

## OPG Power Generation Private Limited

March 10, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Short-term bank facilities	237.00	CARE A1+	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The rating assigned to bank facilities of OPG Power Generation Private Limited (OPGPL), which is operating a 414-MW coal-based thermal power plant in Tamil Nadu, factors in satisfactory operational performance of the plant in the last two years and its comfortable capital structure characterised by low leverage level. The company reported plant availability factor (PAF) of 98% in FY25 (PY: 98%) and 100% in 9M FY26 with PAF remaining above normative levels resulting in full recovery of capacity charges while the plant load factor (PLF) remained moderate at 64% in FY25 (PY: 64%) and 54% in 9M FY26. The rating factors in the presence of long-term/medium-term power purchase agreements (PPAs) representing 94% of installed capacity for 390 MW at remunerative tariffs which leads to revenue visibility. The company is eligible for domestic coal allocation via SHAKTI scheme for 310 MW capacity out of which fuel supply agreement has been signed for 160 MW and FSA for another 150 MW is expected in the near term. This mitigates the fuel supply and price risk to some extent. Furthermore, the company's credit profile is underpinned by healthy debt coverage indicators, with average debt service coverage ratio (DSCR) being upwards of 1.35x over the tenor of the currently existing term debt and proposed debt over next two years. The company has comfortable financial profile as evident from total debt/earnings before interest, taxation, depreciation, and amortisation (EBITDA) of 0.8x as on March 31, 2025, and comfortable liquidity position with cash and bank balances of ₹95 crore as on December 31, 2025. While the company has stated an intent of availing additional debt in near term, the total debt/EBITDA shall remain below 2.5x.

However, the rating is constrained by PPA renewal risks associated with the 80 MW PPA signed with Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) expiring in September 2028 and 160 MW with Tamil Nadu Power Distribution Corporation Limited (TNPDC) expiring in January 2031. The rating is also constrained by counterparty credit risk owing to exposure to state distribution utilities which have moderate to weak financial profile. It may be noted that TANGEDCO has delayed payments in the past. However, the payment from off takers in the recent years post implementation of LPSC scheme has been timely. Furthermore, the company's operating margins are sensitive to changes in the cost of imported coal, fluctuations in foreign exchange rates, and variability in demand and tariff realisations for the untied capacity. Moreover, the company is exposed to asset concentration risk owing to limited geographic diversification. The company has investment of ~₹194 crore in group companies as of March 31, 2025, leading to low return on net worth.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Achievement of generation levels better than envisaged levels per CareEdge Ratings' base case on a sustained basis, positively impacting the debt coverage indicators

#### Negative factors

- Significant reduction in PLF, tapering of average spread between sales realisation and coal cost or higher borrowing cost, thus adversely impacting the profitability on a sustained basis.
- Significant increase in debt levels resulting in total debt/EBITDA above 2.5x or moderation of average DSCR to less than 1.3x on a sustained basis.
- Deterioration in the liquidity position of the company.

**Analytical approach:** Standalone. CareEdge Ratings has considered the standalone business and financial risk profiles of OPGPL.

**Outlook:** Not applicable

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

## Detailed description of key rating drivers:

### Key strengths

#### Comfortable capital structure with low leverage level leading to healthy debt coverage metrics

OPGPL has comfortable capital structure with limited debt level as reflected by total debt/EBITDA (TD/EBITDA) of 0.8x as of FY25 end. The company's credit profile is underpinned by healthy debt coverage indicators, with an average DSCR being upwards of 1.35x over the tenor of the currently existing term debt and proposed debt over next two years. While the company has stated an intent of availing additional debt in near term, CareEdge Ratings expects the total debt/EBITDA to remain below 2.5x.

#### Presence of long-term/medium-term PPA provides revenue visibility

The company has long-term PPAs for 150 MW with Power Company of Karnataka Limited (PCKL) for 25 years starting April 2026 and 80 MW with TANGEDCO for 15 years starting September 2013 and medium-term PPA for 160 MW with TNPDC starting February 2026. The presence of long-term/medium-term PPAs for majority operational capacity provides revenue visibility up to an extent. Under the given PPAs, the company is eligible to receive tariff in two parts, capacity charge and energy charge. The company is eligible for full recovery of capacity charges if the plant availability is higher than normative PAF per PPA. The energy charges are paid on actual generation. The energy charge and transportation charges are quoted in USD/unit for 80 MW TANGEDCO PPA which mitigates foreign exchange risk associate with import of coal to some extent.

