March 02, 2026

Vayona Energy Private Limited: [ICRA]A- (Stable)/[ICRA]A2+; assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term/Short term – Fund based/Non-fund based - Limits	831.00	[ICRA]A- (Stable)/[ICRA]A2+; assigned
Long term/Short term – Unallocated limits	2,169.00	[ICRA]A- (Stable)/[ICRA]A2+; assigned
Total	**3,000.00**	

**Instrument details are provided in Annexure-I*

Rationale

The ratings assigned to Vayona Energy Private Limited (VEPL) factors in its established position in the domestic wind turbine generator (WTG) original equipment manufacturer (OEM) market. The business has been established through the acquisition of Siemens Gamesa Renewable Power Private Limited's (SGRPPL, a wind power subsidiary of Siemens Energy AG) onshore WTG manufacturing and services business in India and Sri Lanka. The transaction was completed on December 1, 2025.

The ratings further benefit from the financial flexibility provided by the promoters/sponsors and the presence of an experienced management team. The promoters — TPG Regen SG Pte. Ltd. (affiliated with global investment firm, TPG Inc), MAVCO Investments Private Limited (a private company belonging to select members of the Murugappa family), Tikri Investments (promoted by Mr. Prashant Jain), and Siemens Gamesa Renewable Power Private Limited — have infused significant equity into the company to support the business operations and meet its working capital requirements. Further, comfort is derived from VEPL's technical collaboration with the Siemens Gamesa Renewable Energy (SGRE) Group. The collaboration provides VEPL with exclusive licence rights for the existing WTGs in India and Sri Lanka. This partnership also supports the continued operation of the business through technical support, ensures the honouring of existing contractual commitments to customers, and enables the manufacturing and commercialisation of next-generation WTGs.

The ratings also favourably factor in VEPL's healthy order book, comprising a WTG supply order book of over ~Rs. 3,400 crore (~0.8 GW) and an operations and maintenance (O&M) order book of over ~Rs. 640 crore (portfolio of ~6 GW) as of January 2026, which provides medium-term revenue visibility. Further, the company has secured new orders under the Vayona brand, reflecting customer acceptance of the new platform. Going forward, ICRA expects the company's order book to be supported by strong government policy support for domestic wind turbine manufacturing, an established performance track record of WTG turbines (3.X platform) and a healthy project pipeline, largely comprising hybrid, firm and dispatchable renewable energy (FDRE) and round-the-clock (RTC) projects.

The ratings, however, remain constrained as the anticipated improvement in the operating performance and margins of the WTG manufacturing and services business is yet to be demonstrated following the business acquisition. This remains a key monitorable. Further, the company remains vulnerable to the concentration of revenue towards the sale of WTGs. Additionally, the wind energy industry has witnessed high cyclicality in the past due to change in bidding regimes for projects, and the industry's reliance on Government support in the form of subsidies or regulatory interventions. Under the prevailing policy and regulatory framework, the Ministry of New and Renewable Energy's (MNRE) emphasis on promoting domestic manufacturing is expected to benefit VEPL, given its nacelle and blade manufacturing facilities at Mamandur in Tamil Nadu and Nellore in Andhra Pradesh, respectively. Moreover, the Government of India's continued focus on increasing the renewable energy capacity is likely to support wind capacity addition, thereby aiding VEPL's order book. However, the continued timely awarding of projects in the FDRE, hybrid, and RTC segments remains critical, given the significant decline witnessed in the current fiscal due to concerns over transmission connectivity and delays in the execution of power sale agreements (PSAs) by Central nodal agencies with distribution utilities.

The ratings are also constrained by the inherently working capital-intensive nature of operations in the wind OEM industry. Further, the company's margins remain vulnerable to any adverse fluctuations in commodity prices. Nevertheless, the larger orders are covered under a price variation clause, which provides some comfort. ICRA also notes that the company faces competition from other established wind turbine manufacturers operating in the domestic market, which could exert pressure on product pricing. Hence, a timely execution of the customer order book, along with efficiency in O&M services, remains important to maintain customer relationships and support the order book.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company will continue to benefit from the established track record of its WTGs (3.X platform), which is expected to support the order book addition. This, in turn, should aid generation of healthy cash flow from business and support the company's liquidity position.

Key rating drivers and their description

Credit strengths

Strong promoters and experienced management team – The company is promoted by TPG Regen SG Pte. Ltd. (53.8% stake, affiliated with the global investment firm, TPG Inc), MAVCO Investments Private Limited (33.8% stake; a private company belonging to select members of the Murugappa family), Tikri Investments (10.5% stake, promoted by Mr. Prashant Jain), and Siemens Gamesa Renewable Power Private Limited (1.9% stake). The promoters/sponsors have infused significant equity into the company to support the business operations and meet its working capital requirements. ICRA derives comfort from the promoter/sponsor profile, which provides financial flexibility to the company. Further, the company is supported by a qualified and experienced management team with a demonstrated track record in developing and operating renewable energy projects across the country.

