July 23, 2026

Apraava Energy Private Limited: Long-term rating downgraded to [ICRA]AA+ (Stable) and removed from rating watch with developing implications; Stable outlook assigned; short-term rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long term – Fund based – Term loan	257.36	257.36	[ICRA]AA+ (Stable); long-term rating downgraded from [ICRA]AAA and removed from rating watch with developing implications; Stable outlook assigned	RBI
Long term/Short term – Fund based/Non-fund based	2361.00	2361.00	[ICRA]AA+ (Stable)/[ICRA]A1+; long-term rating downgraded from [ICRA]AAA and removed from rating watch with developing implications; Stable outlook assigned; short term rating reaffirmed	RBI
Long term/Short term – Unallocated	381.64	381.64	[ICRA]AA+ (Stable)/[ICRA]A1+; long-term rating downgraded from [ICRA]AAA and removed from rating watch with developing implications; Stable outlook assigned; short term rating reaffirmed	RBI
Long term – Non-convertible debentures (NCDs)	250.00	250.00	[ICRA]AA+ (Stable); long-term rating downgraded from [ICRA]AAA and removed from rating watch with developing implications; Stable outlook assigned	MCA
Total	**3250.00**	**3250.00**		

**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

The downgrade in the long-term rating of Apraava Energy Private Limited (AEPL) reflects the slight moderation in its credit profile following the sale of its thermal asset Jhajjar Power Limited (JPL) to Jindal Jhajjar Power Limited, a subsidiary of Jindal Power Limited, in March 2026. JPL had contributed to AEPL's earnings and cash flows significantly, accounting for ~59% of the consolidated revenue and ~38% of the consolidated OPBDITA in FY2025. Consequently, the divestment has materially reduced AEPL's scale of operations, earnings base and business diversification. However, the impact is expected to be partly offset by the commissioning of projects under execution over FY2027-FY2028, supporting revenue and OPBDITA generation.

AEPL sold JPL at an enterprise value of ~Rs. 3,900 crore and received proceeds of ~Rs. 2,900 crore from the transaction. However, a substantial portion of these proceeds (~Rs. 2,650 crore) was distributed as dividends to shareholders, limiting the deleveraging benefits from the sale. Further, AEPL's leverage indicators (total debt/OPBDITA) are expected to remain elevated over the medium term compared to the levels prior to the sale of JPL owing to the loss of JPL's earnings contribution and the incremental debt being raised to fund the company's under-construction portfolio. Consequently, the company's debt coverage indicators are also expected to moderate from the pre-divestment levels, although they are likely to remain comfortable.

Post the divestment of JPL, AEPL's operational portfolio comprises 1,426.2 MW of installed renewable power generation capacity (1,176.2 MW wind and 250 MW solar), transmission assets spanning 535 km and 3.19 million installed smart meters[1]. The company also has a sizeable under-construction portfolio across the renewable energy, transmission and smart metering segments, with projects spread across multiple states in India.

The ratings continue to benefit from AEPL's established track record in developing, executing and operating renewable energy (RE) generation, transmission and smart metering assets in India. Further, the ratings draw comfort from its adequate financial profile and the strong credit profile of the ultimate shareholders – CLP Holdings Limited {rated Moody's A2 (Stable); 50% shareholding} and Caisse de dépôt et placement du Québec {CDPQ; rated Moody's Aaa (Stable); 50% shareholding}. The ratings also factor in AEPL's superior financial flexibility by virtue of its strong shareholders and the high commitment from the shareholders to support its growth requirements.

AEPL's generation and transmission assets benefit from the high revenue visibility, supported by long-term offtake agreements and a satisfactory operating track record. Further, the portfolio diversification across geographies and counterparties provides additional credit comfort. While the generation performance of the wind portfolio (1,176 MW) under AEPL and its subsidiaries has remained below the P-90 generation estimates in some of the years in the past, the generation improved year-on-year (YoY) in FY2026. In contrast, the solar portfolio (250 MW) has consistently performed in line or above the P-90 estimates. The availability of long-term offtake arrangements and a satisfactory operating performance provide comfort from a credit perspective.