#### Long-term FSA with MCL mitigates fuel risk to certain extent

The company is eligible for domestic coal for recently signed 310 MW PPAs with PCKL and TNPDC. While the FSA for 160 MW TNPDC PPA has been signed, the same for PCKL PPA is expected in the near term. This mitigates the fuel price and availability risk to an extent.

#### Satisfactory operational track record of ~12 years

The 414 MW coal-based thermal power plants under OPGPL have been commissioned in a phased manner under four different units with first unit commissioned in April 2010 and last unit commissioned in July 2015. As a result, the plant now has a weighted average operational track record of ~12 years.

The entity's operational performance has improved in FY24 and FY25 considering mismatch in demand and supply in the country resulting in imposition of Section 11. Consequently, the company has been able to operate the plant at ~64% PLF and maintain PAF at ~98% in FY25 and FY24. The company has demonstrated a track record of strong realisation of above ₹ 6.75/unit over the last year on short-term open access (STOA)/merchant. Moreover, the collection performance of the company has improved in FY25 as reflected by receivable cycle of ~87 days and ~78 days as of FY24 and FY25-end, respectively. The collection cycle remains satisfactory at ~71 days as of H1FY26 end.

### Key weaknesses

#### PPA renewal risk

Out of PPAs for 390-MW capacity, the 80 MW PPA with TANGEDCO is expiring in September 2028 while the 160 MW PPA with TNPDC is expiring in March 2031 exposing the company to PPA renewal risk. The company's ability to sign PPA at remunerative tariffs upon expiry shall be a key rating monitorable.

#### Counterparty credit risk

The rating is constrained by counterparty credit risk owing to exposure to state distribution utilities which have moderate to weak financial profile. It is noteworthy that TANGEDCO has delayed payments in the past. However, total receivables levels have declined post implementation of LPSC scheme in June 2022. Going forward, timely receipt of payments from the off-takers shall remain a key credit monitorable.

#### Susceptibility of profitability to volatility in imported coal price and foreign exchange rates

The company depends on imported coal for its 80-MW TANGEDCO's PPA. The imported coal prices have remained range bound in the last 3-4 years. This, and the notification of Section 11 by Ministry of Power (MoP) for imported coal plants, has limited the under recovery of fuel cost in the PPA. CareEdge Ratings notes that Section 11 has not been extended after June 30, 2025. Hence, the company's ability to pass on material increase in imported coal prices remain limited. The company is also exposed to fluctuation in foreign exchange rates since imported coal contracts are priced in USD.

**Liquidity:** Strong

The liquidity position of the company is strong as the company has free cash and bank balance of ~₹61 crore and restricted cash balance of ~₹34 crore as on December 31, 2025. This apart, the company has fund-based working capital limits aggregating to ~₹113 crore which remains largely unutilised as on December 31, 2025.

Going forward, CareEdge Ratings expects the GCA for FY26 to remain ~₹88 against annual repayment of ~₹23 crore.

**Applicable criteria**

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Thermal Power](#)

[Financial Ratios – Non financial Sector](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

**About the company and industry****Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power distribution

Incorporated in February 2005, OPGPL is a Chennai-based company which is engaged in thermal power generation with an operating capacity of 414 MW. The plants under OPGPL are strategically located in Gummidipoondi, Thiruvallur District, Tamil Nadu, which is ~44 km from Ennore Port and 52 km from Chennai Port, facilitating efficient transportation of coal, both domestic and imported.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)
Total operating income	1,697	1,746	801
PBILDT*	160	147	75
Profit after tax (PAT)	62	52	37
Overall gearing (x)	0.2	0.1	0.1
Interest coverage (x)	3.0	2.5	2.6

A: Audited UA: Unaudited; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation, and tax

**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 and Rating Outlook
Fund-based/Non-fund-based-Short Term	-	-	-	-	237.00	CARE A1+

**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/Non-fund-based-Short Term	ST	237.00	CARE A1+				

ST: Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities: NA****Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based/Non-fund-based-Short 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

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