

October 12, 2026

Avaada Glass Private Limited: [ICRA]BBB+ (Stable)/[ICRA]A2; assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator [#]
Long term fund based – Term loan	1362.00	[ICRA]BBB+ (Stable); assigned	RBI
Long term - Non-fund based - PBG	45.00	[ICRA]BBB+ (Stable); assigned	RBI
Long term – Non-fund based treasury limit	130.00	[ICRA]BBB+ (Stable); assigned	RBI
Short term - Fund based – Short-term loan	250.00	[ICRA]A2; assigned	RBI
Total	1787.00		

*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 that fall under the regulatory purview of financial sector regulators other than SEBI

Rationale

The ratings assigned to the bank facilities of Avaada Glass Private Limited (AGPL) factor in the parentage of Avaada Ventures Private Limited (AVPL), the flagship holding company of the Avaada Group, which holds a 100% stake in AGPL. AVPL has also extended a corporate guarantee on AGPL's project debt, and ICRA expects AGPL to receive timely financial support from AVPL/promoter group, if required. While the guarantee does not meet all the conditions required under ICRA's policy for explicit support, comfort is drawn from the implicit support and commitment from AVPL to meet AGPL's obligations. The Group has an established presence across renewable energy generation through Avaada Energy Private Limited (AEPL) and solar module and cell manufacturing through Avaada Electro Limited (AEL). AGPL is strategically important to the Group for backward integration into solar glass, a key input for AEL's bifacial glass-to-glass TOPCon modules.

AGPL is setting up a greenfield 1,200-tonnes-per-day (TPD) solar glass manufacturing facility at Butibori, Nagpur (Maharashtra), at an estimated project cost of Rs. 1,815.6 crore, to be funded in a debt-to-equity ratio of 75:25. The overall physical progress stood at ~40% as of August 2026, in line with the implementation schedule, against the scheduled commercial operations date (SCOD) of April 1, 2028. The rating draws comfort from the financial closure achieved for the project debt, and Rs. 102.0 crore of promoter contribution infused as on September 11, 2026.

The Avaada Group's integrated solar manufacturing project at Butibori has been granted the 'anchor unit' status under the Maharashtra Package Scheme of Incentives. The incentives include a 35% capital subsidy on eligible investment, payable over 10 years, along with interest and power tariff subsidies. ICRA understands that AGPL is eligible for these benefits, though the subsidy disbursement is yet to commence, and the confirmation of eligibility and a timely receipt of the incentives will remain the key monitorables.

The ratings derive comfort from the favourable demand prospects for domestic solar glass, supported by the healthy pace of solar installations in India, the expansion in domestic solar module manufacturing under the ALMM framework and the continued import dependence of the industry. Further, the domestic solar glass industry benefits from protective levies such as basic customs duty (BCD) and anti-dumping duty (ADD) on imports from China and Vietnam, along with countervailing duty (CVD) on imports from Malaysia, currently support the competitiveness of domestic manufacturers. The co-location of the facility with AEL's module plant at Butibori is also expected to lower the freight costs and provide better control over supply quality and timing. However, the prevailing ADD framework is scheduled to expire in December 2029, shortly after the project's

commencement of operations. Its renewal, or otherwise, could materially alter AGPL's realisations and credit profile, and therefore remains a key rating sensitivity.

However, the rating is constrained by project implementation and stabilisation risks associated with a greenfield facility, as a sizeable part of the capital expenditure is yet to be incurred and the Group does not have a prior track record in glass manufacturing. However, the risk is mitigated to some extent by the experience of the promoter group in timely executing other greenfield projects. The company will operate a single furnace at a single location, exposing it to operational disruptions or unforeseen shutdowns owing to asset concentration. The rating also factors in the high customer concentration, as nearly the entire output is proposed to be supplied to AEL, though the offtake agreement with key terms relating to pricing, minimum offtake, payment security and termination is yet to be executed.

