

Vena Energy Power Resources Private Limited

July 22, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	609.80 (Reduced from 651.58)	CARE BBB+; Stable	Upgraded from CARE BBB; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The upgrade in the rating assigned to bank facilities of Vena Energy Power Resources Private Limited (VEPRPL), which is operating a 154-MW wind project in Andhra Pradesh, derives strength from significant decline in the outstanding debtors in the last two years from ₹144 crore as of March 2023-end to ₹21 crore as of March 2025-end, which has improved the company's liquidity profile. The payment from off-taker has been timely post implementation of Late Payment Surcharge & related matters (LPS) scheme in June 2022. The company has maintained debt servicing reserve account (DSRA) equivalent to two quarters of debt servicing apart from additional reserve for one quarter of debt servicing and free cash balances of ~₹29 crore as on July 15, 2025. The company has also sanctioned working capital limits of ₹30 crore in February 2025, which remained completely unutilised so far. Hence, the company has sufficient liquidity equivalent to five quarters of debt servicing. The rating also takes comfort from renewal of PPA with Zuari Cements Limited (ZCL) for 6-MW capacity in August 2024 for a tenor of 15 years, which has improved the revenue visibility. The rating also factors in renewal of operations and maintenance (O&M) contract with Suzlon Energy Limited (SIL) for a tenor of five years, which is expected to reduce O&M costs by ~30% leading to improvement in debt coverage indicators.

The rating continues to derive strength from the presence of a 25-year power purchase agreement (PPA) with Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL) at fixed tariff of ₹4.70 per unit which provides long-term revenue visibility. The rating favourably factors in the long operational track record of over 10 years with satisfactory generation levels at average plant load factor (PLF) of 23.9% since commercial operations date (COD), though this was low at 21.02% in FY25 due to lower wind speeds and machine availability issues. Assuming generation to be average of last five year's generation, the asset's coverage metrics are expected to remain strong as reflected by average debt service coverage ratio (DSCR) of ~1.2x. The credit profile is also strengthened considering the company being a part of the Vena group, which has a long track record in the renewable energy sector.

These rating strengths are constrained considering leveraged capital structure as evident from term debt to earnings before interest, taxation, depreciation, and amortisation (EBITDA) of 5.8x as on March 31, 2025 (provisional), which is expected to remain above 4.5x in the next three years. The rating is also partially offset by relatively weak credit profile of the off-taker, which exposes the company to counterparty credit risk. However, the risk is mitigated to some extent by timely payment since implementation of LPSC scheme in June 2022. The rating is further constrained considering interest rate fluctuation risk owing to floating interest rate and tariff being fixed for PPA tenor, dependence on climatic conditions and wind patterns.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained improvement in the generation profile, resulting in the average DSCR remaining above 1.25x, and continued maintenance of collections at levels below 90 days.
- Faster-than-expected deleveraging of the asset.

Negative factors

- Significant underperformance in generation and/or increase in debt levels of the combined entity weakening the cumulative DSCR on project debt to less than 1.1x on a sustained basis.
- Elongation in receivable cycle beyond 200 days on a sustained basis.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Analytical approach: Standalone plus factoring in presence of Vena Group, which is backed by Global Infrastructure Partners (GIP).

Outlook: Stable

The stable outlook on ratings of VEPRPL reflects CARE Ratings Limited's (CareEdge Ratings') opinion that the company would benefit from its long-term PPAs with APSPDCL and ZCL, generation in line with past trends and timely collections from off-takers, APSPDCL and ZCL.

Detailed description of key rating drivers:

Key strengths

Limited off-take risk by virtue of its PPAs

Vast majority (96%) of VEPRPL's installed capacity is tied up through a 25-year PPA with APSPDCL at a tariff of ₹4.70 per unit, thus providing long-term revenue visibility. The company had renewed its PPA for balance capacity of 6-MW with ZCL in August 2024 for 15 years till August 2039 at a tariff of ₹4.02/ unit.

Long operational track record

The entire capacity of 154 MW was commissioned largely in two phases – in August 2014 and March 2015. Thus, the project has an operational track record of over 10 years.

Favourable terms of sanction of the refinanced loan

As on March 31, 2025, VEPRPL had outstanding term debt of ₹609.80 crore, resulting in a debt/MW of ₹3.96 crore/MW. The term loan is repayable till September 2035, resulting in a tail period of over four years. While average DSCR is projected at ~1.2x, the maintenance of DSRA equivalent to two quarters of repayment obligation, additional reserve of one quarter and unutilised sanctioned working capital limits of ₹30 crore and free cash of ₹29 crore as on July 15, 2025, provides comfort.

