May 29, 2025

ACME Chittorgarh Solar Energy Private Limited: Rating reaffirmed and removed from watch with positive implications; Stable outlook assigned

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term - Fund based - Term loan	976.11	1,004.00	[ICRA]AA- (Stable); reaffirmed and removed from watch with positive implications; Stable outlook assigned
Long term - Fund based – Working Capital	0.00	22.00	[ICRA]AA- (Stable); reaffirmed and removed from watch with positive implications; Stable outlook assigned
Long term – Unallocated	73.89	24.00	[ICRA]AA- (Stable); reaffirmed and removed from watch with positive implications; Stable outlook assigned
Total	**1,050.00**	**1,050.00**	

**Instrument details are provided in Annexure I*

Rationale

The rating action for ACME Chittorgarh Solar Energy Private Limited (ACSEPL) factors in a change in the rating of the parent company i.e. Ayana Renewable Power Private Limited (ARPPL) to [ICRA]AA+ (Stable)/[ICRA]A1+ from [ICRA]AA-; rating watch with positive implications/[ICRA]A1+. ARPPL's credit profile has improved significantly following a favourable change in its ownership after ONGC NTPC Green Private Limited (ONGPL) picked up a 100% stake in the firm in March 2025. ONGPL is a 50:50 joint venture (JV) company of ONGC Green Limited (OGL) and NTPC Green Energy Limited (NGEL). OGL is a subsidiary of Oil and Natural Gas Corporation Limited {ONGC, rated [ICRA]AAA (Stable)/[ICRA]A1+} and NGEL is a subsidiary of NTPC limited {NTPC; rated [ICRA]AAA (Stable) /[ICRA]A1+}.

Despite the change in the rating of the parent company, the rating of ACSEPL has been reaffirmed due to the refinancing of its outstanding debt facilities with a new term loan. The company has also taken a top-up debt which will be upstreamed to its parent company - ARPPL. The additional debt will moderate its projected cumulative debt service coverage ratio (DSCR) to ~1.23x for the refinanced debt compared to ~1.3x under the earlier debt. Nonetheless, comfort can be taken from the healthy generation performance of its 250-MW solar power plant in FY2024 and FY2025 following the completion of DC capacity upsizing and the continued timely payments from the offtaker. The company reported a PLF of 27.35% in FY2024 and 26.84% in FY2025, which remains in line with the P-90 estimate.

Further, the rating considers the limited demand and tariff risks for ACSEPL's 250-MW solar power project, with a 25-year long-term power purchase agreement (PPA) with Maharashtra State Electricity Distribution Company Limited (MSEDCL) for the entire project capacity at a fixed tariff of Rs. 2.72 per unit. The company has also secured additional tariff from MSEDCL under change-in-law, in lieu of the safeguard duty imposed on imported solar modules.

Further, ICRA favourably takes note of the cost-competitive tariff rate offered by the project, which is lower than the average power procurement cost (APPC) of MSEDCL. Also, the timely payments from MSEDCL and a debt service reserve account (DSRA) equivalent to one quarter of interest and principal payments provide comfort from a credit perspective.

The rating is, however, constrained by the cash flow and debt protection metrics being sensitive to the generation performance. Any adverse variation in weather conditions may impact the PLF levels and consequently affect the cash flow as the PPA tariff is single part and fixed in nature. This constraint is amplified by the geographic concentration of the asset, with the entire capacity at a single location in Rajasthan.

The rating also factors in the counterparty credit risk on account of exposure to a single buyer, MSEDCL. The credit profile of MSEDCL remains linked to the timely pass-through of cost variations to its customers and the receipt of subsidy dues from the state government on time. Nonetheless, the payments have been timely so far and MSEDCL has also created payment security in the form of letter of credit (LC).

ICRA notes that ACSEPL's debt coverage metrics remain exposed to the interest rate movement because of the fixed tariff under the PPA. Further, the company's operations remain exposed to the regulatory risks pertaining to the scheduling and forecasting requirements of solar power projects.

The Stable outlook on the long-term rating of ACSEPL reflects ICRA's opinion that the company would benefit from the long-term PPA at a fixed tariff, timely payments from the customer and expectations of a satisfactory generation performance.

Key rating drivers and their description

Credit strengths

Strong managerial and financial support from Ayana Group - The company is a subsidiary of ARPPL. ARPPL is 100% held by ONGPL, a 50:50 joint venture company of OGL and NGEL. Hence, ACSEPL benefits from the financial, operational and managerial support of a strong parent - ARPPL. ARPPL's operating renewable power portfolio stood at 1.9 GW (~2.2 GW, including partially commissioned capacity) as of May 2025. The Group has another ~1.9 GW under development, comprising solar, wind, hybrid & round-the-clock (RTC) renewable assets with firm PPAs. ICRA expects ARPPL to support the company in case of any cash flow mismatch.

