August 18, 2026

Vento Power Private Limited: Rating upgraded to [ICRA]A (Stable)

Summary of rating action

Instrument*	Pervious rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term - Fund based - Term loan	181.00	181.00	[ICRA]A (Stable); upgraded from [ICRA]A- (Stable)	RBI
Total	**181.00**	**181.00**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments, which fall under the regulatory purview of financial sector regulators other than SEBI.

Rationale

ICRA has taken a consolidated rating view of the three SPVs, Vento Power Private Limited (VPPL), JK Petro Energy Private Limited (JKPPL) and Ginni Global Private Limited (GGPL), collectively referred to as the pool, in line with its methodology on rating co-obligor structures of cash pooling special purpose vehicles (SPVs) that have a defined mechanism for the sharing of surplus cash flows prior to the due date of debt servicing.

The rating upgrade factors in the healthy operational performance as reflected in the satisfactory generation track record, timely collection from the offtakers along with some improvement in debt coverage metrics post-acquisition of these assets in FY2023. The power generation of the solar projects in the pool remained close to the P-90 levels during FY2025 and FY2026, while the hydro projects have also demonstrated healthy generation performance during FY2025 and FY2026, following the restoration of operations after one of the hydro plants was damaged due to flash floods in Himachal Pradesh in FY2024. Going forward, ICRA expects the debt coverage metrics at pool level to remain comfortable as the management plans to reallocate a portion of the common corporate expenses within the renewable energy vertical, which, along with stable generation performance, amortising debt structure and competitive interest rate is expected to result in debt service coverage ratio (DSCR) of more than 1.35 times over the debt tenure.

The rating continues to derive comfort from the long-term power purchase agreements (PPAs) of 25 years for the entire solar capacity with a strong counterparty, Solar Energy Corporation of India (SECI: rated [ICRA]AAA (Stable)/[ICRA]A1+), at fixed tariffs of Rs. 4.43/unit and Rs. 4.11/unit for the entire PPA tenor. The pool also has a long-term PPA for 50% of its hydro capacity with the Himachal Pradesh State Electricity Board Limited (HPSEBL) for a period of 40 years at a tariff of Rs. 2.5/unit. For 8.3% of the overall capacity, the pool remains exposed to demand and tariff risks as the power is sold in the open market.

The rating reflects the diversification benefits arising from a geographically distributed asset base and the surplus-sharing mechanism within the pool, which mitigates cash flow timing mismatches arising due to region-specific issues such as natural calamities or force majeure events. The geographical diversification of the projects across three states, namely Odisha (53.6 MWp; 68%), Karnataka (13.6 MWp; 17%) and Himachal Pradesh (10 MW; 15%), also reduces the risks arising from regulatory changes, natural calamities or force majeure events in any specific region, thereby providing visibility on a stable earnings stream to service scheduled debt obligations.

Further, the rating action also factors in the reduction in debtor days for the pool, particularly for the hydro projects under GGPL. The collection days for the Taraila hydro project reduced to ~41 in FY2026 from 55 in FY2025 and ~73 in FY2024. Further, power generated from the Balsio hydro project is being sold in the open market, with payments being received within two days of bill submission. The collections from SECI for the solar projects under VPPL and JKPPL have remained timely, with receivable days remaining below 10 during FY2025 and FY2026. Further, the liquidity is assessed as adequate on expectation of a satisfactory generation performance on a sustained basis, coupled with the creation of debt service reserve (DSR) equivalent to one quarter for solar portfolio and two quarters for hydro projects.

The rating is constrained by the absence of a long-term PPA for the 5-MW hydro capacity, with power being sold in the open market since April 2025, exposing the pool to long-term offtake and tariff-related risks. However, ICRA notes that tariffs in the short-term power market have remained healthy over the last couple of years, with power from the Balsio project being sold at an average tariff of Rs. 3.95 per unit in FY2026. Nevertheless, the absence of a long-term PPA continues to expose the project to long-term offtake and tariff risks. Further, the pool remains exposed to counterparty risk due to the weak credit profile of the offtaker, for 8.3% of contracted capacity, Himachal Pradesh State Electricity Board Limited (HPSEBL).

The rating is also moderated by the sensitivity of GGPL's cash flows to hydrological risks, as approximately one-fifth of its current operating profit is derived from hydro-based generation. As revenues and profitability are directly linked to generation levels, which depend on water availability and rainfall, adverse weather conditions can materially impact plant operations. This was evident in FY2024, when operations at the Balsio plant were halted due to regional flooding, affecting the cash flow and coverage metrics. Nevertheless, the management's commitment to maintaining a liquidity buffer equivalent to six months of debt servicing requirements at the consolidated level provides some comfort.

