

July 09, 2025

Green Infra Wind Power Projects Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based – Term loan	33.29	26.78	[ICRA]AA- (Stable); reaffirmed
Total	33.29	26.78	

*Instrument details are provided in Annexure I

Rationale

The rating of Green Infra Wind Power Projects Limited (GIWPPL) factors in the presence of a strong parent group as the company is a subsidiary of Sembcorp Green Infra Private Limited {SGIPL; rated [ICRA]AA+ (Stable)/[ICRA]A1}, which is the renewable energy arm of the Sembcorp Group in India. SGIPL's credit profile factors in the strong credit profile of its ultimate parent, Sembcorp Industries Limited (SCI), which derives comfort from its diversified asset profile and the parentage of Temasek Holdings (Private) Limited {rated Moody's Aaa (Stable)} with a 49.55% shareholding. SGIPL remains strategically important to SCI amid its objective to grow the renewable portfolio. The credit profile of SGIPL also derives comfort from its diversified renewable power portfolio, comfortable debt coverage metrics and the presence of an experienced management and execution team at the Sembcorp Group with a proven track record.

Also, given the cross-default linkages among the entities in the co-obligor pool, i.e., GIWPPL, Green Infra Wind Generation Limited (GIWGL; rated [ICRA]AA- (Stable) and Green Infra Wind Energy Projects Private Limited (GIWEPL), rated [ICRA]AA- (Stable), each SPV is expected to receive support from the other two in case of any cash flow mismatch.

The rating favourably considers a satisfactory operational track record of GIWPPL's 24.0-MW wind power project over the years, supported by the repairs undertaken and the improved maintenance activity. GIWPPL's revenue visibility is supported by the power purchase agreements (PPAs) with commercial and industrial (C&I) customers under the group captive structure at competitive tariff rates. Also, the company's revenue is supported by the income from the sale of renewable energy certificates (REC). The rating also derives comfort from the comfortable credit profile of majority of the group captive customers, with a track record of timely realisation of payments. Going forward, the debt metrics of GIWPPL are expected to remain adequate, supported by PPAs at remunerative rates, an adequate generation performance and a competitive interest rate, which is fixed for the entire debt tenure.

The rating is, however, constrained by the sensitivity of the debt metrics to the generation performance, given the single-part tariff under the PPAs. Any adverse variation in weather conditions and equipment performance may impact the PLF levels and consequently the cash flow and debt metrics. The rating further remains constrained by the lack of lock-in period and termination payments under the existing PPAs, and the risks associated with the renewal of PPAs expiring in FY2027 with the C&I customers at adequate tariff rates. The company will have to sign new PPA(s), wherein the tariff rates are expected to be lower as the group captive PPAs tied up by GIWPPL remain higher than the recent renewable tariffs offered by developers. However, GIWPPL's tariffs remain competitive from a captive user's perspective as the PPA tariffs are at a discount to the grid tariffs for the respective captive users. Further, a major portion of the company's debt would have been repaid before the expiry of the existing PPAs. Nevertheless, tying up new PPAs at remunerative tariffs remains critical from a credit perspective. ICRA also takes note of GIWPPL's susceptibility to regulatory risks associated with group captive norms, revision in open access charges and forecasting and scheduling norms.

The Stable outlook on the [ICRA]AA- rating reflects ICRA's opinion that the company's cash flow is expected to be supported by the available PPAs with its captive users along with the timely receipt of payments and a satisfactory operational performance.

Key rating drivers and their description

Credit strengths

Strong parentage as company is a part of the Sembcorp Group; support from entities in the pool – GIWPPL is a subsidiary of SGIPL, which in turn is held by Sembcorp Industries Limited (49.55% held by Temasek Holdings (Private) Limited; rated Aaa by Moody's). SGIPL's credit profile is supported by its diversified renewable asset base, an experienced management and comfortable debt coverage metrics. Also, given the cross-default linkages among the entities in the co-obligor pool, i.e., GIWPPL, GIWEPL and GIWGL, each SPV is expected to receive support from the other two in case of any cash flow mismatch.

PPAs with C&I customers – The 24.0-MW capacity under GIWPPL has signed PPAs with C&I customers under the group captive mode. Majority of the customers have strong credit profiles, resulting in low counterparty credit risk and timely payments. This is also reflected in the comfortable debtor days of approx. 8 days as of March 31, 2025 and approx. 7 days as of March 31, 2024. However, the residual tenure of the PPAs is ~2 years, which is lower than the remaining debt tenure of 4 years. Nonetheless, given GIWPPL's competitive tariff offerings compared to grid rates and its established relationships with customers, the PPAs are expected to be renewed post their expiry at adequate tariff rates.

