

November 05, 2025

## Avaada Inclean Private Limited: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term fund based – Term loan	1,329.70	1,255.5	[ICRA]A- (Stable); reaffirmed
Long term – Non-fund based – Interchangeable	(1,329.70)	(530.18)	[ICRA]A- (Stable); reaffirmed
Long term – Non-fund based - Bank guarantee	-	34.20	[ICRA]A- (Stable); reaffirmed
<b>Total</b>	<b>1,329.70</b>	<b>1,289.70</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The rating reaffirmation for Avaada Inclean Private Limited (AIPL) factors in the satisfactory physical progress as well as financial progress of the project under construction which is expected to get commissioned by December 2025. Further, the rating continues to factor in the strong parentage of Avaada Energy Private Limited (AEPL), which has already infused more than 96% of the promoter contribution in the project till date. AEPL has an established track record in the renewable energy sector with an operating renewable power portfolio of 5.6 GWp and under-development capacity of another 19.5 GWp. AEPL is promoted by Avaada Ventures Private Limited (AVPL). At present, AVPL holds a 60.1% stake in AEPL and Global Renewable Synergy Company (a part of PTT Group, Thailand) holds the balance stake of 39.9%. While the committed equity and available cash within the Group will enable AEPL to scale up its portfolio in the near to medium term, the Group is exploring options to raise further capital to finance its underdevelopment portfolio. The long-term power purchase agreements (PPAs) at competitive tariffs, the satisfactory generation performance of the assets under AEPL and the availability of long-term project finance at competitive interest rates are expected to result in adequate debt coverage metrics for the Group, going forward.

The rating also factors in the limited demand and tariff risks for AIPL due to the presence of a 25-year long-term power purchase agreement (PPA) with Damodar Valley Corporation for its entire solar power capacity of 300 MWac at a fixed tariff. The project was awarded through a tariff-based competitive bidding process held by REC Power Development and Consultancy Limited. The superior tariff competitiveness offered by the project is a credit positive for the company.

The company has secured the required debt funding for the project, and AEPL has infused the equity funding in a timely manner. AIPL has already drawn 95% of the debt and AEPL has infused 96% of the total equity as on date. The long debt repayment tenure of 19 years at a competitive cost is expected to lead to adequate debt coverage metrics for the company, post commissioning.

However, the rating is constrained by execution and stabilisation related risks, given the under-construction status of the project. Nonetheless, comfort is drawn from the availability of ~95% of the required land, a satisfactory progress towards completion of the construction work coupled with the track record of the Group in developing solar power projects. ICRA also notes that the earlier scheduled commissioning of the project has been shifted from September 2025 to December 2025 due to delay in the commissioning of the concerned grid substation. Therefore, the project's commissioning remains linked to the operationalisation of the bay at the grid substation. The company has received the approval for extending the scheduled commissioning date (SCOD) from the lenders and the offtaker, in accordance with the provisions of the PPA.

Post commissioning, the company's cash flows and debt protection metrics would remain sensitive to its generation performance, given the single-part tariff under the PPA. This constraint would be amplified by the geographic concentration of the asset. Any adverse variation in weather conditions and equipment performance can impact the generation levels and consequently the cash flows. Therefore, a demonstration of generation performance in line or above the appraised P-90 plant

load factor (PLF) levels remains a key credit monitorable. The availability of an adequate moratorium period between the SCOD and the repayment start date (September 30, 2026) is expected to enable the company to build a cash flow buffer to meet the debt servicing obligations.

The company remains exposed to a single counterparty, DVC. However, comfort is drawn from the adequate credit profile of DVC which will ensure timely payments. The company is also exposed to interest rate risks, given the leveraged capital structure and floating interest rates, subject to regular resets. Further, the company's operations remain exposed to the regulatory risks associated with forecasting & scheduling regulations.

The Stable outlook on the long-term rating reflects ICRA's opinion that AIPL would benefit from the presence of a long-term PPA for its solar power project, which coupled with expectations of a steady operational performance and the track record of the group in developing and operating solar power projects is likely to translate into a stable credit profile.

## Key rating drivers and their description

### Credit strengths

**Experienced promoter group with a demonstrated track record in the renewable energy sector** - AIPL is a wholly-owned subsidiary of the renewable energy holding company of the Avaada Group i.e., AEPL, which has an established track record in the solar power sector. AEPL is backed by AVPL, which holds about a 60.1% stake and the remaining 39.9% stake is held by Global Renewable Synergy Company, which is a part of PTT Thailand. AEPL has an overall portfolio of 19.5 GWp comprising an operating capacity of 5.6 GWp and the balance being under development/under construction.