Revenue visibility from long-term PPA with MSEDCL; superior tariff competitiveness - ACSEPL has signed a long-term PPA with MSEDCL for the entire project capacity of 250 MW at a fixed tariff of Rs. 2.72 per unit for a tenure of 25 years, limiting the demand and tariff risks. The company also secured additional tariff from MSEDCL under change-in-law, in lieu of the safeguard duty imposed on imported solar modules. The tariff remains competitive for the offtaker, MSEDCL, in comparison to its average power procurement cost.

Moderate debt coverage metrics – The company's debt coverage metrics remain moderate with a projected cumulative DSCR of ~1.23x over the new debt repayment tenure, supported by the long-term PPA at a reasonable tariff, the long tenure of the project debt and a highly competitive interest rate.

Liquidity supported by timely payments and presence of DSRA – The liquidity profile of ACSEPL is adequate, supported by timely payments from MSEDCL and a cash DSRA equivalent to one quarter of interest and principal payments.

Credit challenges

Single-asset operations; sensitivity of debt metrics to energy generation – The debt metrics for the solar power project under ACSEPL remains sensitive to the PLF level, given the one-part tariff 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 amplifies the generation risk. The company reported a PLF of 27.35% in FY2024 and 26.84% in FY2025, which remains in line with the P-90 estimate. The demonstration of a generation performance in line or above the appraised estimate on a sustained basis remains important for the company.

Counterparty credit risk due to exposure to a single buyer - The company remains exposed to counterparty credit risks due to the exposure to a single buyer, MSEDCL. The offtaker's financial profile is dependent on the timely pass-through of cost variations to the customers under its distribution licensee operations and subsidy payments from the state government.

Nonetheless, the payments have been on time so far and MSEDCL has also created payment security in the form of letter of credit (LC).

Leveraged capital structure and exposure to interest rate movement– The capital structure of the company is leveraged, reflected in the debt-funded capex deployed to set up the project and the addition debt of ~Rs. 89 crore sanctioned as part of the refinancing in March 2025. Hence, the company remains exposed to interest rate movement because of the fixed tariff under the PPA.

Regulatory challenges of implementing scheduling and forecasting framework - The regulatory challenges of implementing the scheduling and forecasting framework for solar power projects pose a risk, given the variable nature of solar energy generation. However, the risk is less prominent for solar power projects compared to wind power projects.

Liquidity position: Adequate

ACSEPL's liquidity position is supported by adequate cash flow from operations in relation to the debt servicing obligations and a DSRA equivalent to one quarter of interest and principal obligations. The cash flow from operations is expected to be Rs. 70-72 crore over the next two years against an annual debt repayment obligation of Rs. 48.6 crore in FY2026 and Rs. 53.8 crore in FY2027. Further, the company had cash and bank balances of Rs. 122.4 crore as on March 31, 2025, apart from a DSRA of Rs. 30.54 crore in the form of bank guarantee.

Rating sensitivities

Positive factors – ICRA could upgrade ACSEPL's rating if the credit profile of the parent, Ayana Renewable Power Private Limited, improves. The rating could also be revised upwards if the company continues to demonstrate a generation performance in line or above the P-90 estimate and receives timely payments from the offtaker, resulting in improved debt coverage metrics.

Negative factors – The rating could be downgraded if a significant underperformance in generation adversely impacts the cash flows. A specific credit metric for downgrade would be the cumulative DSCR on the project debt falling below 1.20 times. Further, any significant delay in receiving payments from the offtaker adversely impacting the company's liquidity would be a negative trigger. A weakening of the parent's credit profile, or any change in linkage between the parent and ACSEPL would also weigh on the rating.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar
Parent/Group support	Parent/Group Company: Ayana Renewable Power Private Limited. ICRA expects ACSEPL's parent, ARPPL, to be willing to extend financial support to ACSEPL, should there be a need, given the strategic importance that ACSEPL has for ARPPL
Consolidation/Standalone	The rating is based on the standalone financial profile of the rated entity

About the company

ACSEPL, an SPV of the Ayana Group, is operating a 250-MW (AC capacity) solar power plant in the Jodhpur district of Rajasthan. The company was incorporated by ACME Solar Holdings Limited in March 2018 and the project was fully commissioned on January 01, 2020. In November 2021, the Ayana Group fully acquired the project from the ACME Group.

