November 10, 2026

ACME DHAULPUR POWERTECH PRIVATE LIMITED.: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term – Fund-based – Term loan	990.00	980.50	[ICRA]AA- (Stable); reaffirmed	RBI
Total	**990.00**	**980.50**		

**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 which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The long-term rating reaffirmation on the bank facilities of ACME Dhaulpur Powertech Private Limited (ADPPL) factors in the company's parentage it is a wholly-owned subsidiary of ACME Solar Holdings 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[1] and about 5.24 GWh of Battery Energy Storage System (BESS) capacity, along with an under-development project pipeline of about 5.4 GWac[1] renewable projects with 19.3 GWh of associated BESS and 550 MWh of standalone BESS capacity.

ASHL has a diversified renewable asset profile across multiple locations and has offtake arrangements with several Central (85%) and state offtakers (15%). The long-term power purchase agreements (PPAs)/ battery energy storage purchase agreement (BESPA) 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 (RE) portfolio. However, ASHL's credit profile is constrained by significant capital expenditure (capex) plans for its under-development projects. ICRA notes that ASHL's financial profile has strengthened after its qualified institutional placement (QIP) in June 2026 through which the company raised almost Rs. 2,800 crore of primary equity. Further, ASHL has exhibited satisfactory progress towards the completion of the under-construction projects, which mitigates the execution related challenges to an extent.

The rating factors in the need-based support available from the parent, as demonstrated by the financial assistance extended to AMCE Group's special purpose vehicles (SPV) over the years. ADPPL has signed a 25-year 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 (RBI) and the state governments, provides a safeguard against payment delays from distribution companies (discoms). ADPPL is evacuating power at the Fatehgarh 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.

The rating also factors in ADPPL's operational track record of close to two years and the satisfactory performance of its 300 MW solar power project since commissioning. ADPPL repowered its solar plant resulting in an increase in overall capacity to 450 MWp and helped the company in reporting healthy plant load factor (PLF) of 30.3 during the trailing 12 months (TTM)

[1] *As per Q2 investor presentation of ACME Solar Holding*

ending in September 2026 against P90 of 29.0%. Moreover, ADPPL's debt coverage metrics remains strong with an estimated cumulative debt service coverage ratio (DSCR) of close to 1.50x, supported by low project cost and competitive financing terms.

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 with 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 the first three years) on the project debt.

The rating also reflects ADPPL's exposure to regulatory risks associated with the implementation of the proposed tightening of scheduling and forecasting norms recently notified by the Central Electricity Regulatory Commission (CERC). Further, ADPPL is exposed to litigation risk relating to around a Rs. 350-crore customs duty demand under the Manufacturing & Other Operations in Warehouse Regulations (MOOWR) scheme. While the company has received a favourable ruling from the Delhi High Court, the matter is currently pending before the Supreme Court. Any adverse outcome could result in a sizeable liability and remains a credit negative. However, the company may seek compensation for any such liability under the Change in Law provisions of the PPA, though there could be a lag in recovery of the same, which would necessitate interim support from the parent company. Further, comfort is drawn from the demonstrated track record of financial support extended by ASHL to its SPVs.

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

Benefits of parentage as the SPV is wholly-owned by ASHL – 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 along with an under-construction portfolio of around 4.31 GWac[2] of renewable energy and 17 GWh of storage capacity, in addition to 550 MWh of standalone BESS projects, for which PPAs/BESPAs have already been signed across multiple project SPVs. In addition, the Group has under-construction projects of 1.1 GWac and 2.3 GWh[2] of storage capacity for which PPAs have not yet been signed. Moreover, ASHL has commissioned nearly 5.2 GWh[2] of BESS projects ahead of its under-construction firm and dispatchable renewable energy (FDRE) projects. 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 mitigate risk associated with working capital blockage – SECI (rated [ICRA]AAA (Stable)/[ICRA]A1+) is the sole counterparty for the entire project capacity. ICRA expects the presence of a strong counterparty to result in a timely payment 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.

[2] *As per Q2 investor presentation of ACME Solar Holding*

Satisfactory operating performance and strong debt coverage metrics – The generation performance of the project, since becoming fully commissioned in January 2025, has remained in line or above the P-90 level. ADPPL reported a PLF of 30.3% during the TTM ending in September 2026, 28.8% in FY2026, against P-90 PLF of 29.0%. The debt coverage metrics are expected to remain strong with a cumulative DSCR close to 1.50 times, supported by a healthy generation performance and competitive project cost.

Credit challenges

Cash flow remains vulnerable to variability in solar irradiance and geographic concentration of the 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.

Interest rate and regulatory risks – The company's capital structure remains leveraged with a major portion of the cost funded through debt. While the interest rate is fixed for the first three years till FY2028, it resets after every 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 medium term (i.e., after expiry of the first three years), the company's debt coverage metrics remain exposed to any movement in interest rates. ADPPL's operations are also exposed to regulatory risks pertaining to the 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 initially received an approval from the tax department, it subsequently received a notice from the Central Board of Indirect Taxes and Customs 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 crores. However, the company may seek compensation for any such liability under the Change in Law provisions of the PPA, though there could be a lag in recovery of the same, which would necessitate interim support from the parent company. Further, comfort is drawn from the demonstrated track record of financial support extended by ASHL to its SPVs.