**Revenue visibility from long-term PPA at a fixed rate; superior tariff competitiveness** - AIPL has signed a 25-year PPA for the entire capacity at a fixed tariff with DVC, providing revenue visibility and limiting the demand and pricing risks. Further, comfort is drawn from the superior tariff competitiveness offered by the project.

**Debt coverage metrics expected to remain adequate, post commissioning** – AIPL's debt coverage metrics are expected to be adequate with the cumulative DSCR being close to 1.2x over the debt tenure, supported by the long-term PPA, the long tenure of the debt and competitive interest rates. Also, the liquidity profile of the company, post commissioning, is expected to be supported by the presence of a one-quarter debt service reserve account (DSRA), which will be created on commissioning from the project cost.

### Credit challenges

**Execution and stabilisation related risks** - The rating is constrained by execution risks, given the under-construction status of the project. Nonetheless, comfort is drawn from the availability of ~95% of the required land, the completion of the construction of the transmission line and the pooling substation and the track record of the Group in developing solar power projects. Moreover, 100% of the modules have been delivered at the project site with installation complete for around 92% of the capacity and the remaining being planned to be completed by November 2025. Further, the grid substation bay is scheduled to be completed by December 2025 from the earlier scheduled date of August 2025 (in line with the revised approval for extension of the SCOD), thus giving sufficient time to the company to complete the project within the revised SCOD. Lastly, in the initial stages, post commissioning, the project would remain exposed to stabilisation risks till a satisfactory generation performance is achieved.

**Debt metrics of solar projects sensitive to PLF levels** - The company's debt coverage metrics remain exposed to the generation level, given the single-part structure under the PPA. Hence, any adverse variation in weather conditions and/or module performance may impact the PLF and consequently the cash flows. The geographic concentration of the asset at a single location amplifies the generation risk. The demonstration of performance, post commissioning, remains to be seen.

**Exposure to counterparty credit risk** - The company remains exposed to the credit risk profile of DVC, which remains linked to the performance of its power generation assets and the payments from the state distribution companies. DVC was set up as a statutory corporation with shareholding by the Government of India, the Government of West Bengal and the Government of

Jharkhand. Any significant delay in payments by the counterparty may stretch AIPL’s receivable cycle and in turn adversely impact the overall liquidity profile; therefore, timely payments by the counterparty, post commissioning, will be a key monitorable.

**Interest rate and regulatory risks** - The interest rate on the term loan availed by the company for its project is floating and subject to regular resets. The fixed tariff under the PPA and a leveraged capital structure expose AIPL’s debt coverage metrics to the movement in interest rates. The company’s operations are exposed to regulatory risks pertaining to the norms for scheduling and forecasting requirements of solar power projects. However, the risk of variation is relatively low for solar power projects compared to wind power projects.

### Liquidity position: Adequate

The liquidity position of AIPL is supported by the complete tie-up of debt funding for its solar power project and the availability of adequate liquidity with the parent to infuse the equity requirement. AEPL has already infused 96% of the promoter contribution as on September 30, 2025, and 95% of the sanctioned term debt had been drawn as on September 30, 2025. Moreover, AEPL is expected to support the project in case of any cost overrun. The company does not have any principal debt repayment obligation in FY2026 and is expected to generate adequate cash flow from operations to meet the interest plus principal obligation, post commissioning, from FY2027 onwards.

### Rating sensitivities

**Positive factors** – ICRA could upgrade AIPL’s rating if the project is successfully commissioned without any major cost overruns along with the demonstration of a satisfactory generation performance in line or above the P-90 estimate and timely payments from the customer. Also, the rating would remain sensitive to the credit profile of its parent, AEPL.

**Negative factors** – AIPL’s rating can be downgraded in case of significant delays in commissioning the project or large cost overruns, impacting the project’s credit metrics. The rating may also be downgraded if the actual generation performance, after commissioning, is lower than the P-90 level on a sustained basis, pulling down the cumulative DSCR to less than 1.15x, or if there are delays in payments from the customer, impacting its liquidity profile. Further, the rating would remain sensitive to the credit profile of its parent, AEPL.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Power - Solar and Wind</a>
Parent/Group support	The rating is based on the implicit support from the parent company, Avaada Energy Private Limited
Consolidation/Standalone	The rating is based on the standalone financials of the company

### About the company

Avaada Inclean Private Limited (AIPL) is an SPV set up by Avaada Energy Private Limited (AEPL) as its wholly-owned subsidiary. The company is developing a 421 MW (DC)/300 MW (AC) solar power capacity at Bhachau in the Kachchh district of Gujarat. The energy generated from the solar plant will be evacuated at the 765/400/220kV Lakhadia grid substation. AIPL has signed a 25-year PPA at a fixed tariff of Rs. 2.70 per unit with Damodar Valley Corporation (DVC). The revised SCOD date for the project is December 31, 2025 (earlier date was September 14, 2025).

