Avaada Sunrays Energy Private Limited

February 19, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	1,297.01 (Reduced from 1,344.27)	CARE AA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

CARE Ratings Limited (CareEdge Ratings) has adopted a combined approach for the following four entities of the Avaada Group: Avaada Sunrays Energy Private Limited (Avaada Sunrays), Avaada Sustainable RJProject Private Limited (Avaada Sus RJ), Avaada Sunce Energy Private Limited (Avaada Sunce), and Avaada RJHN Private Limited (Avaada RJHN). These entities are referred to as Avaada Rajasthan Restricted Group (RG). The pooling agreement is unconditional, irrevocable, valid for the full tenor of the rated debt facilities and has a cross-default clause between the four entities and a T-minus structured payment mechanism. Per the inter-company pooling agreement, each entity is jointly and severally liable for debt servicing obligations. The respective trust and retention account (TRA) agreements necessitate each entity to transfer funds from individual surplus accounts in case of shortfall in debt servicing in the other entities.

The rating reaffirmation on bank facilities of the RG, operating 1,210 MW_{AC} solar power plants in Rajasthan, factors in the established track record of ~3.6 years with satisfactory operational performance. The same is reflected by weighted average plant load factor (PLF) of 26.9% in FY25 against 26.7% in FY24. In 9M FY26, the PLF stood at 25.4%, which is slightly below the 9M FY25 PLF of 26.7% and the same is due to lower irradiation in the region. Going forward, CareEdge Ratings expects the generation to be in line with the historical trend. The pool is receiving payments from central counterparties within 10 days and from state counterparties in an average of 30 days from raising invoices.

The credit profile of the RG continues to derive strength from the long-term (25 year) power purchase agreements (PPAs) with central counterparties, National Hydroelectric Power Corporation (NHPC) and Solar Energy Corporation of India (SECI), for 51% of capacity and state distribution utilities (49%) i.e., Maharashtra State Electricity Distribution Company Limited (MSEDCL) and Haryana Power Purchase Centre (HPPC), providing revenue visibility. The rating is further supported by the superior tariff competitiveness of the pool, with a weighted average tariff at ₹2.69 per unit. CareEdge Ratings notes that while 49% of the PPAs are contracted with modest credit quality state utilities, the said projects are using the inter-state transmission system (ISTS) network. In CareEdge Ratings' opinion, the probability of the projects witnessing curtailments or experiencing delays in receipt of payments are lower than projects using purely intra state transmission system (InSTS) network. The rating further considers the presence of the payment security mechanism in place in the form of Letter of Credit (LC) extended for the full capacity. The debt protection metrics of the RG are comfortable with average debt service coverage ratio (DSCR) at ~1.30x per CareEdge Ratings' base case scenario. Entities in the RG have ~1.5 quarters of debt service reserve account (DSRA) (two quarters for projects contracted with state counterparties and one quarter for projects contracted with central counterparties) and an additional liquidity reserve (ALRA) of ~₹41 crore. CareEdge Ratings also notes that the RG is a part of the Avaada Group, one of the leading global renewable energy developers.

However, these rating strengths are tempered by the leveraged capital structure reflected by total external debt/earnings before interest, taxation, depreciation, and amortisation (EBITDA) of 6.5x as of FY25 end. The capital structure is expected to remain leveraged with total external debt/EBITDA above 6.0x till FY28. The rating factors in exposure of project cash flows to adverse movement in interest rates which is subject to annual reset. CareEdge Ratings factors in asset concentration risk with entire capacity located in Rajasthan and exposure of project cash flows to adverse variations in weather conditions.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained improvement in the actual generation levels above P90 estimates resulting into an average DSCR above 1.4x.
- Faster-than-expected deleveraging of the pool.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Negative factors

- Sustained underperformance in generation of the overall portfolio resulting in downward revision of average DSCR to below 1.25x for the overall portfolio per CareEdge Ratings' base case.
- Overall receivables stretching beyond 100 days on a sustained basis.

Analytical approach: Combined

CareEdge Ratings has considered a combined approach for rating bank facilities of Avaada Sunrays, Avaada RJHN, Avaada Sunce, and Avaada Sus RJ considering the cash pooling arrangement where these entities are jointly servicing the combined debt obligations. The agreement is unconditional, irrevocable and valid for the full tenor of the rated debt facilities, has a well-defined T-Minus structured payment mechanism, and has the presence of a cross-default clause between four entities under the structure.

In a combined approach, CareEdge Ratings evaluates the group of entities as if it were a single entity and combines the financials and business risk profiles of these entities to take a view on the rating. Four entities are owned by Avaada Energy Private Limited (AEPL) and are engaged in similar lines of business such as power generation. The list of entities consolidated under the combined approach is attached as Annexure-6.

Outlook: Stable

CareEdge Ratings believes that the combined entity would continue to benefit considering presence of long-term PPAs for the portfolio under the RG. The operational performance of the assets is likely to remain in line with the existing trend which supports the outlook.

Detailed description of key rating drivers:

Key strengths

Presence of a cash pooling arrangement for assets under the RG

The four special purpose vehicles (SPVs) of the Avaada Group have formed an RG where these entities would be jointly and severally servicing the combined debt obligations. The shortfall in meeting the debt obligations by one entity shall be met through surplus cash flows from the other entities in the structure. The agreement is unconditional, irrevocable, valid for the full tenor of the rated debt facilities, has a well-defined T-minus payment structure mechanism, and is characterised by the presence of a cross-default clause between all four entities.

