

November 10, 2025

## Acme Dhaulpur Powertech Private Limited.: Rating assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term – Fund based – Term loan	990.00	[ICRA]AA- (Stable); assigned
<b>Total</b>	<b>990.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The long-term rating assigned to ACME Dhaulpur Powertech Private Limited (ADPPL) factors in the company's parentage as ADPPL is 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 2.92 GWac along with an under-development project pipeline of 2.26-GWac {where power purchase agreements (PPAs) have been signed} and battery energy storage projects of 550-MWh capacity as of date.

ASHL has a diversified renewable asset profile across multiple locations and have offtake arrangements with several central (83%) and state offtakers (17%). The long-term PPAs at competitive tariffs, the satisfactory generation performance of the assets under ASHL and the availability of long-term project finance at competitive interest rates ensure adequate debt coverage metrics for ASHL's renewable energy portfolio. However, the credit profile of ASHL is constrained by the significant capital expenditure plans for its under-development projects of 2.26-GWac and the battery energy storage projects of 550-MWh capacity. In addition, group also has under construction projects of 2.21-GWac for which PPA has not been signed. Nonetheless, ASHL has exhibited satisfactory progress towards the completion of the under-construction projects, which mitigates the execution related challenges to an extent.

Also, ASHL's financial profile has strengthened after the initial public offering (IPO) of ~Rs. 2,900 crore in November 2024 and the Group is sufficiently funded for the infusion of equity towards the under-construction projects for which the PPAs have been tied up.

The rating also factors in the satisfactory performance of the 300-MW solar power asset under ADPPL and the presence of a 25-year power purchase agreement (PPA) with Solar Energy Corporation of India (SECI, rated [ICRA]AAA(Stable)/ [ICRA]A1+) at a fixed tariff of Rs. 2.44 per unit for the entire capacity, thus eliminating the demand and pricing risks. Further, comfort is drawn from the strong credit profile of the counterparty, SECI, leading to a timely realisation of payments within 10 days of the bills issued. SECI's inclusion in the tripartite agreement (TPA) with the Government of India, the Reserve Bank of India and the state governments provides a safeguard against payment delays from distribution companies (discoms). ADPPL is evacuating power at Fategarh grid substation under a long-term permanent connectivity approval which ensures seamless evacuation of power. The PPA also includes protective clauses such as compensation for grid curtailment or backdown and termination liability, offering additional assurance. These factors, along with the superior tariff competitiveness of the project, mitigate the counterparty credit risk for the company.

ICRA also notes the satisfactory generation performance of the solar power asset under ADPPL with the actual PLF since commissioning being close to the P-90 estimates. ADPPL has refinanced its long-term debt for Rs. 990 crore at a competitive interest rate and for a long tenor of 20 years. Overall project cost and competitive financing terms, have led to the cumulative DSCR of the project to remain healthy at more than 1.45x times, as per ICRA's baseline estimates.

However, the rating is constrained by the limited track record of operations as the project achieved full commissioning in January 2025. The rating of ADPPL is, however, constrained by the vulnerability of the company's cash flows to module performance and weather conditions, as the revenues are linked to the actual units generated and exported, given the fixed nature of the tariff.

The rating factors in the geographic concentration of the project at a single location in Rajasthan, which exposes it to high asset concentration risk, making it vulnerable to location-specific disruptions and weather-related conditions. Therefore, demonstration of a generation performance in line or above the appraised P-90 estimate remains a key credit monitorable. Further, the rating is constrained by the exposure of the company's debt coverage metrics to the movement in interest rate (though it is fixed for first 3 years) on the project debt.

The rating also reflects ADPPL's exposure to regulatory risks associated with the implementation of the proposed revised scheduling and forecasting norms recently notified by the Central Electricity Regulatory Commission (CERC). ADPPL 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. 350-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 of India. Any adverse legal outcome will result in a large financial liability for ADPPL and may impact the project cash flows and coverage metrics if funded through debt and remains a credit negative, though ADPPL can claim 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, a satisfactory generation level and the timely collections expected from the offtaker, which is likely to lead to healthy debt coverage and liquidity levels, going forward.

## Key rating drivers and their description

### Credit strengths

**Presence of experienced sponsor** - 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 of executing ~5.6 GWp (including monetised assets) of solar projects since 2011. Further, the Group has an operational capacity of 2.92 GWac and an under-development project pipeline of 2.26-GWac and the battery energy storage projects of 550 MWh capacity as on September 30, 2025. For the under-development project Group has already signed long term PPAs/Battery energy supply purchase agreement (BESPA) with off-takers having strong credit profile. In addition group also has under construction projects of 2.21 GWac for which PPA has not been signed. ICRA expects ASHL to extend need-based financial support to ADPPL, 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 SECI. The PPA has a fixed annual tariff of Rs. 2.44 per unit that provides revenue visibility for the project and limits the offtake and tariff risks.

