

July 17, 2025

ABC Cleantech Private Limited: [ICRA]A (Stable)/[ICRA]A2+ assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term/Short term - Proposed fund based/Non-fund based facility	2000.00	[ICRA]A (Stable)/[ICRA]A2+; assigned
Total	2000.00	

*Instrument details are provided in Annexure I

Rationale

The assigned ratings for ABC Cleantech Private Limited (ACPL) factors in the presence of an experienced management team and a strong sponsor, with it being a part of the Evren renewable energy (RE) platform, which is ultimately held by Brookfield Renewable Partners LP (Brookfield Renewable) along with other co-investors. The ratings positively factor in the large equity commitment of \$845 million from Brookfield Global Transition Fund II (BGTF II), and additional commitment from other reputed co-investors to the Evren platform for the development of renewable energy projects in India. ACPL is majorly held by Pine Valley Holdings (DIFC) Limited, which is ultimately promoted by Brookfield Renewable.

At present, ACPL has a renewable portfolio of ~2.1 GW, with projects won through competitive bidding. The first project is a 300-MW firm and dispatchable renewable energy (FDRE) project, contracted by a subsidiary of ACPL with NTPC Limited (NTPC, rated [ICRA]AAA(Stable)/[ICRA]A1+) under a long-term power purchase agreement (PPA), providing revenue visibility and limiting the offtake and pricing risks. Further, ACPL, through its another subsidiary, has won a hybrid RE project of 750 MW from NTPC through competitive bidding, for which the PPA is expected to be signed shortly. The FDRE project is scheduled to be commissioned by H1 FY2028 and the hybrid project is expected to be commissioned within two years from the date of PPA signing. The presence of a strong counterparty for the two projects is expected to result in timely receipt of payments for the company, post commissioning. Also, the tariff offered by the projects are highly competitive for the ultimate state distribution utilities (discoms) and remain below the average power purchase cost of the discoms. Further, ICRA factors in the long tenure of debt likely to be availed by these projects at competitive rates, which would result in comfortable debt coverage metrics for the company at a consolidated level.

The ratings are, however, constrained by the exposure to execution risks, given that ACPL's entire capacity of ~2.1 GW is under implementation. The projects are in initial stages with land acquisition in progress. Herein, ICRA draws comfort from the availability of connectivity approval for both the projects and the presence of an experienced execution team. Going forward, a timely completion of land acquisition, development of the transmission infrastructure and sourcing the required equipment within the budgeted costs would remain important to enable the completion of the projects within the scheduled timeline and capital cost. The capital expenditure (capex) for the two under-construction projects is expected to be funded through 75% debt (financial closure pending) under the respective SPVs and the remaining through promoter contribution. ICRA takes comfort from the fact that the funding commitment from the sponsor would be adequate to meet the equity requirements for the ongoing projects. Herein, comfort is drawn from the strong financial flexibility enjoyed by ACPL from being a part of the Brookfield group.

The ratings are also constrained by the vulnerability of the company's cash flows and debt protection metrics to its generation performance, post commissioning. Any adverse variation in weather conditions and module/wind turbine generator (WTG) performance may impact the PLF levels and consequently affect its cash flows as the PPA tariff is single part in nature. ABC is expected to have a leveraged capital structure because of the debt equity mix of 75:25 for the projects, and the debt coverage

metrics would remain exposed to adverse interest rate movements. The ratings further factor in the risks pertaining to the scheduling and forecasting framework for renewable energy projects.

The Stable outlook on ACPL's long-term rating reflects ICRA's opinion that the company will be able to make a timely and satisfactory progress in developing its renewable portfolio, backed by a strong sponsor and an experienced management team.

Key rating drivers and their description

Credit strengths

Comfort drawn from strong sponsor profile and large equity commitments from BGTF II – ACPL is backed by an experienced management team and is a part Evren renewable energy platform, which is ultimately held by Brookfield Renewable along with other co-investors. ICRA notes the large equity commitment of \$845 million from BGTF II, and additional commitment from other reputed co-investors to the Evren platform for the development of renewable energy projects in India. ACPL is majorly held by Pine Valley Holdings (DIFC) Limited, which is ultimately promoted by Brookfield Renewable. ICRA takes comfort from the fact that the funding commitment from the sponsor would be adequate to meet the equity requirements for the ongoing projects.

High revenue visibility and low offtake risks due to long-term PPA for FDRE project; PPA for hybrid project to be inked shortly – The presence of a long-term PPA with NTPC for 25 years for the FDRE under-construction project provides revenue visibility and mitigates the demand and tariff risks. Also, the PPA for the hybrid project with NTPC is expected to be signed shortly. The tariffs offered by the projects are highly competitive for the ultimate state discoms and remain below the average power purchase cost of the discoms.

