May 29, 2025

Project Twelve Renewable Power Private Limited: Rating upgraded to [ICRA]A (Stable); and removed from Rating 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 - Cash credit	3.80	3.80	[ICRA]A (Stable); rating upgraded from [ICRA]A- and removed from Rating Watch with Positive Implications and Stable outlook assigned
Long-term fund-based - Term loan	899.86	899.86	[ICRA]A (Stable); rating upgraded from [ICRA]A- and removed from Rating Watch with Positive Implications and Stable outlook assigned
Long-term non-fund-based - Bank guarantee	35.00	35.00	[ICRA]A (Stable); rating upgraded from [ICRA]A- and removed from Rating Watch with Positive Implications and Stable outlook assigned
Long term- Unallocated	1.34	1.34	[ICRA]A (Stable); rating upgraded from [ICRA]A- and removed from Rating Watch with Positive Implications and Stable outlook assigned
Total	**940.00**	**940.00**	

**Instrument details are provided in Annexure I*

Rationale

The rating action for Project Twelve Renewable Power Private Limited (PTRPPL) follows the upgrade in the rating of the parent company i.e., Ayana Renewable Power Private Limited (ARPPL) to [ICRA]AA+ (Stable)/[ICRA]A1+ from [ICRA]AA-; Rating Watch with Positive Implications/[ICRA]A1+. ARPPL's credit profile has improved following a favourable change in ownership, with 100% of its shareholding acquired by - ONGC NTPC Green Private Limited (ONGPL) in March 2025. ONGPL is a 50:50 joint venture (JV) company of ONGC Green Limited (OGL) and NTPC Green Energy Limited (NGEL). OGL is a subsidiary of Oil and Natural Gas Corporation Limited {ONGC, rated [ICRA]AAA (Stable)/[ICRA]A1+} and NGEL is a subsidiary of NTPC limited {NTPC; rated [ICRA]AAA (Stable) /[ICRA]A1+}. PTRPPL is expected to benefit from the operational and financial strengths derived from its strong parent entity, ARPPL.

The rating continues to take comfort from the limited demand and tariff risks associated with the power project, owing to a 25-year long-term power purchase agreement (PPA) with strong counterparty - Gujarat Urja Vikas Nigam Limited (GUVNL) (rated [ICRA}AA-(Stable)/[ICRA]A1+) for the entire project capacity at a fixed tariff of Rs. 2.90 per unit. Furthermore, ICRA favourably notes the cost-competitive tariff of the project, which is lower than GUVNL's average power procurement cost (APPC). Further, the rating also considers the low funding risk for the project, with the debt fully tied up and the promoter's contribution already in place. Following the full commissioning of the project, the company's debt coverage metrics are expected to remain adequate. This is primarily supported by the project's long-tenure debt and the competitive interest rate.

The rating is, however, constrained by the delay in the commissioning of the 141.9-MW wind power project by six months on account of connectivity issue and interruptions in construction activities during rainy season. ICRA notes that all the 43 wind turbine generators (WTGs) have been erected, internal line 33kV line is also ready for 40 WTGs and 95.1 MW is commissioned as on date. The remaining capacity (46.8 MW) is expected to be commissioned by June 15, 2025 against the scheduled commercial operation date (SCOD) of December 2024. As per the PPA, GUVNL will encash performance bank guarantee on per day basis and proportionate to the balance capacity not commissioned for delay up to 180 days. The company is engaged with GUVNL to secure the required extension in SCOD and non-applicability of liquidated damages. The lender has approved extension in SCOD to June 15, 2025, and repayment on the term loan will start from June 2026. The completion of the pending capacity by June 15, 2025 remains a key monitorable for the company.

Also, given the single-part nature of the fixed tariff under the PPA, the company's revenues and cash flows will remain sensitive to the variation in weather conditions and wind seasonality. Additionally, the company remains exposed to asset concentration risk, as the entire capacity is located at a single site in Gujarat. Therefore, the ability of the project to achieve the design P-90 PLF, following the commissioning of entire capacity in a sustained manner remains crucial from a credit perspective.

Further, the project's credit metrics will remain exposed to the movement in interest rates owing to the fixed tariff under the PPA, a leveraged capital structure as the project cost is being funded through debt to equity of 79:21, and floating interest rates. Also, the company remains exposed to the regulatory challenges in implementing the scheduling and forecasting framework for the wind power sector.

The Stable outlook assigned to the long-term rating of the company is supported by the long-term PPA, providing revenue visibility and a strong counterparty, i.e., GUVNL, along with the benefits it derives from being a part of the Ayana Group.

Key rating drivers and their description

Credit strengths

PTRPPL is part of Ayana platform which is backed by strong sponsors - The company is a subsidiary of ARPPL, which is 100% held by ONGPL, a 50:50 joint venture company of OGL and NGEL. As of May 2025, ARPPL's operating renewable power portfolio stood at 1.9 GW (~2.2 GW including partially commissioned capacity). The Group has another ~1.9 GW under development, comprising solar, wind, hybrid and round-the-clock (RTC) renewable assets with firm PPAs. Hence, PTRPPL benefits from the financial, operational and managerial support that is available from its strong parent, ARPPL. ICRA expects ARPPL to support the company in case of any cash flow mismatch.

Revenue visibility due to long-term PPA with GUVNL; superior tariff competitiveness – PTRPPL has low offtake risks owing to the long-term (25-year) PPA with GUVNL at a competitive tariff of Rs. 2.90 per unit for the entire duration of the project. The long-term PPA provides revenue visibility for the company. The rating positively notes the competitiveness of the tariff for the offtaker. The bid tariff of Rs. 2.90 per unit remains competitive against the average power purchase cost of the utilities.