Healthy order book lends revenue visibility over the medium term, with expectations of good prospects to continue amid conducive Government policy – VEPL has a healthy order book, comprising a WTG supply order book of over ~Rs. 3,400 crore (~0.8 GW) and an O&M order book of over ~Rs. 640 crore (portfolio of ~6 GW) as of January 2026, which provides medium-term revenue visibility. Further, the company has secured new orders under the Vayona brand, reflecting customer acceptance of the new platform. Going forward, ICRA expects the company's order book to be supported by strong government policy support for domestic wind turbine manufacturing, established performance track record of WTG turbines (3.X platform) and a healthy project pipeline, largely comprising hybrid, FDRE and RTC projects. Further, investments towards renewable energy (RE) capacity addition by commercial & industrial (C&I) users would also support the order book.

VEPL's installed base of WTGs remains sizeable, with a market share of ~20% of the total wind capacity installed in India as of December 2025. This installed base is expected to increase steadily with incremental turbine installations, thereby supporting stable revenue generation for the O&M segment, which has higher margins. The O&M business lends stability to the company's overall earnings and will contribute 15–20% of the company's consolidated revenues.

Strategic tie-up with Siemens Gamesa Renewable Energy for technical support – VEPL has technical collaboration with the SGRE Group which provides it exclusive licence rights for existing WTGs in India and Sri Lanka. This partnership also supports the continued operation of the business through technical support, ensures the honouring of existing contractual commitments to customers, and enables the manufacturing and commercialisation of next-generation WTG.

Credit challenges

Expected improvement in operating performance remains to be seen post transfer of SGRE India's onshore WTG manufacturing and services business in India and Sri Lanka – Post the acquisition of the business from SGRPPL, the management has initiated measures to achieve cost savings and enhance operational efficiencies with the aim to improve profitability across the WTG manufacturing and services segments. However, the envisaged improvement in operating performance and margins is yet to be seen and remains a key monitorable.

Vulnerable to industry cyclicality and concentration of revenues towards wind sector – The company remains vulnerable to the concentration of revenue towards the sale of WTGs. Also, the wind energy industry has witnessed high cyclicality in the past due to change in Government policies. Wind energy is expected to command a significant share in the hybrid, RTC and FDRE projects, given its ability to support lower levelised cost of energy (LCOE). This is supported by the generation profile of wind power, which typically peaks during high demand hours, and its complementary characteristics with solar power across intra-day variability and seasonal patterns. However, VEPL remains exposed to the risk of higher execution of solar plus-storage projects relative to FDRE/RTC projects, which could influence the pace of wind capacity additions and, in turn, the demand for wind turbine generators.

Working capital intensive nature of operations – The wind OEM industry is characterised by an inherently working capital-intensive operating profile. The business requires significant inventory, mainly towards long-lead and high-value components, to ensure adherence to project execution timelines. Further, customer payments are staggered due to milestone-based billing, while a portion of the payments is retained until commissioning and linked to performance guarantees. Hence, an efficient working capital management remains critical for maintaining an adequate liquidity profile.

Vulnerability to raw material price risk and competition –Steel and copper are one of the major raw materials for the company, the prices of which are volatile. Hence, VEPL's margins remain vulnerable to any adverse fluctuations in commodity prices. Nevertheless, the larger orders are covered under a price variation clause, which provides some comfort. Additionally, the company faces competition from other established wind turbine manufacturers operating in the domestic market.

Liquidity position: Adequate

As of January 2026, the company had cash and bank balances, including mutual fund investments, of ~Rs. 1,100 crore. The company has certain remaining payments to SGRE towards the purchase consideration, which are contingent upon the achievement of defined milestones. In addition, VEPL has a planned capital expenditure of ~Rs. 250 crore to expand the blade manufacturing capacity of its Nellore facility in Andhra Pradesh. Factoring in these anticipated cash outflows, ICRA expects the company's liquidity position to remain adequate, supported by expected healthy cash flow from operations and the absence of long-term external debt on its books.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the company is able to demonstrate a sustained increase in its scale of operations, along with an improvement in the operating margins, leading to healthy debt coverage metrics, while maintaining a comfortable working capital intensity and adequate liquidity position.

