VEH Radiant Energy Private Limited

September 30, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	159.00 (Reduced from 164.00)	CARE A-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of rating on the bank facilities of VEH Radiant Energy Private Limited (VREPL), which operates a 25.2 MW wind power plant under the group captive mechanism in Maharashtra, factors in the satisfactory operational track record of more than a year, wherein the collections have been timely. While the generation during this phase was below designed energy estimates as reflected by PLF of ~31% for FY25 as against P-90 estimate of ~35%. The same is attributable to lower resource availability and stabilisation related bottlenecks. Nevertheless, the generation performance has witnessed improvement in the current year as reflected by a PLF of ~40% in 5M-FY26 as against ~38% in 5M-FY25. The ability of the company to achieve base case generation levels and receive payments in a timely manner will be a key credit monitorable.

The rating continues to factor in the strong parentage by virtue of VREPL being a 74% subsidiary of Vibrant Energy Holdings Pte. Ltd., Singapore (VEHPL). VEHPL is the flagship company of the Vibrant group, which is engaged in setting up renewable energy projects in India. VEHPL is a wholly owned subsidiary of Aragorn Holding Company Two Pte. Ltd. (Singapore), which is a ~93% subsidiary of Macquarie Corporate Holdings Pty Ltd (Macquarie). The rating continues to derive strength from the presence of a long-term (25 years) power purchase agreement (PPA) with a strong counterparty viz. Ultratech Cement Limited (Ultratech, rated CARE AAA; Stable / CARE A1+) at a fixed tariff of sub Rs. 4 per unit. Further, the presence of enabling clauses such as lock in period of 15 years and compensation to the developer in case of an early exit by the customer act as necessary safeguards. Going forward, as per CARE Ratings Limited's (CareEdge Ratings) base case scenario, the debt-protection metrics are expected to be comfortable as reflected by average debt service coverage ratio (DSCR) being above 1.2x for the debt tenor. The rating also derives strength from the presence of one quarter debt service reserve account (DSRA).

However, the rating is constrained due to leveraged capital structure as the project has been funded through a debt equity mix of 2:1. The same is likely to lead to a full year Total External Debt/EBITDA multiple of ~8x for FY26 and FY27. The company also remains exposed to variations in the interest rates as the debt is linked to floating rates. CareEdge Ratings also takes into account vulnerability of project cash flows to adverse variation in weather conditions.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Actual generation levels being in line with designed energy estimates along with receivable cycle remaining below 60 days on a sustained basis resulting in strong liquidity position
- Faster than expected deleveraging of the project

Negative factors

- Any significant underperformance in generation and/or any increase in the debt levels weakening the cumulative DSCR on project debt to less than 1.20x, on a sustained basis
- Non-adherence to the power purchase agreement (PPA) terms by the off-taker including timely receipt of payments and honouring of tariff for full PPA tenor
- Any change in linkages/support philosophy between the parent and VREPL would be a negative factor

Analytical approach: Standalone plus factoring in support from parent i.e. VEHPL, which is backed by Macquarie

Outlook: Stable

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

The stable outlook on the CARE A- rating of VREPL reflects CareEdge Ratings' opinion that the company would benefit from its long-term PPA with a credible counterparty. Also, the expectation of satisfactory generation and collection performance supports the outlook.

Detailed description of the key rating drivers:

Key strengths

Strong and resourceful parentage by virtue of being a subsidiary of VEHPL

VREPL is a 74% owned subsidiary of VEHPL and remaining 26% is held by Ultratech. VEHPL is the main holding company of the Vibrant group. It is a leading renewable energy developer in the country focussed exclusively on corporate market serving C&I customers for more than six years. VEHPL is the flagship company of the Vibrant group and engaged in setting up renewable energy projects in India. VEHPL is a wholly owned subsidiary of Aragorn Holding Company Two Pte. Ltd. (Singapore), which is a ~93% subsidiary of Macquarie Corporate Holdings Pty Ltd (Macquarie).

Currently, VEHPL has a portfolio of ~795 MWp, comprising of operational capacity of 491 MWp and active pipeline of 304 MWp.

