

June 18, 2026

ACME HEERGARH POWERTECH PRIVATE LIMITED: Rating assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term - Fund based - Term loan	1,224.00	[ICRA]AA- (Stable); assigned
Long term – Non-fund based – CEL^	29.00	[ICRA]AA- (Stable); assigned
Total	1,253.00	

*Instrument details are provided in Annexure II

^CEL: Credit exposure limit/Loan Equivalent Risk Limits

Rationale

The long-term rating assigned to Acme Heergarh Powertech Private Limited (AHPPL) factors in the company's parentage with AHPPL being a 100% wholly owned subsidiary of ACME Solar Holding Limited (ASHL; rated [ICRA]AA- (Stable)), which has an established track record of about two decades in the renewable energy sector. ASHL has an operational capacity of 2.99 GWac* and standalone battery projects of ~2.4 GWh, along with an under-development project pipeline of ~4.8 GWac* of wind, hybrid and firm and dispatchable renewable energy (FDRE) projects, as well as battery energy storage projects of 1.2-GWh capacity.

ASHL has a diversified renewable asset profile across multiple locations and has offtake arrangements with several Central (84%) and state offtakers (16%). The long-term power purchase agreements (PPAs) at competitive tariffs, the satisfactory generation performance of ASHL's assets, and the availability of long-term project finance at competitive interest rates ensure adequate debt coverage metrics for ASHL's renewable energy portfolio. However, ASHL's credit profile is constrained by significant capital expenditure plans for its under-development projects. ICRA also notes that the ASHL has successfully raised Rs. 2,800 crores via a qualified institutional placement (QIP) in June 2026, which is expected to be used by the Group to de-leverage as well as provide equity funding for its under-construction projects

The rating factors in the need-based support available from the parent, as demonstrated by the financial assistance extended to the Group's SPVs over the years.

The assigned rating factors in the presence of a 25-year PPA at a competitive fixed tariff of Rs. 2.74 per unit for the entire project capacity with Maharashtra State Electricity Distribution Company Limited (MSEDCL), which mitigates the demand and tariff risks. ICRA notes that while the project was fully commissioned in May 2022, the corresponding DC capacity was installed in October 2023 due to supply-chain disruptions caused by the COVID-19 pandemic, resulting in weak generation during FY2023 and FY2024. However, the project's generation improved significantly in FY2025 and remained above the P-90 estimates. The performance further improved in FY2026, following the repowering of the project, which increased the DC capacity by 4.30 MWp to 449.23 MWp. Further, the coverage metrics are also supported by a long repayment tenure of ~18 years, a structured amortisation profile and competitive interest rate. The cumulative DSCR is estimated to remain around 1.35x over the loan tenure, indicating adequate coverage for the debt servicing obligations. A stable track record of generation performance closer to or higher than the P-90 level remains a key rating monitorable.

The rating, however, is constrained by the counterparty credit risk pertaining to the sole offtaker (MSEDCL), which has a modest credit profile. ICRA notes that after the implementation of the Late Payment Surcharge (LPS) scheme, the company's receivable position improved to under 30 days in FY2026 from 41 days in FY2025 (62 days in FY2023). The company has now

* As per investor presentation of Q4 FY2026

been receiving payments in a timely and regular manner from MSEDCL. Also, the rating favourably considers the cost-competitive tariff rate offered by the project, which is lower than the average power procurement cost (APPC) of MSEDCL.

The improvement in the payment cycle along with the presence of a debt service reserve account (DSRA) equivalent to two quarters of debt service provides comfort on the company's liquidity. Nevertheless, the exposure to counterparty risk exists because of the offtaker's modest credit profile, and a sustained timely receipt of payments from MSEDCL remains a key monitorable.

The rating factors in the high asset concentration risk as the project is located at a single site in Rajasthan, making it vulnerable to location-specific disruptions and weather-related conditions. Further, the rating is constrained by the exposure of the company's debt coverage metrics to the movements in interest rates on the project debt. The rating also reflects AHPPL's exposure to regulatory risks associated with the proposed implementation of the revised scheduling and forecasting norms notified by the Central Electricity Regulatory Commission (CERC).

AHPPL is also exposed to risks associated with a potential unfavourable outcome at the Supreme Court for an ongoing legal dispute with the Central Board of Indirect Taxes and Customs (CBIC) related to the deferment of a ~Rs. 250-crore import duty availed under the Manufacturing & Other Operations in Warehouse Regulations Scheme (MOOWR). While the company has received a favourable order in this regard from the Delhi High Court, the case is pending with the Supreme Court. Any adverse legal outcome will result in a large financial liability for AHPPL and may impact the project cash flows and coverage metrics if funded through debt and remains a credit negative, though AHPPL can claim the additional tariff under the change-in-law clause in the PPA. Herein, comfort can also be drawn from the financial flexibility demonstrated by the Group in the past.

