

August 21, 2026

## Axis Wind Farms (Rayalaseema) Private Limited: Rating reaffirmed

### Summary of rating action

| Instrument*                       | Previous rated amount<br>(Rs. crore) | Current rated amount<br>(Rs. crore) | Rating action                 | Financial sector regulator <sup>#</sup> |
|-----------------------------------|--------------------------------------|-------------------------------------|-------------------------------|-----------------------------------------|
| Long-term fund based – Term loans | 552.00                               | 472.24                              | [ICRA]A+ (Stable); reaffirmed | RBI                                     |
| <b>Total</b>                      | <b>552.00</b>                        | <b>472.24</b>                       |                               |                                         |

\*Instrument details are provided in Annexure I

<sup>#</sup>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

The rating reaffirmation for Axis Wind Farms (Rayalaseema) Private Limited (AWFRPL) factors in the strengths arising from its strong parentage, being part of Gentari Renewables India Pte Limited (GRIPL) which is ultimately owned by Petroliaam Nasional Berhad (PETRONAS; rated Moody's A2 Stable). PETRONAS, through its dedicated clean energy solutions platform Gentari, intends to grow its renewable energy capacity. At present, Gentari has more than 7-GW renewable energy capacity portfolio in India, including the under-construction pipeline. The rating derives comfort from the Group's demonstrated track record in developing and operating renewable power projects and the expectation of continued managerial, operational and financial support for AWFRPL, if required.

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 AWFRPL, thus limiting the demand and pricing risks. Also, the generation performance of the wind asset continued to be satisfactory in FY2026 and Q1 FY2027. Moreover, the availability of a three-quarter debt service reserve (DSRA) in the form of a sponsor-backed standby letter of credit (SBLC) and working capital facility supports the liquidity profile of the company.

ICRA notes that collection efficiency from APSPDCL remained satisfactory in FY2026 and Q1 FY2027, with payments for energy billed up to the normative plant load factor (PLF) of 23.5% being realised within an average of around 80 days from billing. However, the discom continues to withhold payments for generation beyond PLF of 23.5%, citing that the offtake of the energy generated shall be restricted to the normative PLF of 23.5% approved under the tariff regulations. AWFRPL had filed a petition before the Andhra Pradesh Electricity Regulatory Commission (APERC), challenging the withholding of payments. APERC had disposed of the petition and directed that the relief granted in one of its earlier orders be extended to AWFRPL, whereby APSPDCL would be required to pay a tariff of Rs. 0.50 per unit for the energy injected beyond the normative PLF of 23.5%. However, the company has challenged this order before the Andhra Pradesh high court. Further, no payments have been received by the company even at the rate of Rs. 0.50/unit for the excess generation.

The company has recognised a provision for doubtful receivables of ~Rs. 46 crore up to FY2025 against these outstanding dues. Notwithstanding the provisioning, AWFRPL continues to contest the matter and is seeking recovery of the dues at the contracted PPA tariff. The continued non-realisation of revenues for generation beyond the normative PLF is likely to weigh on the company's cash flows and debt coverage metrics. Further, it could face pressure if it is unable to meet the lender stipulated covenants, going forward, or obtain the requisite waivers. Accordingly, the outcome of the ongoing litigation and the extent of recovery of the underlying receivables will remain the key rating sensitivities, going forward.

The rating continues to be 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 related to the capping of the offtake at normative PLF remains a key monitorable. 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. Additionally, the company's operations remain exposed to regulatory risks pertaining to the scheduling and forecasting requirements of wind power projects. This is mainly due to the highly variable nature of wind energy generation. Also, the leveraged capital structure and a fixed tariff of the project expose the company to variation in interest rates on the project debt.

The Stable outlook reflects ICRA's expectation that AWRPL will continue to benefit from the operational, managerial and financial support of PETRONAS. ICRA also expects the company to maintain adequate liquidity and debt servicing ability, supported by satisfactory operating performance, timely realisation of regular billed energy payments from the offtaker and the availability of liquidity support in the form of working capital facilities and the SBLC-backed DSRA.

