

ACME SOLAR TECHNOLOGIES (GUJARAT) PRIVATE LIMITED

October 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	51.00	Provisional CARE AA-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rating in the absence of the pending steps/ documents	CARE AA-
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Rationale and key rating drivers

To assess the credit profile of the captioned entity, CARE Ratings Limited (CareEdge Ratings) has adopted a combined approach for 12 entities of the Acme Group mentioned in Annexure 6. The proposed co-borrower agreement between these entities mandates them to be jointly and severally responsible for servicing combined debt obligations. All entities propose pooling of their surplus cash flows to service shortfall in debt servicing, in these entities. The arrangement is proposed to be unconditional, irrevocable, valid for full tenure of rated debt facilities and characterised by presence of t-minus structured payment mechanism and cross-default clause between the given entities. CareEdge Ratings also notes these entities are currently part of a restricted group and have outstanding offshore non-convertible debentures (NCDs). As articulated by the Acme Group management, outstanding NCDs in these entities will be refinanced through proposed debt borrowings with all 12 existing entities operating as co-obligors. CareEdge Ratings continues to note that proposed debt borrowings have already been sanctioned by the lender; however, the documentation is yet to be completed.

Reaffirmation of the rating on the proposed debt facilities of the Restricted Group (RG), which is operating a total capacity of 450 MW AC, factors in long track record of ~8.3 years and satisfactory operating performance. Generation performance has remained in line the P90 estimates as reflected by actual plant load factor (PLF) of 23.4% for FY24 and FY25 against a P90 level of 23.8%. Overall receivable cycle has remained comfortable as reflected by average receivable cycle of ~61 days as on FY25 end. Going forward, CareEdge Ratings expects the generation to be in line with the historical trend and the collection cycle to remain rangebound within 60-90 days. Significant diversion in the mentioned parameters would be a key credit monitorable.

The rating continues to be supported by the presence of long-term PPAs for the entire 450 MW AC capacity with multiple central and state counterparties at a weighted average tariff of ~₹4.75 per unit. The rating also draws comfort from strong parentage, experienced management and long-standing operating track record of Acme Group in the renewable energy business. The RG structure also benefits due to geographical diversification as the assets are spread across eight states in the country. Per CareEdge Ratings' base case, debt protection metrics are expected to remain comfortable with average debt service coverage ratio (DSCR) remaining above 1.25x for the proposed debt's tenor. CareEdge Ratings notes proposed debt has a requirement to maintain two quarters debt service reserve account (DSRA) on a consolidated basis, of which one quarter would be upfront. Further, CARE Ratings also takes into cognisance, of permitted working capital indebtedness of ₹40 crore which would provide comfort from a liquidity standpoint.

Rating strengths are tempered by leveraged capital structure as reflected by total external debt to earnings before interest, taxation, depreciation, and amortisation (TD/EBITDA) above 4.4x as on FY25 end. The RG is exposed to counterparty related risks as ~45% capacity under the portfolio is contracted with state discoms, which have weak to moderate credit risk profiles. The rating is also constrained considering vulnerability of cash flows to variations in weather conditions.

As these entities are yet to formally enter an intercompany agreement for pooling of cash flows for the proposed debt, the rating for proposed debt facilities is provisional and will be confirmed once the documentation is completed. CareEdge Ratings believes that this co-obligor agreement is central to the rating being assigned on the proposed term loan, and hence, the rating would be finalised only on its execution.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Achievement of generation levels better than envisaged levels per CareEdge Ratings base case on a sustained basis, positively impacting the debt coverage indicators above 1.35x.
- Faster-than-expected deleveraging of the overall asset pool.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Negative factors

- Significant deterioration in the generation profile on a sustained basis or significant increase in debt levels, leading to moderation of average DSCR below 1.20x.
- Elongation in receivable cycle beyond 120 days on a sustained basis.

Analytical approach: CareEdge Ratings has applied a combined approach for rating bank facilities of Acme's RG structure considering the proposed co-borrower structure arrangement for pooling of surplus cash flows from the individual entities to service shortfall in debt servicing, in these entities. The agreement shall be unconditional, irrevocable, and valid for the full tenor of the rated debt facilities and shall be characterised by the presence of a cross-default clause between twelve entities.

In a 'Combined Approach', CareEdge Ratings evaluates the group of entities as if it were a single entity and combines financial and business risk profiles of these entities to take a view on ratings. All 12 entities are subsidiaries of the Acme Group and are engaged in similar business (power generation). Please refer to Annexure-6 for entities combined.