The ratings are, however, constrained by AEPL's exposure to financially weak state distribution companies (discoms) for the operational capacities, which poses counterparty credit risk and thereby the risk of delayed payments. While payment delays were observed in the past, particularly from the state discoms of Maharashtra, Telangana and Rajasthan where AEPL's exposure is particularly high for its renewable (RE) assets, the payment discipline has improved over the past few years following the implementation of the Late Payment Surcharge (LPS) rules notified by the Ministry of Power, Government of India, in June 2022. Also, the diversity in the offtaker base and a healthy liquidity buffer maintained by the company are the mitigating factors against this risk.

The ratings also consider the project execution risks associated with the Group's ongoing renewable, transmission and smart metering projects. The Group has three solar power projects (600 MW), one wind power project (300 MW), three inter-state transmission projects and smart metering projects across multiple states aggregating to 9.73 million meters (3.19 million installed) under various stages of construction. The capex for these projects is estimated at ~Rs. 12,600 crore (~Rs. 3,800 crore incurred till March 31, 2026) over the next two-three years and is proposed to be met through the available liquidity, internal accruals and project debt.

After the sale of JPL, AEPL's leverage metrics (total debt/OPBDITA) have weakened compared to the earlier levels due to the reduction in its earnings base. The company is undertaking debt-funded capex (with debt to equity ratio up to 80:20) for its under-construction portfolio. The increase in borrowings is expected to keep the leverage metrics elevated during the construction phase, while the benefits of incremental cash flows will accrue only after project operationalisation. Consequently, the company's debt coverage indicators are expected to moderate over the medium term. Further, AEPL has sizeable consolidated repayments in the medium term, which may require refinancing. Nonetheless, its healthy financial flexibility, reflected in its demonstrated refinancing ability in the past, the sufficiently long tail period of the assets and the presence of strong sponsors, provides comfort. The company is also exposed to interest rate risk, given its leveraged capital structure and floating rate borrowings, which are subject to periodic resets.

ICRA also notes that the company remains exposed to the risk of delays or denial of approvals for acquiring new projects or participating in greenfield tenders in the power sector, as per Press Note 2 issued by the Department for Promotion of Industry and Internal Trade (DPIIT), which imposed stricter norms on foreign investments in Indian companies by investors from

[1] *As on March 31, 2026*

bordering countries. The company has received approval from the Government of India for participating in tenders for greenfield projects for a period of three years till December 2027. The recent approval received by one of its entities within a shorter timeframe also provides comfort regarding the company's ability to undertake acquisitions of operating assets.

The Stable outlook on AEPL's rating reflects ICRA's expectation that the company will continue to benefit from its presence across the renewable energy, transmission and smart metering segments, supported by long-term offtake agreements and a comfortable financial profile.

Key rating drivers and their description

Credit strengths

Diversified operating power portfolio across renewable generation, power transmission and smart metering with established track record of operations - AEPL has an operational renewable energy capacity of 1,426.2 MW, comprising 1,176.2 MW of wind power capacity and 250 MW of solar power capacity. The portfolio has demonstrated a satisfactory operating track record, with more than 62% of the renewable portfolio operational for more than 11 years. The company also has three power transmission assets of 514-km length, which also have a satisfactory operational track record of maintaining more than normative line availability. Further, the company has forayed into the installation of smart meters in seven Indian states/Union Territories under long-term contracts with the state distribution utilities, with 3.18 million meters installed out of 9.73 million smart meters as on March 31, 2026.

Long-term offtake agreements for power projects provide high revenue visibility - The generation and transmission assets of AEPL have high revenue visibility, supported by the availability of long-term power purchase agreements (PPAs) for the power generating assets and transmission service agreements (TSAs) for the transmission assets at largely fixed tariffs. The operating renewable energy portfolio has a balance PPA life of over ~13 years. The balance TSA tenure for the transmission asset in Madhya Pradesh is ~14 years and ~29 years for the transmission asset in the North East, which provides long-term revenue visibility for the company. Also, the smart metering projects undertaken by the company have a contract tenure of ~93 months (post installation), providing adequate revenue visibility.