## Key rating drivers and their description

### Credit strengths

**Strong parent support** – AWRPL is part of the Gentari Group, which is backed by PETRONAS. PETRONAS is a 100% government-owned integrated oil and gas company in Malaysia. PETRONAS under its clean energy solutions - Gentari, focuses 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 PETRONAS to be willing to extend financial support to the company, through Gentari, if required.

**Long-term power purchase agreement with APSPDCL** – AWRPL 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 AWRPL improved to 28.4% in FY2026 compared to 25.9% in FY2025, primarily due to a better wind season. The sustainability of the generation performance remains a key monitorable for 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 AWRPL to the counterparty credit risk of being exposed to a single discom, which has a modest 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 in the PPA. A timely clearance of the ongoing monthly bills and the recovery of the dues withheld remain a monitorable..

**Operating risks associated with exposure to wind conditions and geographic concentration of the project** – The generation by a 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. Additionally, the company's operations remain exposed to regulatory risks pertaining to the scheduling and forecasting requirements of wind power projects. Also, the competitiveness of the tariff offered by the project remains low, 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

AWFRPL's liquidity profile is expected to remain adequate, supported by positive operating cash flows and adequate undrawn working capital lines, providing adequate coverage for its debt servicing requirements. The average utilisation of the fund-based working capital limits remained low at ~17% of the sanctioned limits of Rs. 50 crore during the 12 months ended June 2026. Moreover, a DSRA equivalent to three quarters in the form of sponsor-backed irrevocable standby letter of credit is expected to support the liquidity profile. The company's cash and bank balances stood at ~Rs. 9.1 crores as on July 15, 2026.

### Rating sensitivities

**Positive factors** – ICRA could upgrade the rating following a favourable resolution of the PLF capping issue with the offtaker along with timely payments from the offtaker, thereby leading to an improvement in the debt coverage metrics

**Negative factors** – Pressure on company'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 | <a href="#">Corporate Credit Rating Methodology Power – Solar and Wind</a>                                                                                                                                                                        |
| Parent/Group support            | Parent/ Group company: GRIPL (100% subsidiary of PETRONAS); ICRA expects PETRONAS to be willing to extend financial support to the company, through Gentari, 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

AWFRPL 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 various phases from March 2018 to September 2018. AWFRPL has signed a long-term PPA with APSPDCL for a period of 25 years at a fixed tariff of Rs. 4.84 per unit. AWFRPL is a 100% subsidiary of Axis Wind Farms (Anantapur) Private Limited which was acquired by GRIPL in February 2025. GRIPL is owned by Gentari, a 100% subsidiary of PETRONAS.

## Key financial indicators (audited)

| AWFRPL Standalone                                    | FY2024 | FY2025* | 9MFY2026 |
|------------------------------------------------------|--------|---------|----------|
| Operating income                                     | 128.05 | 117.09  | 100.12   |
| PAT                                                  | 20.99  | 4.27    | -7.32    |
| OPBDITA/OI                                           | 81.1%  | 80.4%   | 80.9%    |
| PAT/OI                                               | 16.4%  | 3.7%    | -7.3%    |
| Total outside liabilities/Tangible net worth (times) | 4.25   | 3.77    | 3.90     |
| Total debt/OPBDITA (times)                           | 5.39   | 5.68    | 4.70     |
| Interest coverage (times)                            | 1.73   | 1.71    | 1.99     |

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; \*Company has restated numbers of FY2025 in its 9M FY2026 financials