Satisfactory generation performance – The 24-MW wind asset under GIWPPL has demonstrated a moderate operational track record, with the actual PLF levels historically remaining below estimates due to grid availability constraints in Tamil Nadu until FY2016 and issues with the O&M contractor. These challenges prompted the company to shift to in-house O&M in FY2019. Since then, the PLF performance has been satisfactory and relatively stable, with reported PLFs of 19.98% in FY2025, 19.15% in FY2024. Additionally, the company's revenue is supported by income from the sale of RECs.

Comfortable debt coverage metrics – GIWPPL's debt coverage indicators are expected to remain comfortable at the existing PPA tariff rates with the cumulative DSCR estimated to stay healthy over 1.5x, supported by a satisfactory generation performance, adequate profitability and a competitive interest rate which is fixed till FY2029.

Credit challenges

Risks associated with renewal of PPAs at adequate tariffs – The PPAs signed by GIWPPL do not have a provision for lock-in period or termination payments in case of premature termination. Further, the residual tenure of the PPAs remains low as the PPAs are set to expire in FY2027, which limits its long-term revenue visibility. With tariffs declining in the renewable energy sector, the asset's ability to renew the PPAs with C&I customers at adequate tariffs remains a key monitorable.

Sensitivity of debt metrics to energy generation – The debt metrics of the wind power asset remain sensitive to the PLF levels, given the one-part tariff structure under the PPA. Hence, any adverse variation in weather conditions and/or machine performance may impact the PLF and consequently the cash flow. The geographic concentration of the asset in Tamil Nadu amplifies the generation risk.

Regulatory challenges – The company's operations are exposed to regulatory risks pertaining to group captive norms, revision in open access charges and scheduling & forecasting requirements of wind power projects. As the open access charges are borne by GIWPPL under most PPAs, any increase in these charges and losses may impact its profitability. Also, any reduction in the banking period or increase in banking charges may impact the operations. Further, any revision of the shareholding norms for group captive projects could adversely impact the operations of GIWGL.

Liquidity position: Adequate

The liquidity profile of GIWPPL is adequate with the cash flow from operations and available liquidity expected to be sufficient to meet the debt servicing requirements in FY2026. The liquidity of the company derives comfort from the presence of a strong parent, i.e., SGIPL, which is expected to provide funding support in case of any cash flow mismatch. The company had free cash and cash equivalents of Rs. 0.18 crore as on March 31, 2025.

Rating sensitivities

Positive factors – A satisfactory operational performance of the asset on a sustained basis and the renewal of PPAs at remunerative tariffs, leading to an improvement in the debt coverage indicators, could result in an upgrade. Also, the rating would remain sensitive to the credit profile of the parent (SGIPL) and the pool.

Negative factors – Pressure on the rating could emerge if the generation performance deteriorates or the company is unable to renew the PPAs, thereby adversely impacting the debt coverage metrics. A deterioration in the payment cycle from the counterparties on a sustained basis adversely impacting the liquidity profile is another negative factor. A specific credit metric for downgrade is the cumulative DSCR falling below 1.20x. Also, the rating would remain sensitive to the credit profile of the parent (SGIPL) and the pool.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Wind
Parent/Group support	<p>The rating assigned to GIWPPL factors in the cross-default linkages with GIWEPL and GIWGL. Also, the rating factors in the implicit support from Group holding company, SGIPL, with support expected to be forthcoming in case of any cash flow mismatch.</p> <p>The rating for GIWPPL has been arrived at by following the analytical steps as given below:</p> <ol style="list-style-type: none"> 1. An assessment of the standalone credit profile of GIWPPL 2. An assessment of the Group's credit profile by undertaking a consolidated assessment of the three SPVs in view of the cross-default linkages among them, and then further notching up the Group's notional rating based on expectations of implicit support from the Group's holding company, SGIPL 3. The final rating for the bank facility of GIWPPL is arrived at by suitably notching up the standalone rating after duly considering the Group's rating and the linkages between the standalone entity and the Group
Consolidation/Standalone	Standalone

About the company

GIWPPL is a special purpose vehicle (SPV) promoted by SGIL. The company has set up a 24.0-MW wind power plant at Theni in Tamil Nadu which was commissioned in May 2012. The company has signed PPAs with group captive consumers, who hold a 30.9% shareholding in the company, as required under the group captive norms, while the balance 69.1% is held by SGIPL as of May 2025.