Superior financial flexibility by virtue of strong parents, CLP Holdings Limited and CDPQ - ICRA draws comfort from the superior financial flexibility derived by AEPL from the presence of strong shareholders, CLP Holdings Limited {rated Moody's A2 (Stable); 50% shareholding} and CDPQ {rated Moody's Aaa (Stable); 50% shareholding} and the high commitment from the shareholders to support its growth requirements. Further, its demonstrated refinancing ability in the past and the sufficiently long tail period of the assets offer comfort.

Satisfactory operating track record of operational projects – While the generation performance of the wind portfolio (1,176 MW) operated by AEPL and its subsidiaries has remained below the P-90 generation estimates in certain years in the past, the generation improved year-on-year in FY2026. In contrast, the solar portfolio (250 MW) has consistently performed in line with or above the P-90 generation estimates. The operational transmission assets have also demonstrated a strong performance, with the availability and collection efficiency remaining close to 100% in FY2026. Further, the performance of the smart metering portfolio against the service level agreement thresholds has largely remained satisfactory.

Credit challenges

Expansion plans expose firm to execution risks and higher leverage concerns - AEPL faces implementation risk for its ongoing under-construction renewable, transmission and smart metering projects across multiple states. Within this, the 300-MW wind project at Aski is facing delays in execution owing to the lack of readiness of the grid evacuation infrastructure. The Group also has 600-MW solar power assets, which are at reasonable stages of development. Further, the company is executing three transmission projects – two in Rajasthan and one in Madhya Pradesh. The company is also installing smart meter projects across multiple states. The company is expected to incur a capex of ~Rs. 12,600 crore (~Rs. 3,800 crore incurred till March 31, 2026) over the next three years, funded through internal accruals, cash balances and debt funding.

ICRA expects AEPL's consolidated leverage metrics to increase over the medium term owing to the debt-funded capex for its under-construction projects. Nevertheless, the debt coverage indicators are expected to remain comfortable over the medium term, supported by healthy cash flow generation from the operational portfolio and the phased commissioning of the under-construction assets, although they are likely to moderate from the levels observed prior to the sale of JPL. Moreover, support is expected to be forthcoming from the shareholders to meet AEPL's growth requirements.

Counterparty credit risks from exposure to state discoms having weak financial profiles – At the consolidated level, AEPL has significant exposure to the financially weak state discoms for its operational power generation, transmission and smart metering assets, which could lead to the risk of delayed payments. Within the operating RE capacity, 67% is tied up with state discoms having weak financial profiles. Nonetheless, comfort is drawn from the presence of strong counterparties for 33% of the operating RE capacity and all under-construction RE assets along with the improved payment discipline of the discoms since June 2022, following the implementation of the LPS rules by the Government of India. The sustainability of this payment discipline over a longer period remains to be seen.
For the smart metering portfolio, although the direct debit facility (DDF) mechanism was envisaged to improve payment security and collection efficiency, delays in the receipt of payments from discoms continue to persist. Consequently, the effectiveness of the DDF mechanism in ensuring timely collections remains a key monitorable. At a consolidated level, the company's receivable position has remained satisfactory.

Renewable power projects vulnerable to weather conditions - Given the single-part tariff structure under the PPAs, any underperformance in generation by the renewable assets would impact the cash flows and, in turn, the debt coverage metrics. The generation by the renewable assets remains exposed to weather conditions, seasonality and equipment performance. Nonetheless, comfort can be drawn from the established track record of the wind and solar power projects and the presence of renewable assets across seven states, which reduces the vulnerability of generation to location-specific issues.

Operations and maintenance (O&M) risks – The cash flows from the renewable and transmission assets are closely linked to the generation performance and line availability, which in turn is linked to the adequate maintenance of these assets. The risk of equipment breakdown and a sharp increase in O&M costs would be relatively high for the ageing wind assets. Herein, comfort is drawn from the presence of experienced contractors and a satisfactory track record of operations so far. Further, for the smart metering assets, the company must meet the stipulated service level agreement (SLAs) thresholds related to meter availability, data collection and delivery of recharge, among others. In case of non-compliance with the SLAs, the company will impose the penalties. Any sustained underperformance on the operating parameters may adversely impact the profitability.