The Stable outlook assigned to the long-term rating factors in the steady cash flow visibility offered by the long-term PPA and expectation of a satisfactory generation level, which is likely to lead to healthy debt coverage and liquidity levels, going forward.

Key rating drivers and their description

Credit strengths

Benefits of parentage as the SPV is wholly owned by ASHL - The presence of an experienced sponsor, the ACME Group, with an established track record of developing and operating renewable power projects provides comfort. The Group has a strong track record of executing more than 5.0 GWp (including monetised assets) of solar projects since 2011. Further, the Group has an operational capacity of 2.99 GWac and an under-development project pipeline of 3.28 GWac (for which PPAs have been signed) of wind, hybrid and FDRE projects and BESS projects of 1,204-MWh capacity. For the underdevelopment projects, the Group has already signed long-term PPAs/battery energy supply purchase agreements (BESPA) primarily with Central offtakers having strong credit profiles. In addition, the Group has under-construction projects of 1.80 GWac* for which PPAs have not yet been signed. Moreover, ASHL has commissioned ~2.4 GWh of BESS projects ahead of its under-construction FDRE projects. ICRA expects ASHL to extend need-based financial support to APUPL, as and when required.

Revenue visibility owing to presence of long-term PPA leading to low offtake risk - The project is backed by a 25-year PPA with MSEDCL. The PPA has a competitive fixed annual tariff of Rs. 2.74 per unit that provides revenue visibility for the project and limits the offtake and tariff-related risks. Additionally, the debt tenure of 18 years is aligned with the project's cash flow profile, supporting financial stability.

Improved generational performance and adequate healthy debt coverage over the debt tenure - While the project was commissioned in May 2022, the associated DC capacity was fully installed by October 2023, resulting in lower generation levels during FY2023 and FY2024. However, the generation has since improved significantly in FY2025 and FY2026 and was higher than degraded P-90 levels. ICRA expects a sustained improvement in generation to support an adequate cumulative DSCR of around 1.35 times over the debt tenure.

Credit challenges

Cash flow remains vulnerable to variability in solar irradiance and geographic concentration of project – AHPPL is entirely dependent on power generation from the solar power project for its revenues and cash accruals, given the single part tariff in the PPA. Therefore, it remains exposed to the variability in solar irradiance and equipment performance. The risk is amplified by the geographic concentration of the asset as the entire capacity is at a single location. However, the company has partly mitigated the risk arising from irradiance variability through repowering, which is expected to support more stable generation.

Exposure to counterparty credit risk – The company has signed a PPA for 25 years with MSEDCCL which has a modest credit profile. While the debtor days have come down to under 30 days in FY2026 from 41 days in FY2025 (62 days in FY2023) due to the implementation of the LPS scheme in June 2022, which enforces payment discipline and ensures timely realisation of receivables. Nevertheless, the company still remains exposed to counterparty credit risk owing to the modest credit profile of the offtaker.

Interest rate risk and regulatory risks - The company's capital structure remains leveraged as a major portion of the cost was funded through debt. The interest rate is subject to regular reset, which exposes the company to the risk of higher interest cost at the time of each reset during the tenure of the loan. As a result, the company's debt coverage metrics remain exposed to any movement in interest rates. Herein ICRA takes comfort from the competitive interest rate for the project along with a sufficient buffer in the coverage to sustain any increase in interest rate or lower-than-expected generation. The company's operations are also exposed to regulatory risks pertaining to the recently proposed tightening of scheduling and forecasting norms by the CERC for solar power projects. The regulatory framework prescribed by the state electricity regulatory commission charges penalty for variation between forecasted and actual generation beyond a certain threshold for solar power projects. These regulations would expose the company to the risk of penalties, which would impact the cash flow and debt metrics as solar generation is vulnerable to weather conditions.