AGPL's profitability will remain susceptible to fluctuations in the prices of natural gas, the principal furnace fuel, and soda ash, the largest raw material, as well as to forex movements. The completion of GAIL's gas distribution infrastructure (targeted for January 2028) ahead of the SCOD, along with the medium-term domestic supply dynamics and the regulatory framework on ADD post December 2029 remain the key operational monitorable. However, comfort can be drawn from complete captive alignment of AGPL's production with its sister concern, AEL, and the co-location of the plant to AEL's module unit, which limits the offtake risks and freight costs.

AGPL's debt protection metrics are expected to remain moderate in the initial years of operations, with the total debt to OPBDITA estimated at more than 5.0 times in FY2029, improving gradually to around 4.0 times by FY2033, and the DSCR expected above ~1.2 times over FY2030-FY2033. The ability of the company to complete the project without any major time or cost overrun, stabilise its operations and achieve the envisaged utilisation and profitability levels will remain the key rating monitorable.

AVPL currently has sizeable holdco borrowings following the refinancing of the earlier Brookfield investment, while the proposed IPO of AEL provides an identified avenue for deleveraging through the offer for sale proceeds accruing to AVPL. Further, the proposed IPO is expected to strengthen the Avaada Group's financial flexibility, with the fresh issue proceeds supporting debt reduction at AEL and the offer for sale (OFS) proceeds expected to facilitate deleveraging at AVPL. A successful completion of the IPO and a material reduction in AVPL's leverage would remain key monitorable.

The Stable outlook reflects ICRA's expectation that AGPL will complete the project within the budgeted cost and timelines, supported by timely equity infusion from AVPL/promoter group, and will benefit from the assured captive demand from AEL once operational.

Key rating drivers and their description

Credit strengths

Benefits of parentage and expected support from AVPL - AGPL is a wholly-owned subsidiary of Avaada Ventures Private Limited (AVPL), the flagship holding company of the Avaada Group, which has an established presence across renewable power generation and solar cell and module manufacturing. AGPL is strategically important to the Group as its solar-glass manufacturing arm. AVPL has extended an unconditional and irrevocable corporate guarantee for AGPL's project debt and is expected to provide timely financial support, if required. While the guarantee does not meet all the conditions under ICRA's policy for explicit support, comfort is derived from the strong operational and financial linkages, AVPL/promoter group's support undertakings and the promoter contribution already infused towards the project.

Assured captive demand and strategic importance to the Group - AGPL's 1,200-TPD facility is being established as a backward-integration initiative to cater primarily to the solar glass requirements of group company, Avaada Electro Limited. AGPL's production largely matches the solar glass requirements of AEL. This alignment materially reduces saleability risk, while the co-location of AGPL's facility with AEL's Butibori module plant is expected to lower freight costs, optimise inventory and provide better control over product quality and supply timelines.

Favourable demand prospects and policy support for domestic solar glass - The domestic solar glass industry is expected to benefit from the healthy pace of solar capacity additions, expansion in domestic module manufacturing and increasing adoption of bifacial glass-to-glass modules, which use glass on both sides. The sizeable dependence on imports provides a large addressable market for domestic manufacturers. Further, the basic customs duty and anti-dumping duty on imports from China and Vietnam, the countervailing duty on imports from Malaysia and the proposed quality control order support domestic competitiveness. AGPL is also eligible for incentives under the Maharashtra Government's package for the integrated Butibori project, including capital, interest and power tariff subsidies.

Coverage metrics expected to remain adequate, post project commissioning - AGPL's debt coverage indicators are expected to remain adequate after commissioning, supported by the proposed captive offtake, structured repayment schedule and moderate cost of debt. The cumulative DSCR is expected to be 1.29x over the debt tenure, while the interest coverage is likely to improve from around 2.2-3.0 times during FY2029-FY2033. Although the leverage will remain high initially, it is expected to improve with scheduled debt amortisation. Further, comfort is drawn from a one-quarter DSRA, lender-controlled cash flow waterfall and promoter undertaking to fund the debt servicing or DSRA shortfalls.

