August 22, 2025

Axis Wind Farms (Anantapur) Private Limited: Rating upgraded to [ICRA]A+ (Stable) and removed from watch with Positive Implications; Stable outlook assigned

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loans	575.00	575.00	[ICRA]A+ (Stable); upgraded from [ICRA]A-; removed from watch with Positive Implications and Stable outlook assigned
Total	**575.00**	**575.00**	

**Instrument details are provided in Annexure I*

Rationale

The upgrade in the rating for Axis Wind Farms (Anantapur) Private Limited (AWFAPL) reflects the strengthening of its credit profile, following a favourable change in ownership, after it was acquired by Gentari Renewables India Pte Limited (GRIPL) from the erstwhile sponsors i.e. Brookfield Group in February 2025. GRIPL is ultimately owned by Petroliam Nasional Berhad [PETRONAS; rated Moody's A2 (Stable)]. AWFAPL is expected to benefit from the managerial, operational and financial support available from the new shareholder.

The rating continues to factor in the presence of a 25-year power purchase agreement (PPA) with Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL) at a feed-in tariff of Rs. 4.84 per unit for the 105-MW wind power project of AWFAPL, thus limiting the demand and pricing risks. The generation performance of the wind asset declined in FY2025 compared to FY2024 due to weaker wind season; however, the generation remains satisfactory. Moreover, the availability of a three-quarter debt service reserve (DSRA) in the form of a sponsor-issued standby letter of credit (SBLC) and a Rs. 50-crore working capital facility support the liquidity profile of the company.

ICRA notes that the company has been receiving payments for the bills in a regular manner from APSPDCL. However, the discom is withholding certain payments, citing that the offtake of the energy generated shall be restricted to the normative plant load factor (PLF) of 23.5% approved under the tariff regulations. The company had filed a petition before the Andhra Pradesh Electricity Regulatory Commission (APERC) challenging this withholding of payments. APERC had disposed of the petition and directed that the relief granted in one of its previous orders be extended to the company, i.e., APSPDCL is obligated to pay a tariff to the company at Rs. 0.5/unit for the purchase of energy injected beyond the PLF of 23.5%. This is being contested by the company and the petition on this matter is pending. The resolution of this issue remains a key rating sensitivity, going forward.

The rating is, however, constrained by the exposure to a single counterparty, APSPDCL, which has a modest financial profile. A timely receipt of the ongoing bills from APSPDCL on a sustained basis along with the resolution of the issue over capping the offtake at a normative PLF remains a key monitorable for AWFAPL. The rating is also constrained by the vulnerability of revenues and cash flows to the seasonality and variation in wind power density across the years owing to the single-part nature of the tariff under the PPA with APSPDCL. The rating is further tempered by the geographic concentration of the project at a single location. Also, a leveraged capital structure and the fixed tariff of the project expose the company to variation in interest rates on the project debt.

Key rating drivers and their description

Credit strengths

Strong parent support – AWFAPL is part of Gentari group, which is backed by PETRONAS. PETRONAS is a 100% government-owned integrated oil and gas company in Malaysia. PETRONAS has formed a separate vertical, named Gentari, which will focus on three core-areas - renewable energy, hydrogen and green mobility solutions. The Gentari vertical is a strategically important business segment which aligns with PETRONAS' focus on renewable energy. Hence, ICRA expects the parent company to continue to provide financial support to the company, if required.

Long-term power purchase agreement with APSPDCL – AWFAPL has signed a long-term PPA of 25 years with APSPDCL at a fixed tariff rate, which provides revenue visibility for the company and limits the demand and tariff risks.

Satisfactory generation performance – The PLF generating performance of AWFAPL declined to 25.9% in FY2025 compared to 28.4% in FY2024, primarily due to a weaker wind season. Despite this moderation, the overall generation performance remains satisfactory. However, the sustainability of the generation performance remains a key monitorable for the company.

Liquidity profile supported by availability of three-quarter DSRA and working capital facility – The availability of a three-quarter DSRA in the form of a sponsor-issued irrevocable standby letter of credit and a working capital facility of Rs. 50 crore support the liquidity profile of the company.