Regulatory risk associated with potential unfavourable outcome for ongoing legal dispute - The company has availed the MOOWR scheme for claiming deferment on customs duty payable on imported modules. ICRA understands that while the company received approval from the tax department initially, it subsequently received a notice from the CBIC for the payment of the duty. The company appealed against the aforesaid notice before the Delhi High Court, wherein the company received a favourable order. The matter is currently pending with the Supreme Court. Any adverse outcome would require the company to pay the duty of about ~Rs. 250 crore. Nevertheless, ICRA notes that the company is entitled to claim such additional costs from the offtaker under the change-in-law provisions of the PPA. While there may be a timing lag in recovering the additional tariff, necessitating interim funding support, comfort is derived from the Group's demonstrated financial flexibility and track record of extending timely support.

Liquidity position: Adequate

The company's liquidity position is adequate, supported by cash flow from operations, expected continuation of a satisfactory generation performance and no capex spends. The company's projected cash flow from operations in FY2027 and FY2028 is expected to remain adequate to meet its debt servicing obligations. Additionally, ICRA notes that AHPPL has created a DSRA which covers the project's scheduled two-quarter debt service obligations. Also, as on April 30, 2026, AHPPL has an unencumbered cash of Rs. 65.5 crore. Further, ICRA expects ASHL to extend need-based financial support to AHPPL, as and when required.

Rating sensitivities

Positive factors – A meaningful improvement in the generation performance above the P-90 levels, or a significant reduction in the leverage levels, leading to a sustained improvement in the company's debt coverage indicators, could result in an upgrade. ICRA could also upgrade the rating if the credit profile of the holding company, ACME Solar Holdings Limited, improves.

Negative factors – ICRA could downgrade AHPPL's rating due to under-performance in generation impacting its debt coverage metrics, pulling down the cumulative DSCR below 1.25 times. Further, any significant delays in receiving payments from the offtaker, adversely impacting its liquidity profile, or sharp increase in operations and maintenance costs or additional indebtedness impacting coverage metrics would be a negative rating trigger. Further, deterioration in the credit profile of ASHL or any weakening of linkages between ASHL and AHPPL can also exert downward pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	ICRA expects need-based financial support from ASHL, given AHPPL's importance to the Group and the associated reputational impact arising from distress at a Group entity
Consolidation/Standalone	The rating is based on the standalone financial profile of the company

About the company

AHPPL has developed a solar power project of 350-MWac capacity in the Jodhpur district of Rajasthan. The project has a DC capacity of 449.2 MWp. The project was fully commissioned in May 2022. The company has a 25-year long-term PPA with MSEDCCL at a tariff of Rs 2.74 per unit for 25 years. It is a wholly-owned subsidiary of Acme Solar Holdings Ltd (ASHL).

Key financial indicators :

AHPPL Standalone	FY2024 Audited	FY2025 Audited	FY2026 Provisional
Operating income	184.2	202.1	202.2
PAT	2.4	19.4	48.4
OPBDIT/OI	0.9	0.9	0.9
PAT/OI	1.3%	9.6%	24.0%
Total outside liabilities/Tangible net worth (times)	12.3	9.5	9.1
Total debt/OPBDIT (times)	8.4	6.8	7.8
Interest coverage (times)	1.3	1.7	1.6

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation.

Status of non-cooperation with previous CRA: Not applicable

Any other information: A member of the board of directors of ICRA Limited is also an Independent Director on the board of directors of ACME Solar Holdings Limited. This Director was not involved in any of the discussions and processes related to the rating(s) of the instrument mentioned herein.

Rating history for past three years

Instrument	Type	Current (FY2027)			Chronology of rating history for the past 3 years					
		FY2027			FY2026		FY2025		FY2024	
		Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund based - Term loan	Long term	1,224.00	Jun 18, 2026	[ICRA]AA-(Stable)	-	-	-	-	-	-
Non Fund based-CEL	Long term	29.00	Jun 18, 2026	[ICRA]AA-(Stable)	-	-	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated Instruments that fall under the regulatory purview of various Financial Sector Regulators (FSR) are as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$))	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA that fall under the regulatory purview of various Financial Sector Regulators (FSR) are as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: 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.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term fund based – Term loan	Simple
Long term – Non-fund based – CEL	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	September 24, 2024	7.95%*	Jun 30, 2042	1,224.00	[ICRA]AA- (Stable)
NA	Others-CEL limit	September 24, 2024	-	Jun 30, 2042	29.00	[ICRA]AA- (Stable)

Source: Company

*subject to change

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Girishkumar Kadam

+91 22 6114 3441

girishkumar@icraindia.com

Ankit Jain

+91 124 4545 865

ankit.jain@icraindia.com

Asmita Pant

+91 124 4545 856

asmita.pant@icraindia.com

Vaibhav Arora

+91 124 4545 386

vaibhav.arora@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.