Long-term revenue visibility on account of PPA with Ultratech

VREPL has low offtake risks owing to the presence of long-term (25-years) PPA with Ultratech at a fixed tariff of sub Rs. 4 per unit for the entire duration of the project starting from actual commissioning. Long-term PPA with a credible counterparty provides revenue visibility for the company. Further, presence of enabling clauses such as lock-in period of 15 years and adequate compensation to the developer in case of an early exit by the customer act as necessary safeguards.

Comfortable debt coverage indicators with presence of one quarter DSRA

VREPL has comfortable debt-protection metrics as reflected by average DSCR being above 1.2x for the debt tenor. The company is maintaining DSRA covering one quarter of debt service obligations as stipulated in sanction terms.

Key weaknesses

Limited track record of operations with moderate operational performance

The project achieved commissioning on February 29, 2024, and thus has a limited operational track record of ~1.5 years. The generation performance in FY25 was lower than the P-90 estimate as reflected by a PLF of ~31% for FY25 as against P-90 estimate of ~35% and was attributable to lower resource availability. However, 5M-FY26 generation performance marginally improved as compared to the same period of prior year mainly due to onset of early monsoon. Going forward, CareEdge Ratings expects the operations to stabilise and generation performance to remain in line with design energy estimates. Also, collection performance has remained satisfactory in FY25 and 5M-FY26, with invoices being cleared in less than 15 days.

Leveraged capital structure along with exposure to interest rate risk

The rating is constrained due to leveraged capital structure as the project is funded in a debt equity mix of 2:1. As per CareEdge Ratings' base case scenario, the Total External Debt/EBITDA is expected to remain range bound between 7.8x to 8.0x over next two years. Furthermore, given the single part nature of the fixed tariff in the PPA and floating interest rates, the profitability remains exposed to any increase in the interest rates.

Vulnerability of cash flows to variation in weather conditions

As tariffs are one part in nature, the company may report lesser revenues in the event of non-generation of power due to variation in weather conditions and/or equipment quality. This, in turn, would affect its cash flows and debt servicing ability. The geographical concentration of asset amplifies the generation risk.

Liquidity: Adequate

The liquidity of the company is adequate as reflected by cash and bank balance of ~Rs. 8.1 crore as on September 17, 2025. This apart, the company has created DSRA of ~Rs. 5.25 crore which is equivalent to one quarter of debt service obligations. As per CareEdge Ratings base case, adjusted GCA for FY26 and FY27 is expected to be Rs. 5.0-5.5 crore as against annual repayments of Rs. 4.7-5.1 crore respectively.

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Infrastructure Sector Ratings
Wind Power Projects

About the company and industry

Industry classification

Macro-Economic Indicator	Sector	Industry	Basic Industry
Utilities	Power	Power	Power Generation

VREPL, incorporated on May 27, 2022, is a special purpose vehicle (SPV) promoted by VEHPL. VREPL is operating a 25.2 MW wind power plant under group captive mechanism in the state of Maharashtra. The company has a long-term PPA with Ultratech for 25 years at a fixed tariff of sub Rs. 4 per unit. The project achieved commissioning on February 29, 2024.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	1.6	23.6
PBILDT	-1.4	16.9
PAT	-3.3	-4.8
Overall gearing (times)	2.7	3.2
Interest coverage (times)	-0.8	1.1

A: Audited, UA: Unaudited; NM: Not Meaningful; Note: 'the above results are latest financial results available'

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Term Loan-Long Term		-	-	March 2046	159.00	CARE A-; Stable

Annexure-2: Rating history for the 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	Term Loan-Long Term	LT	159.00	CARE A-; Stable	-	1)CARE A-; Stable (12-Aug-24)	-	-

LT: Long term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: NA

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Term Loan-Long Term	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	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Jatin Arya Director **CARE Ratings Limited** Phone: +91-120-4452021 E-mail: jatin.Arya@careedge.in Mayuresh Karavade Assistant Director **CARE Ratings Limited** Phone: +91-22-6837-4468 E-mail: mayuresh.karavade@careedge.in Ashutosh Sureka Lead Analyst **CARE Ratings Limited** E-mail: ashutosh.sureka@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

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