

September 23, 2025

ACME AKLERA POWER TECHNOLOGY PRIVATE LIMITED: Rating upgraded; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term-Fund-Based –Term loan	1,000.00	1,072.00	[ICRA]AA- (Stable); upgraded from [ICRA]A+ (Stable) and assigned for the enhanced amount
Total	1,000.00	1,072.00	

*Instrument details are provided in Annexure I

Rationale

The rating upgrade for ACME Aklera Power Technology Private Limited (AAPTPL) factors in the strengthening of the credit profile of its parent, ACME Solar Holdings Limited (ASHL) as well as continued healthy generation performance demonstrated by AAPTPL and the completion of refinancing of its term loan at favourable terms. AAPTPL is a 100% wholly owned subsidiary of ASHL, which has an established track record in the renewable energy sector with an operating portfolio of 2.89 GWac and an under-development project pipeline with a capacity of 4.08 GWac along with standalone battery storage projects of 550 MWh.

The credit profile of ASHL factors in the demonstrated track record in operationalising and stabilising its renewable power portfolio which has shown satisfactory generation performance in FY2025 and Q1FY2026. Moreover, the under-construction projects which have tied up long-term power purchase agreements (PPAs), have exhibited satisfactory progress. 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 its large capital expenditure plans with an ongoing capex of Rs. 20,000-22,000 crore for its under-development projects of 2.24-GWac (where PPAs are signed) and the battery energy storage projects of 550 MWh capacity, exposing the group to execution and funding related risks. Nonetheless, ICRA notes that there has been satisfactory progress towards land acquisition, grid connectivity approvals, placement of orders of major equipment, equipment, upfront equity infusion as well as financial closure for 1.84 GW capacity which mitigates the execution related challenges to some degree. 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 under-construction projects for which the PPAs have been tied up.

ICRA understands from ASHL's management that ASHL will not offer any support to its parent company, ACME Cleantech Solutions Private Limited (ACSPL) to fund its ventures in green hydrogen or for any other requirement. The management has confirmed that that post ASHL listing, in November 2024, no additional intercompany funding has been provided to ACSPL. Any deviation from this understanding will have a bearing on the credit profile of ASHL.

The rating positively factors in the satisfactory performance of the 250 MW solar power asset under AAPTPL with the actual PLF for FY2025 being marginally better than the P-90 estimates. AAPTPL has refinanced its long-term debt with a top-up loan for a total of Rs. 1,072 crore (Rs. 700 crore drawn till August 30, 2025 with remaining Rs. 372 crore to be drawn by December 2025) at a reduced interest rate and long tenor of 20 years. As per ICRA's baseline estimates, the cumulative DSCR, post refinancing, is expected to remain adequate at 1.3x times, supported by the long tenure of the debt at a competitive interest rate locked in for 5 years.

The rating continues to factor in the operational status of the 250-MWac solar power capacity under AAPTPL 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. 2.48 per unit for the entire capacity, thus limiting 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. Further, additional annuity-based revenue stream is recoverable from SECI under the change-in-law provision of the PPA—pertaining to the customs duty and GST paid on approximately 30 MW of imported solar modules. While the hearing on the said petition is completed, the order is awaited.

The rating 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 also facts in the geographic concentration of the project at a single location in Rajasthan, which exposes it to high asset concentration risk.

The rating also reflects AAPTPL's exposure to regulatory risks associated with the implementation of scheduling and forecasting norms. Additionally, AAPTPL is exposed to risks associated with a potential unfavourable outcome at the apex court for an ongoing legal dispute with the Central Board of Indirect Taxes and Customs (CBIC) related to the deferment of Rs. 492-crore import duty against 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 AAPTPL, which remains a credit negative. Moreover, though the company has received an order from RERC for a pass through of the customs duty paid on the imported non-MOOWR modules under the change-in-law conditions of the PPA, any lag in the receipt of the additional tariff, would require AAPTPL to seek additional funding lines or parent support. Herein, comfort is 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 expected to keep the DSCR adequate

Key rating drivers and their description

Credit strengths

Presence of experienced sponsor - The presence of an experienced sponsor, ACME Group with an established track record of developing and operating renewable power projects provides comfort. Further, the Group has a diversified operational renewable asset of 2.24 GW, under-construction projects to the tune of 4.08 GWac and 550 MWh of battery energy storage capacity. Under-construction projects with capacity of 2.24 GW and 550 MWh have already signed long term PPAs/BESPA with off-takers having strong credit profile. ICRA expects ASHL to extend need-based financial support to AAPTPL, as and when required.

