

Soham Infrastructure Private Limited

July 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	42.83 (Reduced from 50.00)	CARE BBB+; Positive	Reaffirmed; Outlook revised from Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has revised the Outlook from Stable to Positive on the long-term bank facilities availed by Soham Infrastructure Private Limited (SIPL) based on expectation of significant improvement in debt coverage indicators on back of likelihood of higher generation due to better water availability in reservoirs and expected operationalisation of hydropower plant in Soham Mannapitlu Private Limited (Mannapitlu; rated 'CARE BBB- rating watch with developing implications') in near term. Repairs and restoration of the plant is near completion with operations expected to resume by mid-July 2025. The rating continues to factor in long operational track record of the Soham group, operating 53.5 MW of hydropower assets on consolidated basis for over 10 years, presence of short-to-medium term power purchase agreements (PPAs) with off-takers, and timely collection from off-takers.

The rating is constrained by cashflows susceptible to interest rate fluctuation risk, and hydrological risks associated with run-on-river projects.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Notable improvement in group plant load factor (PLF) levels from the existing level (over 35%) on a sustained basis.

Negative factors

- PLF less than 28%, leading to decline in cash accruals of the group.
- Delaying payment received from the off-taker beyond 30 days, moderating the group's liquidity profile.

Analytical approach: Consolidated

CareEdge Ratings has consolidated the operational and financial performance of SIPL and its subsidiaries due to strong managerial and financial linkages between them. List of entities consolidated are mentioned in Annexure-6.

Outlook: Positive

Positive outlook reflects CareEdge Ratings' expectation of improved generation levels aided by higher water availability in reservoirs and operationalisation of the Mannapitlu Plant which would further improve coverage indicators. The Outlook may be revised to 'Stable' in case of lower-than-envisaged generation at consolidated level.

Detailed description of key rating drivers:

Key strengths

Satisfactory operational track record of the group

The Soham group operates four hydro assets (two dam-based and two run-of-the-river) in Karnataka with a cumulative capacity of 53.5 MW and has shown a satisfactory operational track record with a three-year average PLF of ~36%. However, due to flash floods, Mannapitlu plant (15 MW) was submerged, and no power was generated from August 2024. The equipment repair is under process, with operations expected to restart by mid of July 2025. Combined output of the group improved in FY25 even after non-operationalisation of the Mannapitlu in peak season. Favourable monsoon conditions in South India has improved water level in reservoir, and CareEdge Ratings expects improvement in combined power generation levels of the group by 10-15% in FY26 over FY25.

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

Revenue visibility due to short-to-medium-term PPAs

The Soham group has signed a PPA for its entire capacity of 53.5 MW, of which, 28 MW of SIPL ties up with third-party customers and balance 25.5 MW of subsidiaries are tied up with Mangalore Electricity Supply Company (MESCOM). PPAs vary between 3 and 20 years. Some third-party PPAs have escalation clauses, such as tariff revision by respective regulatory authorities shall be mutually negotiated between both parties. Timely payments for billed invoices (in line with the PPA) provides comfort.

Satisfactory debt coverage indicators with presence of debt service reserve account

The Soham group's cash accruals are expected to sufficiently cover debt repayments, with principal repayments reducing from ₹30-33 crore to ₹16-20 crore per annum. Due to better rainfall and water availability and resumption of power generation in SMMPL plant, debt service coverage ratio (DSCR) is estimated to be satisfactory. All assets maintain two quarters of debt service reserve account (DSRA), providing an extra cushion for meeting debt obligations.

Experienced promoters in operating hydel power projects in Karnataka

The group was founded in 1991 by the late K Sadananda Shetty and family. The group commenced commercial operations of its first 22-MW hydro project. Since then, it completed three additional projects through other subsidiaries, totalling 53.50 MW in capacity. The group is currently managed by Sanjith S Shetty (Chairman and MD) and Suchindra S Shetty.

Key weaknesses

Support to weaker assets in group

The standalone DSCR of Mannapitlu is expected to be below unity due to the plant's nonfunctioning status. However, SIPL's stronger assets have been utilised to address cash flow mismatches. The plant is adequately insured, the estimated repair expense is ₹18 crore, with ₹15 crore already incurred and ₹4 crore of insurance proceeds are received till date. CareEdge Ratings believes that continuous support among group assets will help manage cash flow mismatches in weaker entities. According to CareEdge Ratings estimates, group cash accruals should be sufficient to cover upcoming debt repayments.

Interest rate fluctuation risk

Bank loans facilities availed for the Soham group are floating, exposing the company to risk of changes in cost factors. Interest cost being the primary cost component on a cash basis, adverse movement in interest rates would impact the Soham group's overall debt-servicing ability.

Hydrological risks associated with run-of-the-river power generation

Run-of-the-river power project has little-to-no capacity for energy storage and therefore depends on flow of river water for power generation. It generates much more power in times, when seasonal river flows are high and much less in drier months.

Liquidity: Adequate

The group maintained DSRA balance of ₹12.42 crore with the bank and free cash bank balance of ₹0.84 crore as on June 22, 2025. Generally, the group's liquidity is based on generation levels of SIPL's plants, which contribute over 65% of the total output. However, Mannapitlu plant is currently non-operational from August 2024 due to flash floods in the area, which is expected to restart from mid of July 2025.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Infrastructure Sector Ratings](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

SIPL was established in 2006 and currently operates 22-MW and 6-MW Hydro Power plants in Karnataka. SIPL is the flagship entity of the Soham Group that operates 53.50 MW hydro power (across three entities) in Karnataka. The group is led by Sanjith S Shetty (Chairman and MD) and Suchindra S Shetty.

Brief Financials- Consolidated (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	58.07	50.47
PBILDT	30.13	30.30
PAT	6.19	12.55
Overall gearing (times)	0.51	0.34
Interest coverage (times)	2.28	4.79

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	March 2029	42.83	CARE BBB+; Positive

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	42.83	CARE BBB+; Positive	-	1)CARE BBB+; Stable (20-Sep-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	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1.	Soham Mannapitlu Power Private Limited	Full	Subsidiary
2.	Soham Phalguni Renewable Energy Private Limited	Full	Subsidiary

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.

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