Experienced promoters, part of the Vena Energy group, with proven track record in implementation and running of projects in renewable energy sector

VEPRPL is a part of the Vena Energy group, which has over 300 solar, wind, and hydro projects, including 7.3 GW of wind and solar projects in operation, under construction and contracted and 39 GW of development pipeline with presence around Asia Pacific region in seven countries - Australia, India, Indonesia, Japan, Taiwan, Thailand, and Philippines. Vena Energy India has a portfolio of wind and solar energy generation assets of 875 MWAC. Vena Energy was initially promoted by Equis Fund (USD 2.7 billion infrastructure focused fund) as Energon. In January 2018, Equis Pte Ltd. sold 100% stake in Equis Energy to Global Infrastructure Partners (GIP) and its co-investors China Investment Corporation (CIC) and Public Sector Pension Investment Board (PSP). GIP owns 76% in Vena Energy and 24% is held by CIC and PSP combined. In FY25, Blackrock acquired 100% stake in GIP. As this transaction occurred at the parent company level, it does not impact the special purpose vehicles (SPVs) within the Vena Energy Group.

Key weaknesses

Moderate operational performance in past

Historically, the generation has been much lower than P-90 estimates. Lower wind speeds in the region played a vital role. Moreover, grid curtailment, especially in FY20-FY22, led to subdued generation. Generation levels of VEPRPL in FY25 stood low at PLF of 21.02% against 23.81% in FY24 due to lower wind speeds in the region and lower machine availability in few months. However, the company has replaced O&M contractor for the project which is expected to improve machine availability in future. CareEdge Ratings notes that the generation in Q1FY25 post replacement of O&M contractor has been higher than Q1FY2024 partly driven by higher machine availability. Sustained generation in line with CareEdge Ratings' base case estimates shall be a key rating monitorable since revenue is linked to actual generation.

Significant counterparty credit risk, respite through resolution of PPA tariff issue and subsequent realisation of receivables

VEPRPL's counterparty credit risk is characterised by concentrated exposure to APSPDCL, which has weak credit profile. Moreover, the long pending issue of re-negotiation of the PPA tariff led to significant stretch in receivables in the past. The favourable order dated March 15, 2022, from the Hon'ble High Court of Andhra Pradesh and the implementation of Electricity (Late Payment Surcharge & related matters) Rules, 2022, aided the company to significantly reduce its receivables – from ₹327 crore as on March 31, 2022 to ₹21 crore as on March 31, 2025. The regular invoices are being cleared within 75 days by the DISCOM from the date of billing. The sustenance of timely collection from the off-takers will be a key monitorable going forward.

Exposure to regulatory and interest rate risk

The company has PPA under the open-access model that is exposed to the regulatory risks considering changes in open-access charges. The risk is mitigated to some extent by the pass-through of such charges and losses to ZCL in the PPA. However, in case of upward revision in these charges and losses or adverse change in regulations, the landed cost of power for the C&I customer could increase, impacting the tariff cost competitiveness.

Given the leveraged capital structure and single-part nature of the fixed tariff in the PPA, profitability remains exposed to increase in the interest rates, given the floating interest rates for the term loan availed by the entity.

Dependence on favourable climatic conditions and wind patterns

Wind projects are exposed to the inherent risk of weather fluctuations, leading to variations in wind patterns, which affects the PLF.

Liquidity: Adequate

As on July 15, 2025, the liquidity position of the company is adequate as the company has cash of ~₹29 crore, which is equivalent to over one quarter of debt servicing. The company also has DSRA equivalent to two quarters of debt servicing and an additional reserve equivalent to one quarter of debt servicing amounting to ₹75 crore. VEPRPL is also maintaining fund-based working capital limit of ₹30 crore sanctioned in January 2025 equivalent to 1 quarter of debt servicing, which remained completely unutilised as on June 30, 2025.

Applicable criteria

[Policy on Default Recognition](#)
[Notching by Factoring Linkages in Ratings](#)
[Financial Ratios – Non financial Sector](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)
[Infrastructure Sector Ratings](#)
[Wind Power Projects](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

Incorporated on March 27, 2013, as Energon Power Resources Private Limited, VEPRPL is a subsidiary of Vena Energy Wind (India) Renewables Pte Ltd, Singapore. The company has set up a 154-MW wind power project at Tagguparti, Anantapur district, Andhra Pradesh. The project was commissioned in two phases: TGP-I (54 MW) was commissioned in August 2014, and TGP-II (100 MW) was commissioned in March 2015.

Brief Financials* (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Prov.)
Total operating income	161.6	140.4
PBILDT	100.7	104.9
PAT	-41.7	20.5
Overall gearing (times)	NM**	NM**
Interest coverage (times)	1.5	1.6

A: Audited; Prov.: Provisional; NM: Not meaningful; Note: these are latest available financial results || *Financials reclassified per CareEdge Ratings' internal standards || **promoter contribution has been infused primarily in form of debt leading to high overall debt although the same is subordinated to term loan.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	30-Sep-2035	609.80	CARE BBB+; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	609.80	CARE BBB+; Stable	-	1)CARE BBB; Stable (19-Jul-24)	1)CARE BBB; Stable (14-Jul-23)	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Jatin Arya Director CARE Ratings Limited Phone: 91-120-4452021 E-mail: Jatin.Arya@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saiikat.roy@careedge.in	Shailendra Singh Baghel Associate Director CARE Ratings Limited Phone: 91-120-4452020 E-mail: Shailendra.baghel@careedge.in
	Prajjawal Tyagi Lead Analyst CARE Ratings Limited E-mail: Prajjawal.Tyagi@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**