



Press Release
KUNDAN SOLAR (ASTONFIELD) PRIVATE LIMITED
June 10, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	30.00	ACUITE A- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	30.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has assigned the long-term rating of '**ACUITE A-**' (**read as ACUITE A minus**) on the Rs. 30.00 crore bank facilities of Kundan Solar (Astonfield) Private Limited (KSAPL). The outlook is '**Stable**'.

Rationale for Rating

The rating assigned factors in the established presence of the Kundan Group in diversified business over the last five decades including mining, refining, metals & mineral processing and renewable energy - Hydro & Solar. The rating factors the growth in operating performance of the renewable group on the back of increasing commissions of hydro and solar projects. Further, the rating draws comfort from the healthy financial risk profile of the renewable business with low reliance on external debt and support from group's financial institution. However, the rating is constrained by the small scale of operations with limited track record of the renewable business, significant implementation and stabilisation risks on upcoming and existing projects.

About the Company

Kundan Solar (Astonfield) Private Limited (formerly known as Astonfield Solar (Gujarat) Private Limited) was incorporated on 10-Nov-2008. The company was fully acquired by the Delhi based Kundan group through Kundan Green Energy Private Limited (KGEPL) in 2020 and is engaged in the business of generation and distribution of solar power. The company has an operational solar power generation capacity of 16.5 MW with two plants in Gujarat. Further, it also has under construction capacity 20 MW expected to be commissioned by September 2025. The current directors of the company are Ms. Shivani Jain and Mr. Udit Garg.

About the Group

Incorporated in 2020, KGEPL is the holding arm of the renewable business of Kundan Group engaged in generation of power through hydro and solar projects. At present the group through its seven special purpose vehicles (SPVs) operates hydro and solar power plants with a total commissioned capacity of 64.2 MW and 17.5 MW respectively and has an under-construction / ongoing acquisition capacity of 88.3 MW (56.8 MW for hydro, 20 MW for solar and 11.5 MW waste to energy). The current director of the company are Mr. Vidit Garg, Mr. Varun Gupta, Mr. Udit Garg and Mr. Deepak Gupta.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has consolidated the business and financial risk profiles of KSAPL, its parent company KGEPL including all the subsidiaries/ SPVs of KGEPL. This is on account of common parent and management, similar line of

operations and cashflow fungibility between each of the SPVs.

Key Rating Drivers

Strengths

Established presence of group

The Kundan Group is an established organisation having more than five decades of experience in diversified sectors including mining, refining, metals & mineral processing and renewable energy - hydro & solar. The group forayed into the renewable business in 2018 with primary focus on inorganic growth through acquisitions of inactive renewable assets and worked on refurbishment and replenishment of the same. Additionally, the group operates a Non-Banking Financial Company (NBFC) that oversees the working capital and capital expenditure needs of its businesses. Presently, the group is well capitalized, primarily due to the cash flow generated from its gold refinery operations.

Strong growth in operating performance driven by increasing capacities

The constant focus of the group to renovate, rebuild and replenish inactive renewable assets has led to an increase in the operating income from Rs 19.7 crore in FY23 to Rs 95.26 Crore in FY24. Further, with 81.7 MW of commissioned capacity, the group's revenue grew to ~Rs.153 Cr. in FY25 (Est.). The operating margins have remained in the range of 65-70% and expected to be on similar lines over the medium term. Moreover, the company targets to build 170.01 MW of capacity by 2027, of which 88.3 MW is under construction. Therefore, with additional capacity coming into operations the operating performance of the group is expected to improve further.

Healthy financial risk profile supported by promoter infusions & low dependence on external debt

The financial risk profile of the group is marked healthy due to healthy net worth, low gearing, and strong debt protection metrics. The net worth of the company stood healthy at Rs. 278.62 crore as on March 31, 2024 as against Rs. 115.58 crore as on March 31, 2023. This increase in net worth is primarily due to the accretion of profits to the reserves and a fresh equity infusion of Rs.161 crore. Further, the net-worth improved to ~Rs 327 crore by the end of FY25 (Est.) on back of improved operating performance in FY25. Therefore, the gearing levels have remained below unity in FY24 & FY25. Further, the group has low reliance on external debt and majority borrowings are from the group's non banking financial corporation (NBFC), in the form of unsecured loans which are repayable on demand. Therefore, the debt protection metrics have remained strong with debt service coverage ratio and interest coverage ratio standing at ~6.70 times (7.02) times and ~10.41 times (11.3) times respectively as on March 31, 2025 (Est.) (March 31, 2024).

Acuite understands that the upcoming capex of ~Rs. 250 crore towards the under-construction capacity is expected to be majorly funded through internal accruals and debt from group NBFC, thereby keeping the financial risk profile healthy over the medium term.

Weaknesses

Stabilisation and implementation risks

The renewable arm of the group was started from December 2018 with majority of the growth being inorganic over the years. The group currently has a total commissioned capacity of 81.7 MW and an additional 88.3 MW of capacity is under construction/ under acquisition. Therefore, being a fairly new player in the industry the group is prone to stabilisation, implementation and execution risks. Also, the PLFs of commissioned projects have remained low to moderate on the account of operational issues. Further, while for the solar projects the group has entered into long tenor PPA, however, hydro power is sold on exchanges which keeps the rates susceptible to volatility.

Exposure to inherent risk in renewable energy generation

Hydropower plants inherently face risks related to both natural hazards and operational failures. While natural hazards like earthquakes, floods, and landslides can damage structures and disrupt operations, operational risks include equipment malfunctions, such as turbine or generator failures, as well as potential for accidents or disasters. Further, environmental impacts, like changes to river flow and aqua co-habitat, also pose inherent risks which impact the PLF for the plants. Additionally, the solar power plants are subject to technological risk, in which their ability to generate electricity is reliant on the surrounding radiation levels and the yearly deterioration of their solar panels.

Rating Sensitivities

- Significant increase in the external debt levels leading to deterioration in the financial risk profile
- Continued growth in the operating performance supported by improvement in PLF of existing plants and timely completion of planned capex without any cost overruns and stabilisation of the same

Liquidity Position

Adequate

The group generated an NCA of ~Rs.85 crore in FY25 (Est.) as against the repayment obligations of Rs. 4.45 crore. The repayment obligations for the group will continue to remain on the lower side as it has less reliance on external debt, support received from promoter infusions and group NBFC borrowings which are repayable on demand. Further, the group-maintained cash balance of Rs 5.29 crore as on March 31, 2025 (Est.).

Outlook - Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	95.26	19.70
PAT	Rs. Cr.	32.30	2.48
PAT Margin	(%)	33.90	12.61
Total Debt/Tangible Net Worth	Times	0.58	1.31
PBDIT/Interest	Times	11.30	15.52

* Above key financials are on consolidated basis

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

None

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

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 :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Term Loan	21 Nov 2023	Not avl. / Not appl.	21 Nov 2030	30.00	Simple	ACUITE A- Stable Assigned

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

Sr. No.	Company
1	Kundan Green Energy Private Limited
2	Kundan Solar (Astonfield) Private Limited
3	Kundan Hydro (Luni) Private Limited
4	Kundan Hydro (Gangtok) Private Limited
5	Kundan Hydro (Madkini) Private Limited
6	Kundan Hydro (Pithoragarh) Private Limited
7	Kundan Hydro (Rajpur) Private Limited

Contacts

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

About Acuité Ratings & Research

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