Negative factors – Pressure on the ratings may arise if any large debt-funded capex, or higher working capital intensity, adversely impacts VEPL's capitalisation indicators and liquidity. The ratings may also be downgraded if the order intake is significantly impacted.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/group Support	Not Applicable
Consolidation/standalone	For arriving at the ratings, ICRA has considered the consolidated financials of VEPL and its subsidiaries [Details in Annexure II]

About the company

VEPL is a WTG original equipment manufacturer with operations in India and Sri Lanka. The company's business was established through the acquisition of SGRPPL's onshore WTG manufacturing and services operations in India and Sri Lanka, with the transaction completed on December 1, 2025. VEPL operates a nacelle manufacturing facility at Mamandur, Tamil Nadu, and a blade manufacturing facility at Nellore, Andhra Pradesh. In addition to the supply of WTGs, the company provides O&M services across India and Sri Lanka.

Key financial indicators (audited)

Not applicable as the audited financials are not available and business acquisition from SGRPPL was closed on December 1, 2025.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Mar 02, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based/Non-fund based limits	Long term/Short term	831.00	[ICRA]A-(Stable)/[ICRA]A2+	-	-	-	-	-	-
Unallocated limits	Long term/Short term	2,169.00	[ICRA]A-(Stable)/[ICRA]A2+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term – Fund based/Non-fund based - Limits	Simple
Long term/Short term - Unallocated limits	Not Applicable

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'scredit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the 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	**Fund based/Non-fund based limits**	NA	NA	NA	831.00	[ICRA]A- (Stable)/[ICRA]A2+
NA	**Unallocated limits**	NA	NA	NA	2,169.00	[ICRA]A- (Stable)/[ICRA]A2+

Source: Company

Please Click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company name	VEPL ownership	Consolidation approach
Vayona Energy Lanka Private Limited	100%	Full consolidation

Source: Company

ANALYST CONTACTS

Girishkumar Kashiram Kadam
+91 22 6114 3441
girishkumar@icraindia.com

Ankit Jain
+91 124 4545 865
ankit.jain@icraindia.com

Rachit Mehta 2
+91 22 6169 3328
rachit.mehta2@icraindia.com

Ayush Goel
+91 22 6169 3357
ayush.goel@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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ICRA Limited

Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

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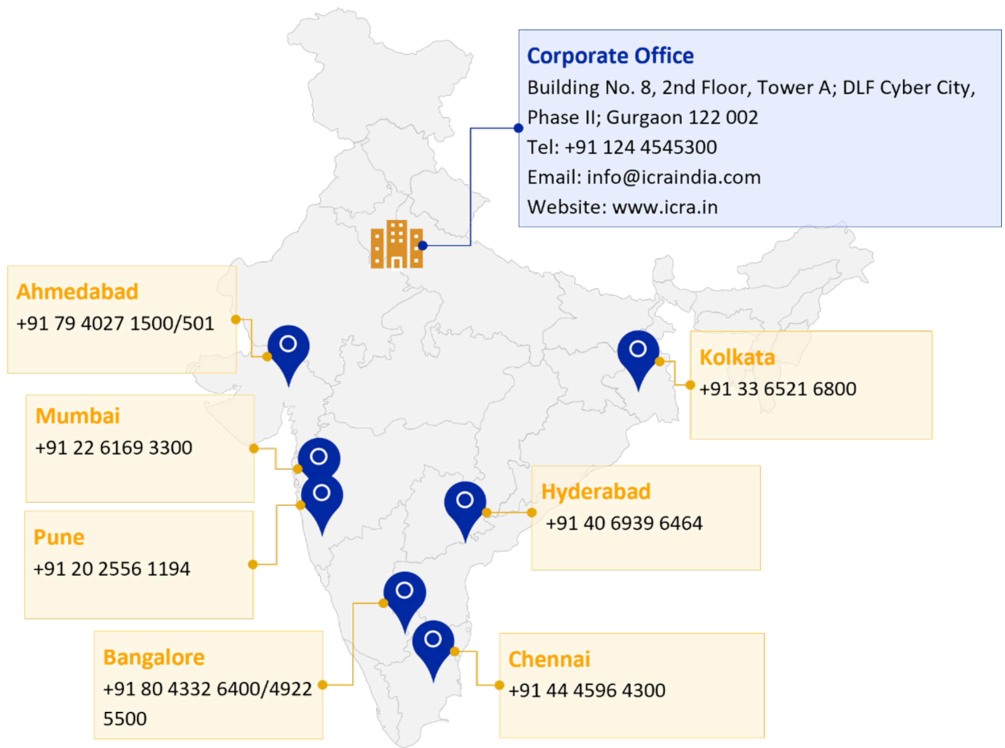

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