruals in the range of Rs.80 to 90 Cr, which would be sufficient to meet the debt repayment obligation range of Rs.78.00 Cr to 86 Cr in the medium term. The average DSCR throughout the tenure of the loan stands at 2.06 times. Additionally, presence of Rs.56Cr debt service reserve account (DSRA) equivalent to 2 quarter of principal and interest payments and Rs.32.21 Cr of unencumbered cash and bank balances provides cushion towards liquidity.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	112.23	68.04
PAT	Rs. Cr.	26.14	(5.90)
PAT Margin	(%)	23.29	(8.67)
Total Debt/Tangible Net Worth	Times	0.30	0.37
PBDIT/Interest	Times	2.70	1.31

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Oct 2025	Proposed Long Term Bank Facility	Long Term	18.70	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Term Loan	Long Term	141.03	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Term Loan	Long Term	20.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
02 Aug 2024	Term Loan	Long Term	159.73	ACUITE BBB- Stable (Downgraded from ACUITE BBB)
	Term Loan	Long Term	20.00	ACUITE BBB- Stable (Downgraded from ACUITE BBB)
15 Mar 2024	Term Loan	Long Term	159.73	ACUITE BBB (Reaffirmed)
	Term Loan	Long Term	20.00	ACUITE BBB (Reaffirmed)
07 Sep 2023	Term Loan	Long Term	159.73	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	10.27	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	9.73	ACUITE BBB Stable (Assigned)
11 Oct 2022	Term Loan	Long Term	170.00	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	51.28	Simple	ACUITE BBB Stable Upgraded (from ACUITE BB+)
Indian Renewable Energy Development Agency Ltd. (IREDA)	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2033	110.87	Simple	ACUITE BBB Stable Upgraded (from ACUITE BB+)
Indian Renewable Energy Development Agency Ltd. (IREDA)	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2029	17.58	Simple	ACUITE BBB Stable Upgraded (from ACUITE BB+)

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr.no	Company Name
1	Pioneer Genco Limited
2	Pioneer Power Corporation Limited

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Katta Akhil Senior Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

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