Alaknanda Hydro Power Company Limited

April 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	255.00	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Long Term Bank Facilities	-	-	Withdrawn
Non Convertible Debentures	139.00	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.
*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

Alaknanda Hydro Power Company Limited (AHPCL) has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. In line with extant Securities and Exchange Board of India (SEBI) guidelines, CARE Ratings Limited (CareEdge Ratings) has reviewed the ratings on AHPCL bank facilities, which will now be denoted as **CARE D; ISSUER NOT COOPERATING**.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Ratings assigned to the bank facilities of AHPCL, which is operating a 330 MW hydro-electric power project in the state of Uttarakhand, factors in pending settlement of dues to Phoenix ARC Private Limited (Phoenix ARC), to which the debt was assigned from the Edelweiss group of lenders ('the lender group') in October 2024. The rating also takes note of the invocation of pledge of 40% shares of AHPCL by the lender group whose value, as estimated by the management, is more than the outstanding debt. The management has indicated that the liability remains unresolved as the management control of its parent, GVKEL, has been transferred to resolution professional (RP) after admission of insolvency proceedings against it by the Hyderabad bench of the National Company Law Tribunal (NCLT) on May 11, 2025, thereby limiting the possibility of releasing 40% invoked shares by Phoenix ARC even if the outstanding settlement amount were to be paid by AHPCL. Consequently, the Phoenix debt obligations continue to remain in default.

Ratings continue to be constrained by weak credit profile of the off-taker and hydrological risks associated with run-of-the-river power generation and the absence of AHPCL's fund-based working capital limit to manage any cash flow mismatch. However, ratings favourably factor in the sustained healthy operational performance in FY25 and 6MFY26, and improved debt coverage indicators. CareEdge Ratings notes that AHPCL's long-term power purchase agreement (PPA) backed by a cost-plus tariff structure results in revenue visibility.

CareEdge Ratings has also withdrawn the rating assigned to the bank loan facilities of AHPCL with immediate effect where the outstanding Rating was at CARE C; Stable, as the company has repaid the aforementioned bank loan facilities in full and there is no amount outstanding under the facilities as on date. The withdrawal is in line with CareEdge Ratings' policy of withdrawal and CareEdge Ratings has received the respective no dues certificate (NDC) from the lender.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Resolution of the liability towards Phoenix ARC without adverse impact or any future recourse.

Negative factors

Not Applicable

Analytical approach: Standalone

Detailed description of key rating drivers:

At the time of last rating on April 08, 2025, the following were the rating strengths and weaknesses (updated for the information available)

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

Key weaknesses

Pending dues transferred to Phoenix ARC remain unresolved
AHPCL had availed non-convertible debenture (NCD) and term loan from the Edelweiss group of lenders which had repayment due on March 31, 2022. Upon the delay in repayment, the lender group had invoked the pledge of 40% share of AHPCL, and corporate guarantee given jointly by GVKEL and GVK Power & Infrastructure Ltd (GVKPIL). The management has cited that the market value of these shares stood higher than the outstanding debt. The said exposure of Edelweiss has been transferred to Phoenix ARC due to ongoing resolution delays.

On May 11, 2025, the Hyderabad bench of the National Company Law Tribunal (NCLT) admitted insolvency proceedings against GVK Energy Limited (GVKEL) under Section 7 of the Insolvency and Bankruptcy Code (IBC), following a petition filed by IDBI Bank for unpaid dues from the resolution process of GVK Power (Goindwal Sahib) Limited.

However, insolvency proceedings against GVKEL have transferred its management control to resolution professional (RP), thereby limiting the possibility of releasing 40% invoked shares by Phoenix ARC even if the outstanding settlement amount were to be paid by AHPCL. As of date, the Phoenix ARC amount remains in default, with no further extension sought by GVKEL or granted by Phoenix ARC as it is one of the creditors to have filed a claim against GVKEL under the insolvency proceedings.