The debt coverage metrics of the pool remain exposed to variability in generation performance. The variations in weather conditions, including solar irradiance levels, hydrological conditions or underperformance of the solar modules, could adversely impact generation levels and, consequently, cash flows. A sustained generation performance in line or above the appraised P-90 estimate for the entire capacity remains a key monitorable. The rating is also tempered by the high operating expenses of the pool, including corporate overheads. The management intends to rationalise and optimise these expenses from FY2027. While the receipt of insurance claims in FY2026 supported the profitability of the pool despite elevated operating expenses, failure to achieve the proposed cost-optimisation measures could exert pressure on the profitability and coverage metrics going forward. The extent and timing of the cost reallocation, yet to be affected, will remain a key monitorable.

Also, given the leveraged capital structure, the debt coverage metrics would remain exposed to adverse interest rate movements. However, the projected debt coverage metrics provide some buffer to mitigate this risk. Any further increase in leverage to meet the project funding requirements will remain a key rating sensitivity. The rating further factors in the risks pertaining to the scheduling and forecasting framework for renewable energy projects.

The Stable outlook reflects ICRA's expectations that the pool will continue to benefit from stable cash flows from the long-term PPAs covering majority of its capacity, along with healthy tariff realisations from the hydro capacity being sold in the open market. Moreover, sustained generation performance, improved collection efficiency and the proposed rationalisation of operating expenses are expected to support debt coverage metrics commensurate with the current rating level.

Key rating drivers and their description

Credit strengths

Co-obligor structure with surplus sharing mechanism and diversified geographical presence mitigates risks of cash flow timing mismatches - All the three special purpose vehicles (SPVs) have been funded by Axis Bank Limited and are structured as co-obligors. Under this arrangement, the SPVs can share surplus cash among themselves in accordance with the terms of the inter-creditor agreement. This mechanism provides a financial cushion in case any SPV faces challenges in meeting its debt obligations due to factors such as seasonality, abrupt climatic changes, or force majeure events that affect the power generation and, consequently, the cash flow. As the SPVs are geographically diversified across three states, any disruption in one state can be mitigated by support from the other SPVs operating in the unaffected regions. Further, the surplus cash sharing mechanism allows non-defaulting SPVs to offer short-term financial assistance to the stressed entities within the pool, subject to lender approval, thereby supporting a timely debt repayment. Also, the fungibility of cash transfer among the SPVs has already been tested and demonstrated in the past.

Satisfactory generation performance and fixed-tariff PPAs provide long-term revenue visibility - The pool has demonstrated track record of healthy generation over the past few years. The solar portfolio has performed in line with P90 levels over the previous few years and recorded a weighted average PLF of 16.02% in FY2026. Further, the hydro project has witnessed healthy generation after one of the hydro plants was damaged due to flash floods in Himachal Pradesh in FY2024. All the three SPVs have secured PPAs at a weighted average tariff of Rs. 4.04 per unit. The strong generation metrics and favourable tariffs are expected to ensure a stable cash flow and long-term revenue visibility for the entities.

Long-term PPAs with SECI for 83% capacity allay offtake and counterparty credit risk concerns - Of the three SPVs, JK Petro Energy Private Limited and Vento Power Private Limited have entered into long-term power purchase agreements (PPAs) with SECI for 83% of the pool's capacity for a duration of 25 years. These agreements are based on a fixed tariff of Rs. 4.43 per unit and Rs. 4.11 per unit, effectively mitigating the demand and pricing risks while ensuring revenue predictability. Further, the presence of a strong and credible counterparty like SECI, which has a track record of timely payments, lends stability to the cash flow of the projects.

Comfortable debt coverage metrics – The residual tenure of the PPA is more than the balance repayment tenure of all the term loans. The debt coverage metrics of the projects are expected to be comfortable at more than 1.35 times over the debt tenure, given the healthy tariff rates under the PPAs, the long-term debt tenure and competitive interest rate.

Credit challenges

Offtake and tariff risks for Balsio project in the absence of PPA tie-up - GGPL's Balsio plant currently sells power in the merchant power market, exposing it to short-term volume and tariff volatility. While this model offers the potential for higher returns, it also subjects the company to significant offtake and pricing risks over the long term. Given the absence of a long-term PPA and the plant's leveraged capital structure with an extended debt repayment tenure of 15 years, any adverse movement in market tariffs could materially impact the cash flow and remains a key monitorable.

Vulnerable to variable hydrology - The generation performance of the Balsio and Taraila hydro plants remains inherently dependent on rainfall and water availability. Consequently, any adverse weather-related events pose a risk to the operational performance. In FY2024, the Balsio plant was non-operational from July to April due to regional flooding, which necessitated a preventive shutdown by the company and resulted in a decline in the PLF. The recurrence of such extreme weather events could adversely impact the generation levels and, in turn, the cash flow profile of the project. Hence, hydrological variability remains a key monitorable from a credit perspective.