Revenue visibility considering presence of long-term PPAs for entire capacity

CareEdge Ratings factors in the presence of long-term PPAs with central counterparties, NHPC and SECI, and state distribution utilities, MSEDCL and HPPC, for the entire 1210-MW capacity under the RG pool with the weighted average tariff being ~₹2.69 per unit, providing long-term revenue visibility.

Diversified asset pool in terms of off-take and ~51% capacity tied up with central counterparties

The 1210-MW capacity in the RG is spread across four SPVs with assets belonging to solar power. The RG pool has a diversified off-taker pool comprising four counterparties NHPC (26%), SECI (25%), MSEDCL (29%), and HPPC (20%). CareEdge Ratings notes that while 49% of the PPAs is contracted with modest credit quality state utilities, the said projects are using the ISTS network. In CareEdge Ratings' opinion, the probability of the projects witnessing curtailments or experiencing delays in receipt of payments are lower than projects using purely InSTS network.

Satisfactory operational performance with generation performance in line with the designed energy estimate

All the assets under RG were commissioned in FY23 resulting in track record of operations of ~3.6 years. Operational performance of the assets is satisfactory. In 9MFY26, the PLF stood at 25.4%, which is slightly below the 9MFY25 PLF of 26.7% and the same is considering lower irradiation in the region. Going forward, CareEdge Ratings expects the generation to be in line with the historical trend. The pool is receiving payments from central counterparties within 10 days and from state counterparties in an average of 30 days from raising invoices.

Comfortable debt coverage indicators of the project

The debt protection metrics of the RG are comfortable with average DSCR at ~1.30x per CareEdge Ratings' base case scenario. The entities in the RG have ~1.5 quarters of DSRA (two quarters for projects contracted with state counterparties and one quarter for projects contracted with central counterparties) and an additional liquidity reserve (ALRA) of ~₹41 crore.

Strong parentage with established track record of operations in the renewable sector

The four entities under structure are wholly owned subsidiaries of AEPL, the flagship company of the Avaada Group. The Avaada Group is among the leading renewable energy developers in the country with operating capacity of ~6 GWp as of January 2026 end. The portfolio comprises several states and capacity contracted through long-term PPAs with central off-takers, state off-takers, and corporates.

Key weaknesses

Leveraged capital structure and exposure to adverse variation in interest rates

RG's capital structure remains leveraged with total external debt/EBITDA of ~6.5x as of FY25-end. The capital structure is expected to remain leveraged with total external debt/EBITDA above 6.0x till FY28. The rating factors in exposure of project cash flows to adverse movement in interest rates which is subject to annual reset.

Concentration risk with full capacity located in Rajasthan

All assets under RG are located in Bikaner, Rajasthan, exposing the company to geographical concentration risk. However, the same is mitigated to a large extent given the adequate resource availability for solar generation in Rajasthan.

Vulnerability of cash flows to variation in weather conditions

As tariffs are single-part in nature, the company may report lower revenue if power is not generated due to variation in weather conditions or equipment quality. This would, in turn, affect its cash flows and debt-servicing ability.

Liquidity: Adequate

The liquidity metrics of the pool is adequate, reflected by free cash and bank balances of ~₹205.28 crore and DSRA of ~₹214.57 crore and an ALRA of ~₹41 crore as on January 12, 2026. The RG maintains DSRA equivalent to two quarters of debt obligations for projects having state counterparties and one quarter for projects having central counterparties. CareEdge Ratings expects the generation profile to remain in line with historical levels and collection efficiency to remain satisfactory. The internal accruals, and healthy cash and bank balances in the structure are adequate to service the debt obligations.

Per CareEdge Ratings' base case, adjusted gross cash accruals (AGCA) for FY26 and FY27 are rangebound between ~₹289 crore-₹310 crore compared to annual repayments of ~₹196 crore (including cash sweep) and ~₹154 crore, respectively.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Infrastructure Sector Ratings
Solar Power Projects

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

Incorporated on November 21, 2019, Avaada Sunrays is a wholly owned subsidiary of AEPL, and has set up a 320 MW (AC) solar power project at Village Nokhara, Tehsil Kolayat, District Bikaner, Rajasthan, India. The project was commissioned in December

2022 and has an operational track record of 2.2 years. Avaada Sunrays has signed the PPA with NHPC for 25 years and is supplying power from the entire capacity at a fixed tariff of ₹2.56/kWh.

Brief Financials: Combined

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	736.9	742.1	372.6
PBILDT*	627.2	673.0	348.0
Profit after tax (PAT)	66.6	-12.5	38.3
Overall gearing (x)	2.9	3.5	3.4
Interest coverage (x)	1.6	1.5	1.9

A: Audited; UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Brief Financials: Standalone- Avaada Sunrays

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	196.5	198.5	97.1
PBILDT*	167.4	180.7	92.1
Profit after tax (PAT)	3.2	-22.2	1.7
Overall gearing (x)	3.4	4.2	4.1
Interest coverage (x)	1.5	1.3	1.6

A: Audited; UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	31-03-2044	1297.01	CARE AA; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	1297.01	CARE AA; Stable	-	1)CARE AA; Stable (18-Mar-25)	1)CARE AA; Stable (28-Feb-24)	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Avaada Sunrays Energy Private Limited	Full	Operational and financial linkages
2	Avaada Sunce Energy Private Limited	Full	Operational and financial linkages
3	Avaada Sustainable RJProject Private Limited	Full	Operational and financial linkages
4	Avaada RJHN Private Limited	Full	Operational and financial linkages

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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