Outlook: Stable

CareEdge Ratings believes the Acme RG would continue to benefit considering long-term PPAs for the portfolio under the RG. Operational performance of the assets is likely to remain aligned with existing trend, which supports the outlook.

Detailed description of key rating drivers:**Key strengths****Proposed inter-company agreement for pooling of surplus cash flows and comfortable debt coverage metrics**

Acme RG is proposed to enter an inter-company co-obligor agreement for the proposed refinanced structure, for which each entity will be jointly and severally liable towards debt servicing obligations. The draft co-obligor agreement is unconditional, irrevocable, valid for the full tenor of rated debt facilities and is characterised by the presence of a cross-default clause between 12 entities. Per the draft ICA, each entity will be obliged to transfer funds from its surplus account in case there is shortfall in debt servicing in other entities. If surplus borrowers are unable to provide for the shortfall, their respective lenders' agent shall ensure the shortfall is credited to the respective account mentioned in such support notice maintaining a T-minus structure.

Proposed refinanced structure of Acme RG has comfortable debt protection metrics as reflected by the cumulative DSCR being upwards of 1.25x.

Long-term revenue visibility considering presence of PPAs for entire capacity

CareEdge Ratings factors in presence of long-term PPAs for the entire capacity under the RG with tariffs ranging from ₹2.44/kWh to ₹8.93/kWh, providing revenue visibility. Cost competitiveness of the RG on a combined basis is moderate as reflected by capacity weighted average tariff of ~₹4.75 per unit. CareEdge Ratings also takes note that PPA re-negotiation risk due to higher tariff in some special purpose vehicles (SPVs), where there are state off-takers. CareEdge Ratings notes that ~56% of the capacity is tied up with central counterparties, SECI, and NTPC among others.

Long operational track record and satisfactory generation performance

The operational track record of the RG varies between 6.9 to 13.5 years, with entire capacity having a weighted average track record of ~8.3 years. Consolidated weighted average generation performance for FY24 and FY25 being in line with P90 estimates, ~23.4% for both years against the P90 level of ~23.8%.

Diversified asset portfolio in terms of geography, and counterparty

RG's total operational capacity is 450 MW_{AC}. The entire 450 MW_{AC} capacity under RG is across 12 SPVs with entire solar capacity. The asset pool is geographically diversified with projects across eight states, including Telangana, Uttar Pradesh, Bihar, Chhattisgarh, Rajasthan, Odisha, Madhya Pradesh, and Gujarat. Counterparty credit profile is diversified with exposure to central (56%) and state (44%) counterparties. ~56% portfolio is tied up with central counterparties, SECI and, NTPC having low credit risk and an established track record of making payments to the developers in a timely manner. PPAs with SECI are stronger than PPAs with state discoms and contain provisions pertaining to compensation in case of grid unavailability, backdowns, and termination penalties among others.

The remaining capacity is exposed to moderate to high counterparty credit risk as there have been instances in the past of NBPDC and SBPDCL, UPPCL, TSSPDCL, CSPDCL, GRIDCO and MPPMCL delaying making payments to developers.

Assets being a part of Acme Group, which has long operating track record in renewable energy segment

In 2003, Manoj Kumar Upadhyay founded Acme Cleantech Solutions Private Limited (ACSPL; erstwhile Acme Tele Power Limited); the group's flagship company, to provide innovative, energy efficient, and environment friendly products for passive telecom infrastructure.

The Acme Group has entered the renewable energy sector in 2009 and commissioned its first solar power plant in FY12. The group develops, builds, owns, operates, and maintains utility scale renewable energy projects through in-house engineering, procurement, and construction (EPC) and operations and maintenance (O&M) teams, and generates revenue through sale of electricity to off-takers.

Subsequently, ACSPL diversified in development of renewable energy portfolio with projects across solar, wind, hybrid and Firm and Dispatchable Renewable Energy ("FDRE") which are being setup through SPVs directly under itself and also under its entities, Acme Solar Energy Private Limited (ASEPL) and Acme Solar Holdings Limited (ASHL). ASHL was established in 2015 to consolidate the Acme Group's renewable energy business and to capitalise on opportunities in the Indian renewable energy industry. As on date, the group has operational solar portfolio of 3.6 GW_{DC} / 2.5 GW_{AC} across 11 states. On November 13, 2024, ASHL got listed on Indian stock exchanges (BSE and NSE).

Key weaknesses**Vulnerability of cash flows to variation in weather conditions**

As tariffs are one part in nature, the company may book lesser revenues from non-generation of power due to variation in weather conditions and/or equipment quality. This would affect its cash flows and debt servicing ability.