Strong counterparty expected to ensure timely payments, post commissioning – The counterparty credit risk is low as NTPC is the sole offtaker of the power produced by the company. The presence of a strong counterparty for the portfolio is expected to result in timely receipt of payments for the company.

Debt coverage metrics to remain comfortable, post commissioning – The company's consolidated debt coverage metrics are expected to remain healthy, with a projected cumulative DSCR of 1.25-1.30x on the external debt, considering a P-90 PLF estimate and timely commissioning of the entire under-construction portfolio within the budgeted costs.

Credit challenges

Execution and stabilisation risks arising from under-construction portfolio – The projects under ACPL remain exposed to project execution risks as the entire capacity of ~2.1 GW is under implementation. The projects are in initial stages with land acquisition in progress. Herein, ICRA draws comfort from the availability of connectivity approval for both the projects and the presence of an experienced execution team. Going forward, a timely completion of land acquisition, development of the transmission infrastructure and sourcing the required equipment within the budgeted costs would remain important to enable the completion of the projects within the scheduled timeline and capital cost.

Exposure to PLF variation and interest rate risk – The debt metrics of solar and wind power projects remain sensitive to the PLF level, given the one-part tariff structure under the PPA. Hence, any adverse variation in weather conditions and/or module/WTG performance may impact the PLF and consequently the cash flows. Moreover, given the single-part tariff for the entire project duration and the expected leveraged capital structure for the projects under the SPVs, the company's consolidated cash flows and debt metrics remain exposed to interest rate risk.

Regulatory risks – The company's operations are exposed to regulatory risks pertaining to the scheduling and forecasting requirements applicable for renewable energy projects, given the intermittent nature of generation.

Liquidity position: Adequate

The company's liquidity position is expected to remain adequate, with the required equity for the ongoing renewable projects as well as the expenses towards the development activities incurred by ACPL to be met through the commitment available from the sponsors. Further, ICRA expects project-specific debt to be availed for the under-construction projects based on their progress, supported by the strong financial flexibility of the Evren platform. Also, the presence of a strong sponsor is expected to help the company access additional capital in case of any exigency. As on May 31, 2025, the company has cash and bank balances of ~Rs. 112 crore at a consolidated level and Rs. 13.5 crore at a standalone level.

Rating sensitivities

Positive factors – The ratings can be upgraded based on the progress of ACPL's under-construction projects without any major time and cost overruns.

Negative factors – The ratings could be downgraded in case of any major time or cost overruns of the under-construction projects, adversely impacting the liquidity position of the company.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar Power - Wind
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on consolidated financials of ABC Cleantech Private Limited and its subsidiaries [Details in Annexure II]

About the company

ACPL is a part of the Evren platform, which is promoted by BGTF II along with other reputed co-investors. Evren has a large funding commitment from BGTF II for \$845 million and additional capital from co-investors. ACPL is currently held by PVHL (51%) and Axis Energy Ventures Private Limited (AEVPL, 49%). ACPL has an under-construction renewable energy portfolio of ~2.1 GW, which is expected to be commissioned by H1 FY2028. This apart, ACPL is likely to take up additional RE projects in its portfolio, going forward.

Key financial indicators (audited)

ACPL Consolidated	FY2024
Operating income	0.1
PAT	-1.9
OPBDIT/OI	-
PAT/OI	-
Total outside liabilities/Tangible net worth (times)	NM
Total debt/OPBDIT (times)	NM
Interest coverage (times)	NM

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; NM: not meaningful as none of the projects under ACPL are operational

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)			Chronology of rating history for the past 3 years						
			FY2025		FY2024		FY2023		
Instrument	Type	Amount rated (Rs. crore)	Jul 17, 2025	Date	Rating	Date	Rating	Date	Rating
Proposed fund based/Non-fund based facility	Long term/Short term	2000.00	[ICRA]A(Stable)/[ICRA]A2+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term - Proposed fund based/Non-fund based facility	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	Proposed fund based/Non-fund based facility	NA	NA	NA	2000.00	[ICRA]A (Stable)/[ICRA]A2+

Source: Company data, ICRA Research

[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
ABC Cleantech Private Limited	100.00% (Holding Company)	Full consolidation
ABC CT RE Park (01) Private Limited	100.00%	Full consolidation
ABC CT RE Park (02) Private Limited	100.00%	Full consolidation
ABC CT RE Park (03) Private Limited	100.00%	Full consolidation
ABC CT RE Park (04) Private Limited	100.00%	Full consolidation
ABC CT RE Park (05) Private Limited	100.00%	Full consolidation

Source: Company data

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