**Key financial indicators (audited):** Not meaningful as the project is under construction

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

**Any other information:** None

### Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Nov 05, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
<b>Fund based - Term loan</b>	Long term	1,255.50	[ICRA]A-(Stable)	Dec 26, 2024	[ICRA]A-(Stable)	-	-	-	-
<b>Non-fund based - Interchangeable</b>	Long term	(530.18)	[ICRA]A-(Stable)	Dec 26, 2024	[ICRA]A-(Stable)	-	-	-	-
<b>Non-fund based - Bank guarantee</b>	Long term	34.20	[ICRA]A-(Stable)						

### Complexity level of the rated instruments

Instrument	Complexity Indicator
<b>Long Term Fund-Based – Term Loan</b>	Simple
<b>Long Term – Non-Fund Based - Interchangeable</b>	Very Simple
<b>Long Term – Non-Fund Based- Bank Guarantee</b>	Very 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	NA	NA	FY2046	1,255.50	[ICRA]A- (Stable)
NA	Non-fund based - Interchangeable	NA	NA	NA	(530.18)	[ICRA]A- (Stable)
NA	Non-fund based- Bank guarantee	NA	NA	NA	34.20	[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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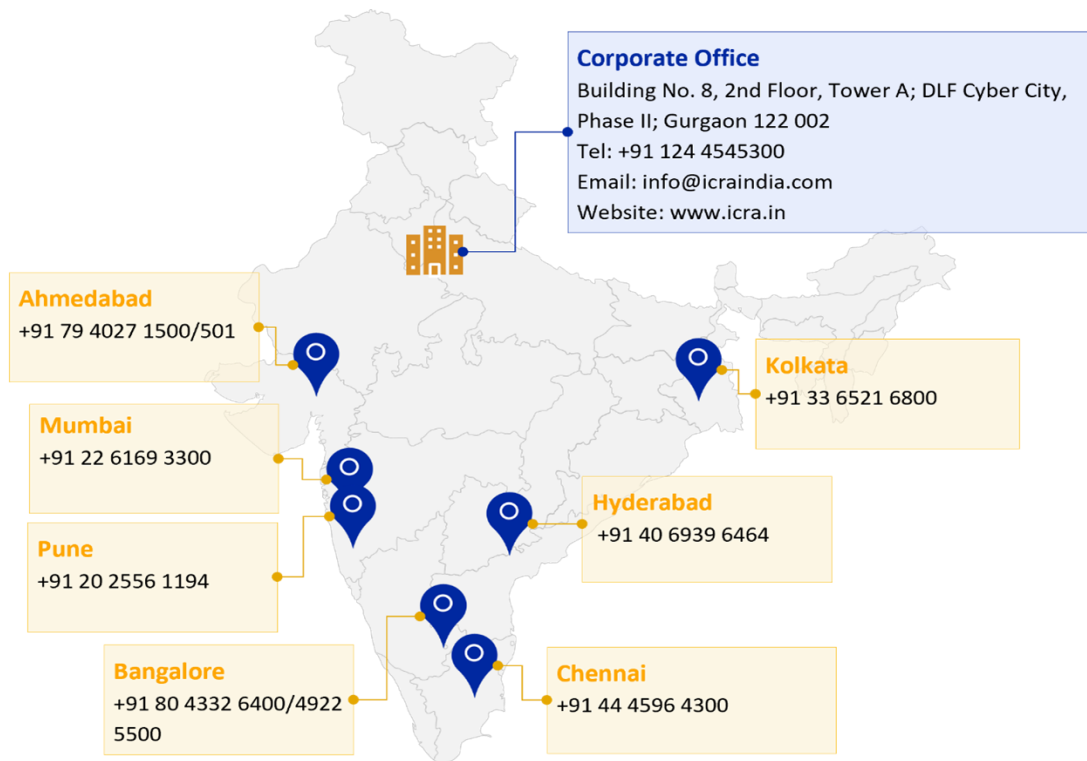
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