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

| Current rating (FY2027) |           |                          |                   | Chronology of rating history for the past 3 years |                   |              |                                                  |              |                   |
|-------------------------|-----------|--------------------------|-------------------|---------------------------------------------------|-------------------|--------------|--------------------------------------------------|--------------|-------------------|
| FY2027                  |           |                          |                   | FY2026                                            |                   | FY2025       |                                                  | FY2024       |                   |
| Instrument              | Type      | Amount rated (Rs. crore) | Aug 21, 2026      | Date                                              | Rating            | Date         | Rating                                           | Date         | Rating            |
| Fund based - Term loan  | Long term | 472.24                   | [ICRA]A+ (Stable) | Aug 22, 2025                                      | [ICRA]A+ (Stable) | Feb 06, 2025 | [ICRA]A- rating watch with Positive implications | Feb 29, 2024 | [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 <sup>#</sup> |
|------|-----------------|------------------|-------------|-----------|--------------------------|----------------------------|-----------------------------------------|
| NA   | Term loan       | September 2022   | -           | June 2038 | 472.24                   | [ICRA]A+ (Stable)          | RBI                                     |

Source: Company

<sup>#</sup> 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.

[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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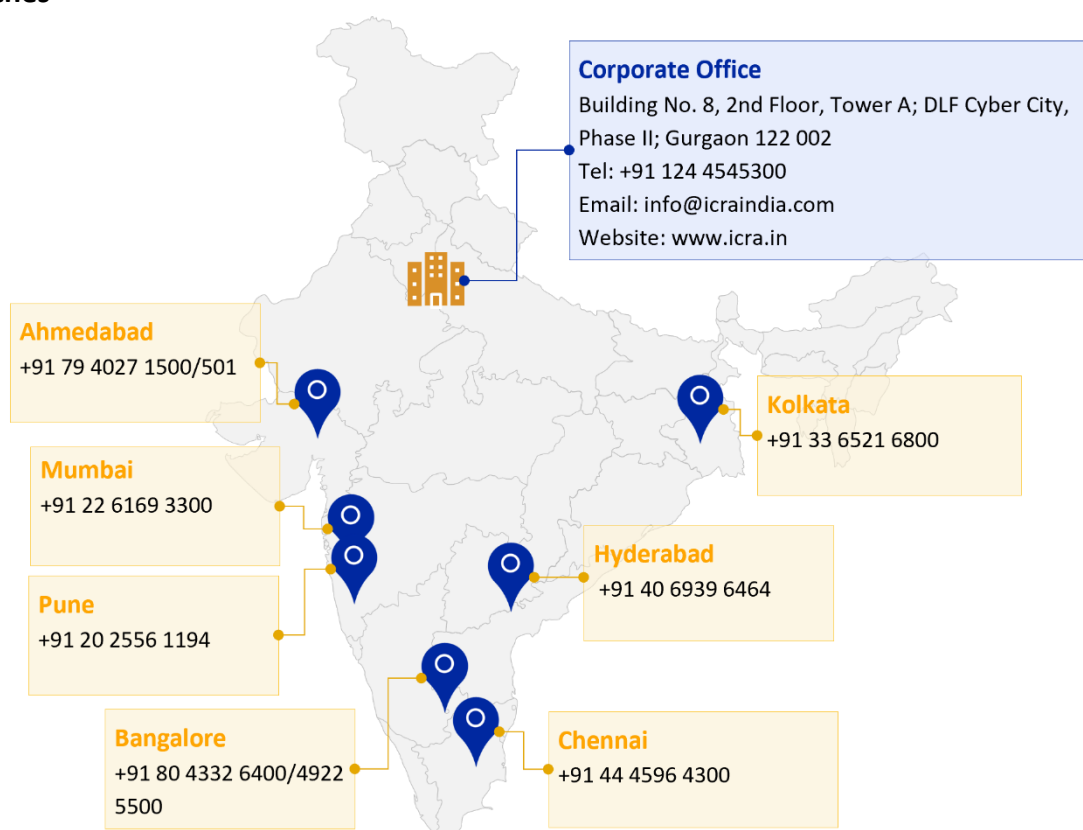
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