

Suryaprakash Energy Private Limited

June 12, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	50.00	CARE BBB-; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to bank facilities of Suryaprakash Energy Private Limited (SEPL) derives comfort from the improving scale with expanding capacity, existing capacity being fully tied up with reputed clientele, and continued support from the group. However, the rating is constrained by its short track record of operations in the solar segment, moderate generation levels, and leveraged capital structure.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale with generation levels above 20% on a sustained basis.
- Faster-than-expected deleveraging of the assets.

Negative factors

- Any change in the liquidity position with elongation in the collection period beyond 45 days.
- Significant underperformance in generation leading to moderation in debt coverage indicators.
- Delay in commencement of operation of the third plant or delay in execution of power off-take agreement for the untied portion leading to lower-than-envisaged scale.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the company would sustain its operating performance in the medium term on the back of firm power purchase agreements (PPAs).

Detailed description of key rating drivers:

Key strengths

Improvement in scale of operations driven by capacity expansion

The company launched its first 7-MW solar plant in Ramanathapuram in October 2022, followed by a 10-MW plant commissioned in Tirunelveli in August 2024. SEPL reported revenues of ₹2.32 crore in FY23, which improved to ₹6.23 crore in FY25 and ₹13.20 crore in FY25, and generation also improved from 38.75 lakh unit in FY23 to 164.15 lakh unit in FY25, majorly owing to the continued capacity addition of solar capacities.

A third plant with a 9-MW capacity is under development in Tirunelveli, which is expected to be operational by June 2025. With total installed capacity expected to reach 26 MW_{DC}, the company is expected to generate ~320 lakh units annually, translating to revenue potential of ~₹24 crore annually from FY26 at an average net tariff of ₹7.50 per unit.

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

Capacity fully tied up with reputed clientele

The company's existing generation capacity is fully backed by PPAs, with overall contracted off-take exceeding current generation levels. While the external customers account for nearly 64% of the PPA tie-up, nearly 36% of the off-take agreements are with the entities within Khivraj group. Reputed clientele includes Sycamore properties, Horizon View properties, and United Alliance Healthcare among others minimising the counter party risk. All the tie-ups are through group captive scheme with PPAs tenor ranging between 3 and 8 years with one year lock-in period. With the proposed capacity to reach 26 MW from June 2025, existing PPAs will cover 83% of the proposed overall capacity and company is expected to tie up for the remaining capacity in the forthcoming months. Though the existing PPAs are for 3-8 years tenor, strong corporate network of the Khivraj group is expected to help the company secure stable power off-take agreements.

SEPL backed by the experienced Khivraj group

SEPL operates under the Khivraj Group, a Chennai-based business house with over five decades of experience in automobile dealerships and real estate. The Group's flagship company, Khivraj Motors Private Limited (KMPL; rated 'CARE A-;Stable'), was established in 1961, which is into the dealership of Maruti Suzuki. Other key entities in the dealership business include Khivraj Vahan (rated 'CARE BBB+; Stable / CARE A2'), Khivraj Kamal (rated 'CARE BBB-; Stable'), and Khivraj Automobiles & Infrastructure Pvt. Ltd (KAIL). In the real estate sector, the Group manages major commercial properties in Chennai, including Olympia Tech Park (13.5 lakh sq. ft of office space) and Olympia Cyberspace (12 lakh sq. ft, rated 'CARE BBB+; Stable'). The Group also operates 14 MW of wind power capacity under KMPL and KAIL, with over a decade of experience in renewable energy.

The Khivraj Group has provided ongoing financial support to SEPL through unsecured loans (USL) and debentures, highlighting its long-term involvement in the company's growth. Group support in the form of USL and debentures has increased from ₹18.72 crore as of March 2024 to ₹37.28 crore as of March 2025, primarily to fund the capacity addition.

Key weaknesses**Moderate generation levels, despite poised to improve in the forthcoming period**

SEPL's average plant load factor (PLF) has remained moderate ~20% over the past three years. The 7-MW Ramanathapuram plant, commissioned in October 2022 after the summer peak, recorded a PLF of 18% initially, improving to 23% in FY24. Output was impacted by maintenance issues and the unfavourable weather. The 10-MW Tirunelveli plant, operational since August 2024, also missed peak summer and faced heavy rains in Q3FY25, resulting in a PLF of 20% in FY25. Of the existing 17-MW capacity, only 3 MW uses bifacial panels, whereas the upcoming 9-MW plant will be entirely bifacial, expected to enhance overall PLF going forward. Improving generation efficiency is vital for sustaining healthy cash flows and meeting debt obligations.

Leveraged capital structure

The capital structure is leveraged with negative net worth due to nascent stage of operations and low equity infusion. All three solar projects have been financed partly through term loans and group support has primarily come in the form of debentures and loans. Total debt as of March 2025 stood at ₹84.31 crore including the USL/debentures worth ₹37.28 crore from group company. With the incremental term debt for the third plant, debt levels are expected to remain elevated in FY26 and expected to improve thereafter.

Climatic risks and asset degradation impact PLF and stability

Company cash flows are directly linked to the quantity of power generated, which in turn depends on sustaining optimum PLF levels. Achieving and maintaining adequate PLF is subject to several factors, including solar radiation, weather variability, and the natural degradation of solar modules over time. Seasonal factors—particularly monsoon and winter months can significantly reduce generation, affecting revenues and cash flows, and weakening debt coverage metrics.

Liquidity: Adequate

As on March 31, 2025 (Prov.), the company had an unencumbered cash and bank balance of ₹0.56 crore. Collections typically occur within 15 – 30 days from the date of invoice generation. The company has debt servicing obligations, with scheduled repayments of ₹9.69 crore in FY26 and the company is expected to generate satisfactory accruals to meet the debt repayment obligations. Loans availed by the company does not have a debt service reserve account (DSRA) in place. While the company is expected to generate sufficient cash flow to service the repayment obligations.

Applicable criteria

[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](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

Incorporated in October 2021, SEPL is engaged in solar power generation and is promoted by the Khivraj Group. The company began its operations in October 2022 with the commissioning of a 7-MW solar plant in Ramanathapuram, Tamil Nadu. Following this, a second 10-MW plant was commissioned in Tirunelveli in August 2024. A third 9-MW plant, proximity to the second site, is expected to be operational by June 2025.

The operation and maintenance of all three plants have been contracted to Trio Solar, the engineering, procurement, and construction (EPC) contractor, under a long-term agreement lasting 20 years. SEPL is managed by Surya Prakash Chordia, son of Bharath Kumar Chordia, who heads the Khivraj Group's automobile division.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	2.32	6.23	13.20
PBILDT	2.26	6.12	13.12
PAT	-1.79	0.01	-2.91
Overall gearing (times)	454.92	1,231.63	-29.58
Interest coverage (times)	1.68	2.77	1.82

A: Audited UA: Unaudited; 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
Fund-based - LT-Term Loan		-	-	March 2032	50.00	CARE BBB-; 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	Fund-based - LT-Term Loan	LT	50.00	CARE BBB-; Stable	-	-	-	-

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	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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