Key financial indicators (audited)

ACSEPL Standalone	FY2023	FY2024	9M FY2025*
Operating income (Rs. crore)	172.93	174.93	126.29
PAT (Rs. crore)	17.01	36.86	23.98
OPBDIT/OI (%)	81.87%	89.38%	93.09%
PAT/OI (%)	9.84%	21.07%	18.99%
Total outside liabilities/Tangible net worth (times)	6.51	5.47	4.74
Total debt/OPBDIT (times)	7.91	6.81	6.51
Interest coverage (times)	1.57	1.84	1.92

*PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *provisional financials*

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Current (FY2026)					Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs crore)	May 29, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long term - Working capital - Fund based	Long term	22.00	[ICRA]AA- (Stable)	-	-	-	-	-	-	-	-
Long term - Term loan - Fund based	Long term	1,004.00	[ICRA]AA- (Stable)	-	-	30-APR-2024	[ICRA]AA- (Stable)	28-APR-2023	[ICRA]A+ (Positive)	06-APR-2022	[ICRA]A+ (Stable)
				-	-	21-FEB-2025	[ICRA]AA-; Rating Watch with Positive Implications	-	-	-	-
Long term - Unallocated	Long term	24.00	[ICRA]AA- (Stable)	-	-	30-APR-2024	[ICRA]AA- (Stable)	28-APR-2023	[ICRA]A+ (Positive)	-	-
				-	-	21-FEB-2025	[ICRA]AA-; Rating Watch with Positive Implications	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund based – Term loan	Simple
Fund based – Working capital	Simple
Unallocated	NA

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/Sanction	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Term loan**	Mar 2025	-	Mar 2040	1,004.00	[ICRA]AA- (Stable)
NA	**Working capital**	-	-	-	22.00	[ICRA]AA- (Stable)
NA	**Unallocated**	-	-	-	24.00	[ICRA]AA- (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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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.

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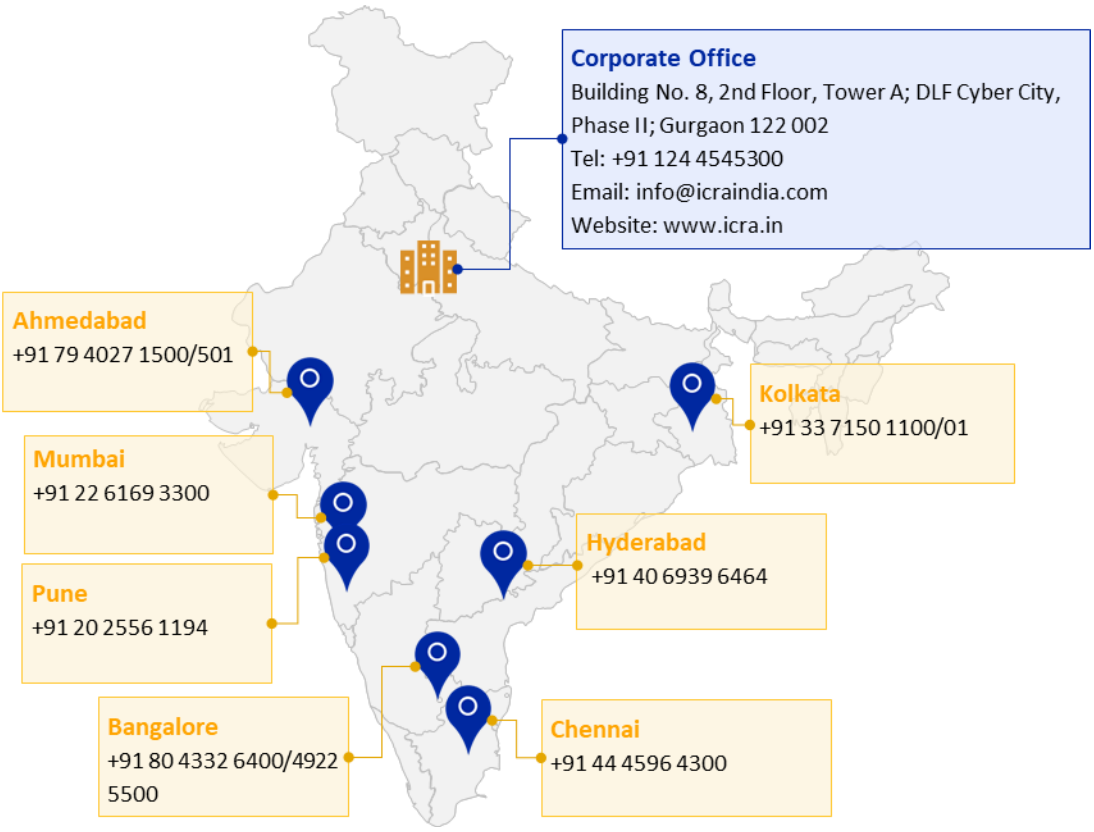

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