Exposure to interest rate risks due to fixed nature of PPA tariffs and regulatory risk - The pool's cash flow is affected by the variable interest rates on loans, exposing the cash generation to interest rate fluctuations. The company's debt servicing ability may be impacted in case of an increase in interest rates, unless the performance exceeds the base-case generation levels. However, the projected debt coverage metrics provide some buffer to mitigate this risk. The regulatory framework prescribed by the state electricity regulatory commission charges penalty for variation between the forecasted and actual generation beyond a certain threshold for renewable energy and hydro projects. As the generation performance of these projects is exposed to weather conditions, these regulations would make the company vulnerable to the risk of penalties impacting the cash flows and debt metrics.

Cash flow susceptible to variability in solar irradiance - The company's debt coverage metrics remain exposed to the generation level, given the one-part structure under the PPAs. Hence, any adverse variation in weather conditions and/or module performance may impact the PLF and consequently, the cash flow. As per the PPA terms, every project needs to generate a minimum stipulated power. Hence, any shortfall in the minimum stipulated power could result in penalties equivalent to the shortfall.

Liquidity position: Adequate

The pool's liquidity position remains adequate with expected cash flow from operations of Rs. 44.3 crore against an annual debt repayment obligation of Rs. 36.5 crore in FY2027. Further, the liquidity is supported by free cash and cash equivalent of Rs. 10.21 crore and a DSRA of Rs. 13.27 crore as on July 31, 2026.

Rating sensitivities

Positive factors: The rating can be revised upwards, if the generation performance of the pool remains above the appraised estimates. A reduction in operating expenses and timely payments from the offtakers, leading to an improvement in earnings and debt coverage metrics on a sustained basis, will also support an upgrade.

Negative factors: The rating could be under pressure if the generation performance and operating expenses deteriorate at a consolidated level, pulling down the cumulative DSCR below 1.25 times on a sustained basis. The rating can also be downgraded if there is significant delay in realising money from the counterparties, resulting in a stretched liquidity profile.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	Not applicable
Consolidation/Standalone	To arrive at the rating, ICRA has considered the consolidated financials of the three SPVs of the co-obligor pool due to the defined mechanism for sharing of surplus cash flows prior to due date of debt servicing

About the company

Vento Power Private Limited (VPPL) is owned by Onward Solar Power Private Limited (OSPPL), which is ultimately owned by MPCL Industries Limited. This asset houses a 53.6-MWp solar power plant in Odisha with SECI as an offtaker at a tariff of Rs. 4.11 per unit.

About the co-obligor pool

The co-obligor pool comprises three SPVs, namely Vento Power Private Limited (VPPL), JK Petro Energy Private Limited (JKPEPL) and Ginni Global Private Limited (GGPL). While GGPL and VPPL are owned by OSPPL, which is ultimately held by MPCL Industries Limited (MPCL), JKPEPL is owned by the promoters of MPCL. These SPVs were formed for developing and operating the solar power and hydro power projects in Himachal Pradesh, Karnataka and Odisha. They have a contracted capacity of 50 MW/5 MW with SECI, HPSEB as the major offtakers forming 83.3% and 8.3%, respectively, of the overall contracted capacity for the co-obligor pool. The remaining hydro capacity of 5 MW is currently untied, and the power is being sold in the open market.

Key financial indicators for the pool

Consolidated	FY2024 (Audited)	FY2025 (Audited)	FY2026 (Provisional)
Operating income	49.1	54.9	55.4
PAT	-6.82	-12.29	-1.32
OPBDIT/OI	81.1%	73.4%	72.7%
PAT/OI	-13.9%	-22.4%	-2.4%
Total outside liabilities/Tangible net worth (times)	3.4	4.1	4.5
Total debt/OPBDIT (times)	7.3	7.3	8.0
Interest coverage (times)	1.6	1.2	1.5

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

Key financial indicators for VPPL

Standalone	FY2024 (Audited)	FY2025 (Audited)	FY2026 (Provisional)
Operating income	28.8	29.4	30.6
PAT	-8.1	- 12.3	- 8.3
OPBDIT/OI	89.8%	88.9%	88.1%
PAT/OI	-28.2%	-41.9%	-27.1%
Total outside liabilities/Tangible net worth (times)	9.6	28.8	- 108.0
Total debt/OPBDIT (times)	6.9	6.9	8.0
Interest coverage (times)	1.9	1.2	1.5

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 (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Aug 18, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund based - Term loan	Long term	181.0	[ICRA]A (Stable)	June 24, 2025	[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	Financial sector regulator#
NA	**Term loan**	FY2025	-	FY2040	181.00	[ICRA]A (Stable)	RBI

Source: Company

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

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
VENTO POWER PRIVATE LIMITED	100.00%	Full consolidation
JK PETROENERGY PRIVATE LIMITED	100.00%	Full consolidation
GINNI GLOBAL PRIVATE LIMITED	100.00%	Full consolidation

Source: Company

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