Credit challenges

Project execution and stabilisation risks - AGPL is implementing a sizeable greenfield project with an estimated cost of Rs. 1,815.6 crore and SCOD of April 1, 2028. While the weighted project completion stood at around 40%, the more execution-intensive stages remain pending, including delivery and erection of imported equipment, completion of civil works and utility infrastructure, furnace heat-up etc. Further, the Group has no prior track record in glass manufacturing and the entire facility will depend on a single furnace at one location, increasing the impact of any commissioning delay or operational disruption. However, the risk is mitigated to some extent by the experience of the promoter group in a timely execution of other greenfield projects.

Customer concentration- Nearly the entire production is proposed to be supplied to AEL, resulting in high customer concentration and linking AGPL's operations to AEL's module-production ramp-up, capacity utilisation and payment profile. Any delay or underperformance at AEL may put pressure on the company's operations. A formal offtake agreement is expected to be executed near the commissioning date.

Profitability vulnerable to input costs and competition - AGPL's profitability will remain exposed to movements in natural gas prices, soda ash and specialty raw-material costs, freight rates and foreign exchange rates. The long-term gas arrangement includes an 85% minimum procurement obligation and Brent-linked pricing, while the furnace must operate continuously, resulting in high operating leverage if the utilisation or yield remains below projections. A timely completion of GAIL's distribution station and connecting pipeline remains critical.

Liquidity position: Adequate

AGPL's liquidity is adequate, supported by the financial closure for its Rs. 1,362-crore term loan and a Rs. 250-crore bridge loan from IndusInd Bank. The interest during construction of Rs. 91.9 crore is funded within the project cost and debt servicing begins only after a six-month moratorium from COD. ICRA expects AVPL/promoter group to infuse the balance promoter contribution (Rs. 102 crore already infused till date) in a timely manner.

Rating sensitivities

Positive factors – The rating may be upgraded if the company commissions the project within the budgeted cost and timelines and stabilises its operations with healthy capacity utilisation and profitability, resulting in comfortable debt coverage metrics. An improvement in the credit profile of AVPL could also result in a positive rating action.

Negative factors – The rating may be downgraded in case of a material time or cost overrun in project implementation, or a delay in equity infusion by the promoters, leading to pressure on liquidity position. Moderation in AVPL's credit profile or weakening of its linkages with AGPL could also trigger a negative rating action.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Parent Company: Avaada Ventures Private Limited ICRA expects AGPL's parent, AVPL, to extend financial support to AGPL, should there be a need.
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the Standalone financials of AGPL

About the company

Avaada Glass Private Limited (AGPL), incorporated in June 2022, is a wholly-owned subsidiary of Avaada Ventures Private Limited and forms part of the Avaada Group. The company was renamed from Sunya Green Ammonia Private Limited in September 2025 to align with the Group's foray into solar glass manufacturing.

AGPL is setting up a greenfield 1,200-tonnes-per-day solar glass manufacturing facility at Additional Butibori Industrial Area, Nagpur, Maharashtra, with commercial operations scheduled to start from April 2028. The facility will primarily manufacture 2.0-mm ultra-low iron-patterned solar glass for bifacial photovoltaic modules. The project is part of the Group's backward integration strategy and is expected to cater largely to the module manufacturing requirements of group company, Avaada Electro Limited, while reducing the import dependence, logistics costs and supply chain risks. The estimated project cost is Rs. 1,815.6 crore.