Low counterparty credit risk – The presence of a strong intermediate counterparty like GUVNL is expected to lead to the timely realisation of payments under the PPA. Moreover, the payment security mechanism in the PPA arrangement also provides comfort.

Adequate debt coverage metrics expected post commissioning – The company's debt coverage metrics are expected to remain adequate over the debt repayment tenure with a cumulative DSCR of ~1.2 times, supported by the long-term PPA, long tenure of the project debt and a competitive interest rate. A significant portion of the promoter contribution to the project is in the form of debt, which remains subordinated to the project debt and is subject to restricted payment conditions stipulated by the lenders.

Credit challenges

Execution risk – There is a delay in the commissioning of the 141.9-MW wind power project by six months on account of connectivity issue and interruptions in construction activities during rainy season. ICRA notes that all the 43 wind turbine generators (WTGs) have been erected, internal line 33kV line is also ready for 40 WTGs and 95.1 MW is commissioned as on date. The remaining capacity (46.8 MW) is expected to be commissioned by June 15, 2025, against the scheduled commercial operation date (SCOD) of December 2024. The company is engaged with GUVNL to secure the required extension in SCOD and non-applicability of liquidated damages. The lender has approved extension in SCOD to June 15, 2025, and repayment on the term loan will start from June 2026. The completion of the pending capacity by June 15, 2025, remains a key monitorable for the company.

Vulnerability of cash flows to variation in weather conditions - The debt metrics for the wind power project of PTRPPL remain sensitive to the generation level, given the one-part tariff structure under the PPA. Hence, any adverse variation in weather conditions may impact the PLF and consequently the cash flows. The geographical concentration of the asset amplifies the generation risk. Following the commissioning of the project, the company's ability to achieve the appraised P-90 estimate remains key from a credit perspective.

Interest rate risk - The company's debt coverage metrics remain exposed to any increase in interest rates, given the single-part nature of the fixed tariff in the PPA, a leveraged capital structure and floating interest rates.

Regulatory risk of implementing scheduling and forecasting framework for wind sector - The company's operations remain exposed to regulatory risks pertaining to scheduling and forecasting requirements applicable for wind power projects.

Liquidity position: Adequate

The liquidity of the company is expected to remain adequate with the required funding for the project in place. The sponsor is expected to support the company in case of any cost overrun or encashment of performance bank guarantee due to project delay. Following the project's commissioning, the liquidity profile is expected to be supported by timely payments from GUVNL and a provision for a debt service reserve of one quarter. The cash and bank balance of the company as on March 31, 2025 stood at Rs. 17.24 crore.

Rating sensitivities

Positive factors - ICRA could upgrade PTRPPLs rating if the project achieves successful commissioning and stabilisation without any major cost overrun. An improvement in the credit profile of the parent entity, ARPPL, could also lead to an upgrade.

Negative factors - Pressure on the rating could arise if there are significant delays in commissioning the project, leading to cost overrun and impacting the cash flow generation. The rating could be revised downwards if the credit profile of the parent entity weakens.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Wind
Parent/Group support	Parent/Group Company: Ayana Renewable Power Private Limited. ICRA expects PTRPPL's parent, ARPPL, to be willing to extend financial support to PTRPPL, should there be a need, given the strategic importance that PTRPPL has for ARPPL
Consolidation/Standalone	The rating is based on the standalone financial profile of the rated entity

About the company

In September 2021, PTRPPL was incorporated as a special purpose vehicle (SPV) of ARPPL. The company is developing a 141.9-MW wind power project in the Amreli district of Gujarat. As on May 2025, 95.1 MW of the total capacity has been commissioned, while the remaining capacity (46.8 MW) is expected to be commissioned by June 2025. PTRPL has signed a long-term PPA with GUVNL at a tariff of Rs. 2.90/unit for the sale of power for a period of 25 years from the COD.

Key financial indicators (audited) - Not applicable as the company is in the project execution phase

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					
	FY2026			FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs. crore)	May 29, 2025	Date	Rating	Date	Rating	Date	Rating
Long term-bank guarantee-non fund based	Long Term	35.00	[ICRA]A (Stable)	Feb 21, 2025	[ICRA]A-; Rating Watch with Positive Implications	Mar 26, 2024	[ICRA]A-(Stable)	-	-
Long term-cash credit-fund based	Long Term	3.80	[ICRA]A (Stable)	Feb 21, 2025	[ICRA]A-; Rating Watch with Positive Implications	Mar 26, 2024	[ICRA]A-(Stable)	-	-
Long term-unallocated	Long Term	1.34	[ICRA]A (Stable)	Feb 21, 2025	[ICRA]A-; Rating Watch with Positive Implications	Mar 26, 2024	[ICRA]A-(Stable)	-	-
Long term-term loan-fund based	Long Term	899.86	[ICRA]A (Stable)	Feb 21, 2025	[ICRA]A-; Rating Watch with Positive Implications	Mar 26, 2024	[ICRA]A-(Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund-based -Term loan	Simple
Long term – Fund-based - Cash credit	Simple
Long term – Non-fund based – Bank guarantee	Very simple
Long term - Unallocated	NA

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 / Sanction	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loans	Aug-2023	NA	FY2045	899.86	[ICRA]A (Stable)
NA	Cash credit	Aug-2023	NA	NA	3.80	[ICRA]A (Stable)
NA	Bank guarantee	NA	NA	NA	35.00	[ICRA]A (Stable)
NA	Unallocated	NA	NA	NA	1.34	[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

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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.

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