Liquidity position: Adequate

AEPL's liquidity position is supported by large cash balances, expectations of healthy cash flow from operations and the availability of undrawn working capital lines. As on July 08, 2026, the company had cash and bank balances of ~Rs. 814 crore (includes restricted cash and bank balances) at the consolidated level. The consolidated cash flows are expected to be adequate to service the total term loan repayment obligations. The funding requirements for the upcoming projects are expected to be met through a mix of internal accruals and debt funding. Further, support is expected to be forthcoming from the shareholders to fund the company's growth requirements.

Rating sensitivities

Positive factors – ICRA could upgrade the long-term rating if the company demonstrates a significant growth in its scale of operations, supported by a timely commissioning of the under-construction projects without any major time and cost overruns. Further, the achievement of operational performance in line with or better than expectations, after commissioning, resulting in an improvement of the debt coverage metrics and leverage levels amid a sustained healthy liquidity position would support an upgrade.

Negative factors – The ratings could be downgraded if the performance of the operating assets weakens, adversely impacting the company's debt coverage metrics. Further, delays in the execution of the ongoing projects or higher-than-expected debt funded capex requirements adversely impacting the debt coverage metrics and liquidity position may trigger a downgrade. A specific credit metric for downgrade would be the total debt/OPBDITA remaining above 6.0x on a sustained basis. Also, delays in receiving payments from the customers would weigh on the company's liquidity position and warrant a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind Power Transmission
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of the company

About the company

Apraava Energy Private Limited (AEPL) is a 50:50 JV between CLP Holdings Limited and CDPQ through their subsidiaries CLP GPEC (Mauritius) Holdings Limited and CDPQ Infrastructure Asia II Pte Limited, respectively. AEPL started its India operations in FY2003 by acquiring a 655-megawatt (MW) gas-fired combined cycle power plant at Paguthan near Bharuch in Gujarat. Thereafter, the company won a 1,320-MW coal-based power project in Haryana under Case-II bidding, which was commissioned in 2012. Further, the company forayed into renewable energy projects by developing a 50.4-MW wind power project at Khandke, Maharashtra, under a subsidiary. Over the years, it has added more renewable projects through the organic and inorganic routes under various SPVs with AEPL being the holding company.

AEPL also forayed into the power transmission business by acquiring an operational intra-state transmission project (240-km, 400-kV transmission line) set up in Madhya Pradesh, under Satpura Transco Private Limited (STPL), in November 2019. Later, in December 2021, AEPL acquired Kohima Mariani Transmission Limited (KMTL), an inter-state transmission asset which operates 254-km 400-kV transmission lines in Manipur, Nagaland and Assam. In FY2023, the company entered into smart meter installation by winning contracts in two states – Assam and Gujarat.

Following the sale of its thermal asset, Jhajjar Power Limited, to Jindal Jhajjar Power Limited, AEPL no longer has any thermal generation capacity and is now focused on renewable energy, power transmission and smart metering projects. Its current operational portfolio comprises 1,426.2 MW of installed renewable energy capacity, including 1,176.2-MW wind and 250-MW solar capacity, along with three power transmission assets spanning 514 km. Further, the company has forayed into the installation of smart meters in various states of India under long-term contracts with the state distribution utilities. Most of the power generation assets are tied up through long-term power purchase agreements (PPAs) with state distribution utilities and Central nodal agencies. This apart, the company has a large under-construction pipeline across renewable, transmission and smart metering projects.

Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	5984.2	6802.4
PAT	846.1	255.5
OPBDITA/OI	33.0%	24.3%
PAT/OI	14.1%	3.8%
Total outside liabilities/Tangible net worth (times)	0.8	1.0
Total debt/OPBDITA (times)	2.9	4.3
Interest coverage (times)	4.4	3.1

*Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; FY2026 consolidated audited financials are not available*

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)**	**July 23, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Long term/ Short term – Fund based/ Non-fund based	Long term/ Short term	2,361.00	[ICRA]AA+ (Stable)/ [ICRA]A1+	Sep 30, 2025	[ICRA]AAA (Stable)/ [ICRA]A1+	Mar 31, 2025	[ICRA]AAA (Stable)/ [ICRA]A1+	-	-
				Oct 20, 2025	[ICRA]AAA/[ICRA]A1+ rating watch with developing implications	-	-	-	-
Long term/ Short term – Unallocated	Long term/ Short term	381.64	[ICRA]AA+ (Stable)/ [ICRA]A1+	Sep 30, 2025	[ICRA]AAA (Stable)/ [ICRA]A1+	Mar 31, 2025	[ICRA]AAA (Stable)/ [ICRA]A1+	-	-
				Oct 20, 2025	[ICRA]AAA/[ICRA]A1+ rating watch with developing implications	-	-	-	-
Long term – Term loan – Fund based	Long term	257.36	[ICRA]AA+ (Stable)	Sep 30, 2025	[ICRA]AAA (Stable)	Mar 31, 2025	[ICRA]AAA (Stable)	-	-
				Oct 20, 2025	[ICRA]AAA rating watch with developing implications	-	-	-	-
Non-convertible debentures	Long term	250.00	[ICRA]AA+ (Stable)	Sep 30, 2025	[ICRA]AAA (Stable)	-	-	-	-
				Oct 20, 2025	[ICRA]AAA rating watch with developing implications	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based – Term loan	Simple
Long term/Short term – Fund based/Non-fund based	Simple
Long term/Short term – Unallocated	NA
Long term – Non-convertible debentures (NCDs)	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**	-	-	-	257.36	[ICRA]AA+ (Stable)	RBI
NA	**Fund based/ Non-fund based limits**	NA	NA	NA	2361.00	[ICRA]AA+ (Stable)/ [ICRA]A1+	RBI
NA	**Unallocated**	NA	NA	NA	381.64	[ICRA]AA+ (Stable)/ [ICRA]A1+	RBI
INE091B08014	**NCD**	Sep 30, 2025	7.70%	Sep 30, 2027	250.00	[ICRA]AA+ (Stable)	MCA

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
Apraava Energy Private Limited	100.00% (Holding Company)	Full consolidation
Apraava Wind Energy (Khandke) Private Limited	100.00%	Full consolidation
Apraava Wind Energy (Theni - Project II) Private Limited	100.00%	Full consolidation
Apraava Renewable Energy Private Limited	100.00%	Full consolidation
Gale Solarfarms Limited	100.00%	Full consolidation
Tornado Solarfarms Limited	100.00%	Full consolidation
Kohima-Mariani Transmission Limited	100.00%	Full consolidation
Satpura Transco Private Limited	100.00%	Full consolidation
Apraava Smart Meter Private Limited	100.00%	Full consolidation
Fatehgarh III Transmission Limited	100.00%	Full consolidation
Fatehgarh IV Transmission Limited	100.00%	Full consolidation
Apraava Bhopal Smart Meter Private Limited	100.00%	Full consolidation
Apraava Paschim Smart Meter Private Limited	100.00%	Full consolidation
Apraava Kutch-Saurashtra Smart Meter Private Limited	90.00%	Full consolidation
Karera Power Transmission Limited	100.00%	Full consolidation
Apraava Kolkata Smart Meter Private Limited	100.00%	Full consolidation

Company name	Ownership	Consolidation approach
Apraava Shimla Smart Meter Private Limited	100.00%	Full consolidation
Apraava Jaipur Smart Meter Private Limited	100.00%	Full consolidation
Rajasthan IV A Power Transmission Limited	100.00%	Full consolidation
Erragudi Green Energy Private Limited	100.00%	Full consolidation
Apraava Hamirpur Smart Meter Private Limited	100.00%	Full consolidation
Apraava Kangra Mandi Smart Meter Private Limited	100.00%	Full consolidation
Apraava Puducherry Smart Meter Private Limited	100.00%	Full consolidation

Source: Company

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