Liquidity position: Adequate

The liquidity position of the company is adequate driven by timely realisations from SECI, expected continuation of a satisfactory generation performance and no capex, going forward. The company's projected cash flows from operations in FY2027 and FY2028 are expected to remain adequate to meet its debt servicing obligations for the respective years. Additionally, ADPPL has maintained a debt service reserve (DSR) of about Rs. 35.5 crore as on September 30, 2026, which covers the project's scheduled one-quarter debt service obligations along with unencumbered liquidity/cash balance of Rs. 86.3 crore. 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, ASHL, 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 also result in an upgrade.

Negative factors – ICRA could downgrade ADPPL's rating due to under-performance in generation, impacting its debt coverage metrics and 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 with the parent could 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 ADPPL's parent, ASHL, to be willing to extend financial support to ADPPL, should there be a need, given the strategic importance that ADPPL holds for ASHL, as well as 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

ACME Dhaulpur Powertech Private Limited is a wholly-owned subsidiary of Acme Solar Holdings Limited. ADPPL has developed a solar power project of 300-MWac (450 MWp) capacity in Jaisalmer, Rajasthan. Of the total 300 MW, 238 MW was commissioned on December 20, 2024, and the balance on January 09, 2025. The company has a 25-year long-term PPA with SECI at a tariff of Rs. 2.44 per unit.

Key financial indicators (audited)

ADPPL Standalone	FY2025	FY2026
Operating income	54.9	181.2
PAT	26.4	37.2
OPBDIT/OI	95.0%	94.1%
PAT/OI	48.0%	20.5%
Total outside liabilities/Tangible net worth (times)	5.5	6.0
Total debt/OPBDIT (times)	26.9	5.8

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

		Current (FY2027)			Chronology of rating history for the past 3 years					
		FY2027			FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based - Term loan	Long term	980.50	Nov 10, 2026	[ICRA]AA-(Stable)	Nov 10, 2025	[ICRA]AA-(Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term fund based –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	**Term loan**	April 01, 2025	8.75%*	March 31, 2046	980.50	[ICRA]AA- (Stable)	RBI

*Source: Company; Note: *subject to change*

[#]*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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ABOUT ICRA LIMITED

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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.

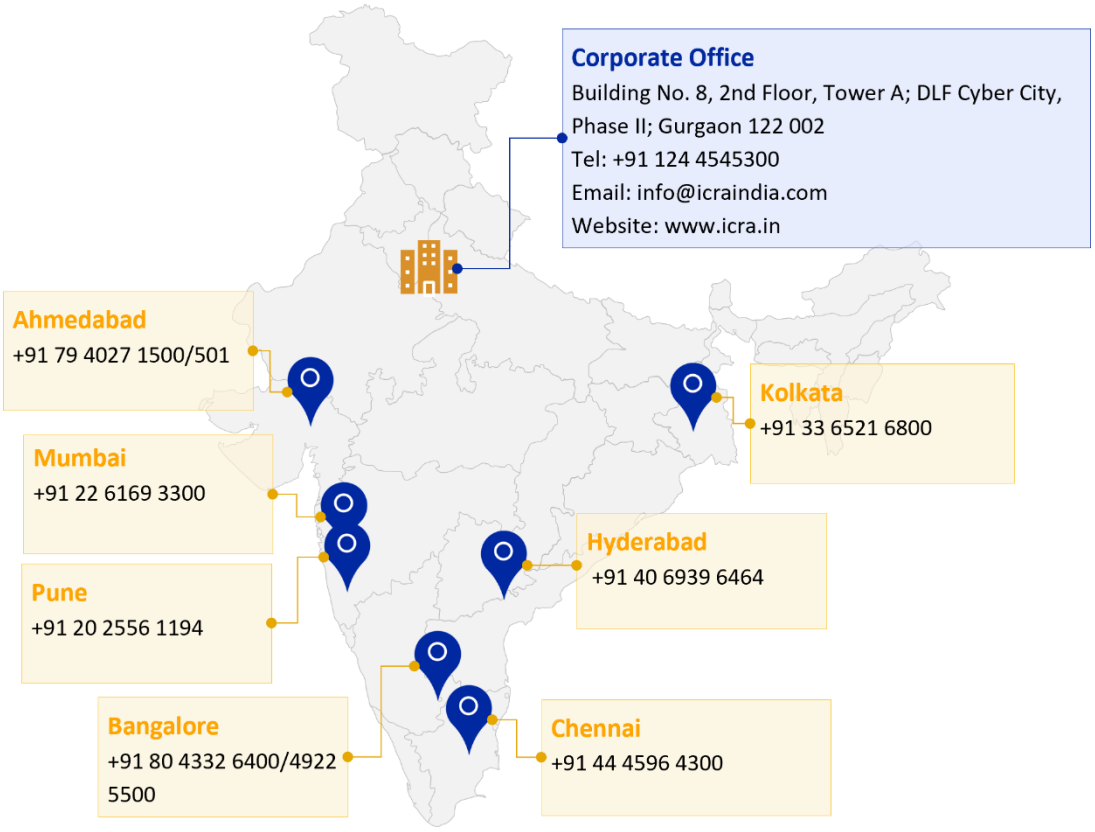
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