Credit challenges

Counterparty risk from exposure to a single discom in Andhra Pradesh with a modest financial profile - The long-term PPA with APSPDCL exposes AWFAPL to the counterparty credit risk of being exposed to a single discom, which has a moderate financial profile. The financial profile of the discom is constrained by high subsidy dependence and inadequate tariffs in relation to the cost of supply. While the company is receiving payments for the bills in a regular manner, the discom is withholding certain payments, citing that the offtake of the energy generated shall be restricted to the normative PLF of 23.5% approved under the tariff regulations. This is being contested by the company as there is no such provision under the PPA. The timely clearance of the ongoing monthly bills and the recovery of the withheld dues remain a monitorable for the company.

Operating risks associated with exposure to wind conditions and geographic concentration of the project – The generation by wind farm and in turn the cash flows of the project are susceptible to seasonality and variation in wind power density, given the one-part tariff structure of the PPA with APSPDCL. This risk is amplified by the geographic concentration of the asset as the entire capacity is at a single location. Also, the competitiveness of the tariff offered by the project remains moderate, which may lead to the risk of grid curtailment.

Interest rate risk - The company's debt coverage metrics remain sensitive to the movements in interest rate on the project debt, given the single-part fixed tariff of the project and a leveraged capital structure.

Liquidity position: Adequate

AWFAPL's liquidity position is expected to remain adequate, supported by positive cash flow from operations and a Rs. 50-crore working capital facility in relation to its debt servicing obligations. Moreover, a DSRA equivalent to three quarters in the form of sponsor-issued irrevocable standby letter of credit is expected to support the liquidity profile. A recovery of the withheld dues by APSPDCL remains a key rating monitorable. The cash and bank balances for the company stood at Rs. 20.61 crore as on August 01,2025.

Rating sensitivities

Positive factors – ICRA could upgrade the rating following a favourable resolution of the PLF capping issue with the offtaker along with a generation performance in line with the average performance over the past three years and timely payments from the offtaker, thereby leading to an improvement in the debt coverage metrics.

Negative factors – Pressure on AWFAPL's rating could arise if any significant under-performance in generation adversely impacts its debt coverage metrics. Any large build-up in receivables from the offtaker adversely impacting the company's liquidity position would be another negative trigger. A weakening of the credit profile of PETRONAS and/or any weakening of the linkages with ultimate parent PETRONAS will also exert pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power – Solar and Wind
Parent/Group support	Parent/ Group company: GRIPL (ultimately promoted by PETRONAS); ICRA expects PETRONAS to be willing to extend financial support to the company, if required, given the business linkages and the strategic importance of the company
Consolidation/Standalone	The rating is based on the standalone financial profile of the rated entity

About the company

AWFAPL operates a 105-MW wind power project at Kuderu and Pampanoor Thanda in the Anantapur district of Andhra Pradesh. The wind power plant commenced commercial operations in July 2017. AWFAPL has signed a long-term PPA with APSPDCL for a period of 25 years at a fixed tariff of Rs. 4.84 per unit. AWFAPL was acquired by GRIPL in February 2025. GRIPL is owned by Gentari, a 100% subsidiary of PETRONAS.

Key financial indicators (audited)

AWFAPL Standalone	FY2024	FY2025*
Operating income	126.4	114.6
PAT	2.5	-3.5
OPBDIT/OI	80.7%	79.4%
PAT/OI	2.0%	-3.1%
Total outside liabilities/Tangible net worth (times)	5.85	-
Total debt/OPBDIT (times)	6.40	-
Interest coverage (times)	1.52	1.51

*Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: 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

	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Aug 22, 2025	Date	Rating	Date	Rating	Date	Rating
Fund based-Term loan	Long term	575.00	[ICRA]A+ (Stable)	Feb 06, 2025	[ICRA]A- rating watch with Positive implications	Feb 29, 2024	[ICRA]A- (Stable)	Nov 01, 2022	Provisional [ICRA]BBB+ (Stable)
				-	-	-	-	Feb 03, 2023	[ICRA]A- (Stable)

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 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	**Term loan**	Sept 2022	-	June 2038	575.00	[ICRA]A+ (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

ANALYST CONTACTS

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

Vikram V
+91 40 6939 6410
vikram.v@icraindia.com

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

Arnav Gandhi
+91 22 6169 3352
arnav.gandhi@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

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Registered Office

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

Branches