Hydrological risks associated with run-of-the-river power generation
Run-of-the-river hydro projects have little or no capacity for energy storage, and hence, cannot match consumer demand with the electricity generation. A run-of-the-river project is thus considered an irregular source of power as it generates more power when seasonal river flows are high and much less in drier - winter - months. However, AHPCL has demonstrated healthy operational performance since the commissioning of the project in June 2015 with generation remaining above design energy levels on a sustained basis.

Key strengths

Revenue visibility backed by a long-term PPA with UPPCL
AHCPL has entered long-term PPA with UPPCL for sale of 88% of the power generated and to provide the balance 12% of power generated as free energy to Uttarakhand. The initial term of PPA is 30 years, extendable by another 20 years on mutually agreeable terms and conditions between AHCPL and UPPCL. The tariff is a two-part pass-through structure comprising capacity charge and primary and secondary energy charge.

Sustained healthy operating performance of the power plant in FY25 and 6MFY26
In FY25, the company generated 1,442 million units (MU) of electricity (FY24: 1,303 MU), achieving a plant availability factor (PAF) of ~56% (FY24: ~53%) and plant load factor (PLF) of ~50% (FY24: ~45%), both of which were higher than previous fiscal.

Leveraged capital structure and moderate debt coverage indicators
Overall gearing significantly decreased from 1.96x at FY24 end to 1.57x at FY25 end, on account of increase in tangible net worth due to increased profitability & decrease in debt post prepayment of senior debt facilities during the year. The debt stood at Rs 2,496 crore at FY25 end (FY24: Rs 2,965 crore). Further, EBITDA interest coverage stood lower at 1.79x for FY25 (PY: 2.38x). However, the same does not factor in NCD and ECLFL term loan as this debt is not accounted in the books of AHPCL

Liquidity: Poor
NCDs and Term loan of Edelweiss group of lenders which had repayment due on March 31, 2022 continue to remain in default as project lenders did not allow servicing of Edelweiss debt since the same was subordinated to project term loans. The company has encumbered cash balance of ₹204 crore as on December 10, 2025, which includes 1-quarter debt service reserve account (DSRA), 1-quarter expense reserve, and debenture redemption reserve as stipulated in sanction terms. This apart, AHPCL is also maintaining free cash and bank balance of Rs ~258 crore

Applicable criteria

Definition of Default
Information Adequacy Risk and Issuer Non-Cooperation
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Withdrawal Policy
Infrastructure Sector Ratings

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power Generation

AHPCL is a special purpose vehicle (SPV) promoted by the GVK group. The company has set up a 330 MW (4 × 82.5) run-of-theriver hydroelectric power project on Alaknanda River at Shrinagar, Uttarakhand. The company commenced commercial operations from June 21, 2015 (as against original scheduled commercial operations date [COD] of the project of July 31, 2011). AHPCL has signed PPA with UPPCL for selling 88% of the power generated and the balance is provided as free energy to State of Uttarakhand.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	1,068	803	635
PBILDT*	957	674	575
Profit after tax (PAT)	354	81	303
Overall gearing (x)	1.96	1.57	1.01
Interest coverage (x)	2.38	1.79	3.61

A: Audited UA: Unaudited; Note: these are latest available financial results; The above financials have been adjusted as per CARE Ratings' criteria.
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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
Debentures-Non Convertible Debentures	INE990I07048	27-Mar-2018	12.5%	31-Mar-2022	139.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	September 2040	0.00	Withdrawn
Fund-based - LT-Term Loan		-	-	March 2022	255.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE C; Stable (08-Apr-25)	1)CARE C; Stable (05-Apr-24)	-
2	Debentures-Non Convertible Debentures	LT	139.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (08-Apr-25)	1)CARE D (05-Apr-24)	-
3	Fund-based - LT-Term Loan	LT	255.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (08-Apr-25)	1)CARE D (05-Apr-24)	-

*Issuer did not cooperate; based on best available information.
LT: Long term; ST: Short term; LT/ST: Long term/Short 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	Debentures-Non Convertible Debentures	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

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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