Leveraged capital structure and exposure to interest rate risks

RG's capital structure is leveraged as reflected by total external debt/EBITDA of over 4.4x as on FY25 end. Going forward, the metric is expected to moderate and remain rangebound within 5.1x and 4.9x in the next two years. Given the leveraged capital structure, single-part fixed tariff in the PPA and floating interest rates, its profitability remains exposed to increase in the interest rates. RG's debt protection metrics are expected to remain comfortable as reflected by a cumulative DSCR being above 1.25x for the debt's tenor. CareEdge Ratings notes the proposed debt has a requirement to maintain two quarters debt service reserve account (DSRA) on a consolidated basis providing additional comfort from a credit perspective.

Moderate financial risk profile of off-takers

The RG is exposed to counterparty related risks as ~45% of the capacity under the portfolio is contracted with state discoms which have moderate to weak credit risk profiles. Current receivable cycle remains comfortable as payments are being cleared within 60-90 days of raising an invoice for almost off-takers and clearing past dues. With late payment surcharge (LPS) Rules in place CareEdge Ratings expects the collection cycle to remain rangebound within 60-90 days for regular billing. Significant deterioration in the same regard would be a key credit monitorable.

Liquidity: Adequate

RG's liquidity is adequate, as reflected by free cash and bank balances of ~₹107 crore and restricted cash and bank balance of ~₹111 crore on a combined basis as on September 2025 end. Going forward, CareEdge Ratings expects the assets' generation performance to be aligned with the P90 estimated figures and collection from off-takers to remain stabilised. Internal accruals from the structure are expected to be adequate to service its debt obligations.

Applicable criteria

[Assignment of Provisional Rating](#)

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Infrastructure Sector Ratings](#)

[Solar Power Projects](#)

Validity of provisional rating:

Provisional rating shall be converted into a final rating after receipt of transaction documents duly executed/ completion of mentioned steps within 90 days from the instrument's date of issuance. An extension of 90 days may be granted on a case-to-case basis in line with CareEdge Ratings' Policy on Assignment of Provisional Ratings.

Risks associated with provisional nature of credit rating:

When a rating is assigned pending execution of certain critical documents or steps to be taken, it is a 'Provisional' rating indicated by prefixing 'Provisional' before the rating symbol. On execution of critical documents to the satisfaction of CareEdge Ratings, the final rating is assigned. In absence of documents/ completion of steps or where such documents deviate significantly from those considered, provisional rating will be reviewed in line with the Policy on Assignment of Provisional Ratings.

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

ACME Solar Technologies (Gujarat) Private Limited (Gujarat), a 100% subsidiary of Acme Solar Energy Private Limited (ASEPL) and a step-down subsidiary of ACME Solar Holdings Limited (ASHL), has set up a 15 MW_{AC} grid-connected solar photovoltaic (PV) power project in Anand, Gujarat, using thin-film technology. The project achieved COD on March 13, 2012. The company is supplying the entire power to Gujarat Urja Vikas Nigam Limited (GUVNL) under a 25-year Power Purchase Agreement (PPA) signed on May 31, 2010, with a fixed tariff structure of Rs.15/kWh for the first 12 years and Rs.5/kWh for the remaining 13 years.

Acme RG – Combined

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	534.6	532.6
PBILDT	509.7	502.7
PAT	111.2	97.2
Overall gearing (times)	2.92	2.41
Interest coverage (times)	1.79	1.84

A: Audited; The above financials have been adjusted per CARE Ratings' criteria.

Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Term Loan-Long Term		-	-	30-06-2034	51.00	Provisional CARE AA-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Term Loan-Long Term	LT	51.00	Provisional CARE AA-; Stable	-	1)Provisional CARE AA-; Stable (27-Nov-24)	-	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Term Loan-Long Term	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)**Annexure-6: List of entities in co-obligor structure**

Sr No	Name of the entity	Abbreviation
1.	Acme Yamunanagar Solar Power Private Limited	Yamunanagar
2.	Acme Mahbubnagar Solar Energy Private Limited	Mahbubnagar
3.	Acme PV Powertech Private Limited	PV Powertech
4.	Nirosha Power Private Limited	Nirosha
5.	Acme Nalanda Solar Power Private Limited	Nalanda
6.	Acme Magadh Solar Power Private Limited	Magadh
7.	Acme Raipur Solar Power Private Limited	Raipur
8.	Acme Jodhpur Solar Power Private Limited	Jodhpur
9.	Acme Rewa Solar Energy Private Limited	Rewa
10.	Acme Odisha Solar Power Private Limited	Odisha
11.	Acme Solar Energy (Madhya Pradesh) Private Limited	MP
12.	Acme Solar Technologies (Gujarat) Private Limited	Gujarat

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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