Low offtake risk, tariff risk, and revenue visibility owing to presence of long-term PPA - The project is backed by a 25-year PPA with SECI. The PPA has a fixed annual tariff of Rs. 2.48 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 strong counter party to result in timely payments of dues, as has been already consistently demonstrated with a typical average collection period of 10 days in the past. Hence, working capital requirement for the project is expected to be minimum, which would support generation of positive free cash flows.

Satisfactory generational performance and adequate debt coverage metrics - The generation performance of the project for full capacity in the first year of operations has been in line with the P90 level (PLF of 30.55% in Q1 FY2026 and 29.55% in FY2025 against the P90 PLF of 29.34%). While the leverage level is expected to increase with the proposed debt refinancing having an addition of a top up loan of ~Rs.168 crore, the debt coverage metrics are expected to remain adequate with cumulative DSCR at 1.30 times, supported by a reduction in cost of borrowings, the increased tenure of refinanced debt, ballooning debt repayment structure and satisfactory generation performance expected from the project.

Credit challenges

Cash flow remains vulnerable to variability in solar irradiance and geographic concentration of project - AAPTPL 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 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 highly leveraged with a major portion of the cost funded through debt. Post refinancing, while the interest rate is fixed for the first 5 years and it resets every 3 years thereafter, the interest cost could rise 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 5 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 scheduling and forecasting requirements of solar 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 received approval from the tax department initially, it subsequently received a notice from 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 Hon'ble Supreme Court of India. Any adverse outcome would require the company to pay the duty amounting to about Rs. 492 crores. While the company has received an order from the RERC (as the ultimate offtakers for the project are Rajasthan discoms) for claiming additional tariff under change in law on payment of customs duty, there could be a lag in the recovery of the additional tariff, which would necessitate interim support from the parent company. 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 satisfactory generation performance, and no capex spends from FY2026 onwards. The company's projected cash flows of ~Rs. 120 crore and ~Rs. 140 crore from operations in FY2026 and FY2027 respectively are expected to remain adequate to meet its debt servicing obligations. Additionally, ICRA highlights that AAPTPL has maintained a DSRA of Rs. 31 crore as of date, which can cover its scheduled one quarter debt service obligations. Further, ICRA expects ASHL to extend need-based financial support to AAPTPL, 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 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 AAPTPL’s rating due to under-performance in generation impacting its debt coverage metrics, pulling down the cumulative DSCR below 1.25x. 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 AAPTPL 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 AAPTPL’s parent, ASHL to be willing to extend financial support to AAPTPL, should there be a need, given the strategic importance that AAPTPL 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

Acme Aklera Power Technology Private Limited (AAPTPL), incorporated in September 2018, has developed a solar PV project of 250 MW capacity in Barmer, Rajasthan, which was fully commissioned in January 2024. The company is a wholly owned subsidiary of Acme Solar Holdings Limited (ASHL). It has a long-term PPA for 25 years with SECI at a fixed tariff of Rs. 2.48/unit.

Key financial indicators (audited)

AAPTPL Standalone	FY2024	FY2025
Operating income	75.0	155.7
PAT	-0.4	0.5
OPBDIT/OI	92.9%	95.3%
PAT/OI	-0.5%	0.3%
Total outside liabilities/Tangible net worth (times)	8.0	7.8
Total debt/OPBDIT (times)	15.9	7.5
Interest coverage (times)	1.4	1.4

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 Holding 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 (FY2026)			Chronology of rating history for the past 3 years					
		FY2026			FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-Based-Term Loan	Long term	1,072.00	Sep 23, 2025	[ICRA]AA-(Stable)	-	-	-	-	-	-
			April 14, 2025	[ICRA]A+(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
NA	Term loan	June 20, 2025	8.50%*	December 31, 2044	1,072	[ICRA]AA- (Stable)

Source: Company

*Fixed for first 5 years

[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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