**Strong counterparty with track record of timely payments mitigating risk associated with working capital blockage** - SECI is the sole counterparty for the entire project capacity and is rated [ICRA]AAA (Stable)/[ICRA]A1+. ICRA expects the presence of a strong counterparty to result in a timely payments of dues, as has been already consistently demonstrated with a typical average collection period of 10 days in the past. Hence, the working capital requirement for the project is expected to be minimum, which would support the generation of positive free cash flows.

**Satisfactory generational performance and strong debt coverage metrics** - The generation performance of the project, since it got fully commissioned in January 2025, has been in line with the P-90 level (PLF of 29.05% against P-90 PLF of 28.98%). The

leverage level has increased with debt refinancing which resulted in the addition of a top up loan of ~Rs. 200 crore. However, the debt coverage metrics are likely to remain strong with a cumulative DSCR of more than 1.45 times, supported by a reduction in the cost of borrowings, competitive project cost and satisfactory generation performance expected from the project.

### Credit challenges

**Cash flow remains vulnerable to variability in solar irradiance and geographic concentration of project** - ADPPL 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, and the limited track record of operations.

**Interest rate risk and regulatory risks** - The company's capital structure remains leveraged with a major portion of the cost funded through debt. Post refinancing, while the interest rate is fixed for the first 3 years, it is reset after every 1 year thereafter which exposes the company to the risk of higher interest cost at the time of each reset during the tenor of the loan. As a result, in the long term (i.e., post expiry of initial 3 years), the company's debt coverage metrics remain exposed to any movement in interest rate. 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 and wind power projects.

**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 had received an 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 of India. Any adverse outcome would require the company to pay the duty amounting to about Rs. 350 crore.

While the company can claim additional tariff under the change-in-law clause in the PPA, there could be a lag in the recovery of the same, which would necessitate interim support from the parent company. Any adverse legal outcome will result in a large financial liability for ADPPL and may affect the project cash flows and coverage metrics if funded through debt and remains a credit negative. Herein, comfort is drawn from the financial flexibility demonstrated by the Group in the past.

### Liquidity position: Adequate

The liquidity position of the company is adequate, mainly on account of timely realisations from SECI, expected continuation of a satisfactory generation performance and no capex spends FY2026 onwards. The company's projected cash flows of ~Rs. 180 crore from operations each in FY2026 and FY2027 are expected to remain adequate to meet its debt servicing obligations. Additionally, ICRA highlights that ADPPL has maintained a debt service reserve (DSR) of ~Rs. 34 crore as of date, which covers the project's scheduled one-quarter debt service obligations. Further, ICRA expects ASHL to extend need-based financial

support to ADPPL, as and when required.

### Rating sensitivities

**Positive factors** – ICRA could upgrade the rating if the credit profile of the holding company, ACME Solar Holdings Limited,

improves. An improvement in the generation performance above the P-90 levels, leading to a sustained improvement in the company's debt coverage indicators, could result in an upgrade.

**Negative factors** – ICRA could downgrade ADPPL's rating due to under-performance in generation impacting its debt coverage metrics, pulling down the cumulative DSCR below 1.3x. An elongation in the realisation period from SECI or any deterioration in the credit profile of ASHL would also be negative rating triggers. Further, weakening of linkages between parent ASHL and ADPPL can also exert downward pressure on the rating

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Power - Solar and Wind</a>
Parent/Group support	ICRA expects ADPPL's parent, ASHL, to be willing to extend financial support to ADPPL, should there be a need, given the strategic importance that ADPPL has for ASHL, and out of its need to protect its reputation from distress in a Group entity
Consolidation/Standalone	The rating is based on the standalone financial profile of the company

## About the company

ADPPL has developed a solar power project of 300-MWac (438 MWp) capacity in Jaisalmer, Rajasthan. Out of 300 MW, 238 MW got commissioned on December 20, 2024 and the balance 62 MW was commissioned on January 09, 2025. The company has a 25-year long-term PPA with SECI at a tariff of Rs 2.44/unit for 25 years. It is a wholly-owned subsidiary of Acme Solar Holdings Ltd (ASHL).

## Key financial indicators (audited)

AAPTPL Standalone	FY2025
Operating income	54.9
PAT	26.4
OPBDIT/OI	95.0%
PAT/OI	48.1%
Total outside liabilities/Tangible net worth (times)	5.5
Total debt/OPBDIT (times)	26.9

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. The project got fully commissioned during January 2025, hence FY2024 figures are not meaningful.

## 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 (FY2026)		Chronology of rating history for the past 3 years						
		FY2026		FY2025		FY2024		FY2023		
		Amount rated (Rs. crore)	Date	Date	Rating	Date	Rating	Date	Rating	
<b>Fund Based - Term loan</b>	Long term	990.00	Nov 10, 2025	[ICRA]AA-(Stable)	-	-	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity indicator
<b>Long term fund based –Term loan</b>	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
NA	Term loan	April 01, 2025	8.75%*	March 31, 2046	990.00	[ICRA]AA- (Stable)

Source: Company

\*subject to change

[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.

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](http://www.icra.in)

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