Key financial indicators – Not meaningful as the project is currently under construction.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2027)				Chronology of rating history for the past 3 years						
FY2027				FY2026		FY2025		FY2024		
Instrument	Type	Amount (Rs. crore)	rated	Oct 12, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based - Term loan	Long term	1362.00	[ICRA]BBB+	-	-	-	-	-	-	-
Non-fund based - PBG	Long term	45.00	[ICRA]BBB+	-	-	-	-	-	-	-
Non-fund based treasury limit	Long term	130.00	[ICRA]BBB+	-	-	-	-	-	-	-
Fund based – Short-term loan	Short term	250.00	[ICRA]A2	-	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term - Fund based - Term loan	Simple
Long term- Non-fund based - PBG	Simple
Long term – Non-fund based treasury limit	Simple
Short term - Fund based – Short-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 [#]
NA	Long term - Fund based- Term loan	FY2027	NA	FY2036	1362.00	[ICRA]BBB+ (Stable)	RBI
NA	Long term - Non-fund based- PBG	NA	NA	NA	45.00	[ICRA]BBB+ (Stable)	RBI
NA	Long term – Non-fund based treasury limit	NA	NA	NA	130.00	[ICRA]BBB+ (Stable)	RBI

NA	Short term - Fund based – Short-term loan	NA	NA	NA	250.00	[ICRA]A2	RBI
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Source: Company

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments that 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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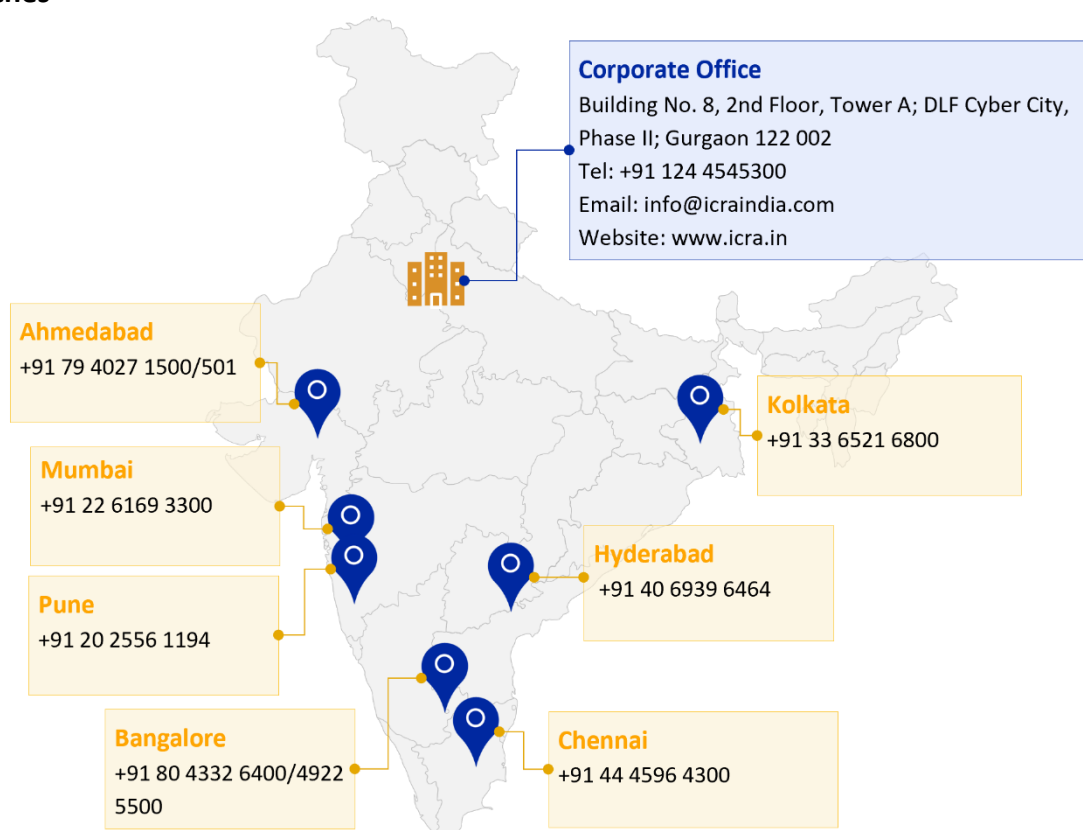


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