Key financial indicators (audited)

GIWPPL Standalone	FY2023	FY2024	FY2025
Operating income	26.0	23.7	24.2
PAT	4.1	(18.4)	2.5
OPBDIT/OI	59.8%	50.0%	60.5%
PAT/OI	16.0%	-77.8%	10.3%
Total outside liabilities/Tangible net worth (times)	2.9	8.6	5.8
Total debt/OPBDIT (times)	4.6	7.0	5.3
Interest coverage (times)	3.8	2.6	1.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore ; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	July 09, 2025	Date & rating in FY2025		Date & rating in FY2024		Date & rating in FY2023	
				Date	Rating	Date	Rating	Date	Rating
1 Long term - Fund based - Term loan	Long term	26.78	[ICRA]AA-(Stable)	Jul 29, 2024	[ICRA]AA-(Stable)	Apr 10, 2023	[ICRA]AA-(Stable)	Sep 09, 2022*	[ICRA]A+(Stable)

* [ICRA]A+(CE) (Stable) withdrawn; [ICRA]A+ (Stable) assigned simultaneously

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term - Fund based - Term loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or the complexity related to structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	March 2017	-	FY2029	26.78	[ICRA]AA- (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis - Not applicable

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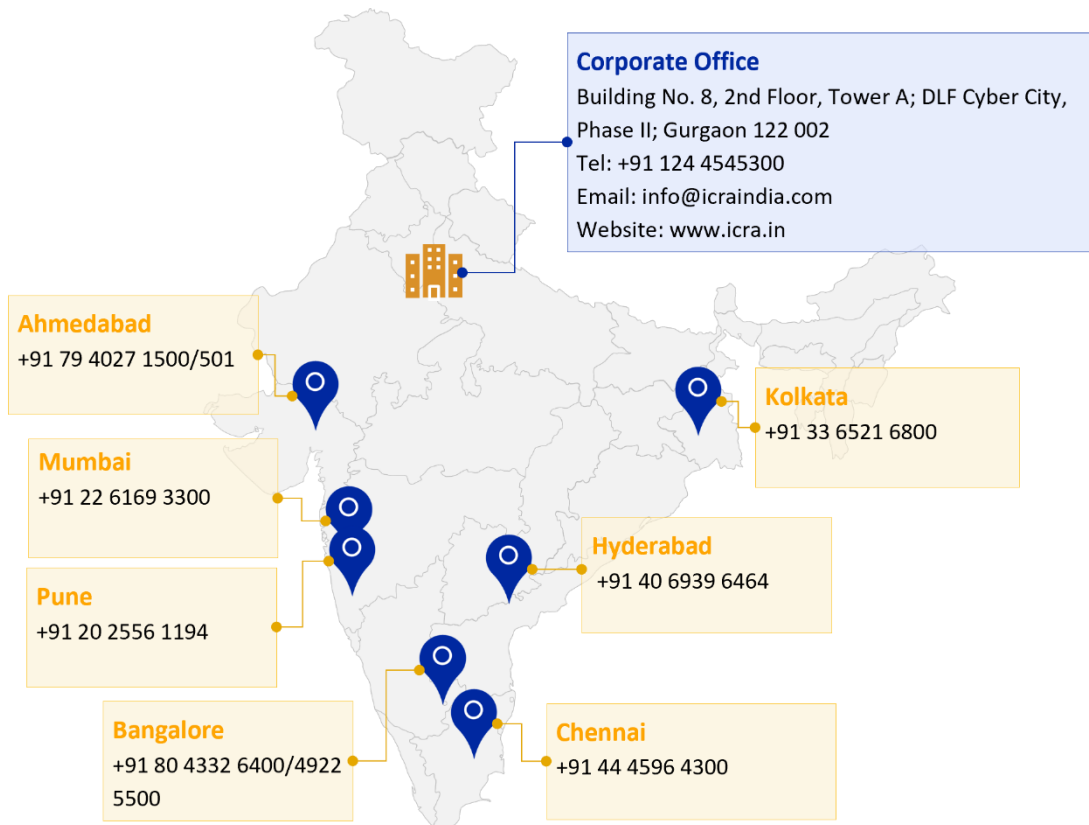
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