

## Northern Solaire Prakash Private Limited

October 13, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	62.20 (Reduced from 66.73)	CARE AA+; Stable	Upgraded from CARE AA; Stable

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

To arrive at the rating of the long-term bank facilities of the captioned entity, CARE Ratings Limited (CareEdge Ratings) has adopted a combined approach for the following seven entities of the Sekura Group: Pokaran Solaire Energy Private Limited (PSEPL), Northern Solaire Prakash Private Limited (NSPPL), Suryaoday Solaire Prakash Private Limited (SSPPL), Solaire Power Private Limited (SPPL), Solairedirect Projects India Private Limited (SPIPL), Enviro Solaire Private Limited (ESPL), and Solaire Urja Private Limited (SUPL), referred to as Sekura Restricted Group (Sekura RG), considering presence of an inter-company agreement that allows the benefit of pooling of surplus cash flows to service shortfall in debt servicing if any, in any of these entities. The agreement is unconditional, irrevocable, valid for the full tenor of the rated debt facilities and has a well-defined T minus structured payment mechanism.

The rating upgrade on bank facilities of the Sekura RG, which is operating 166.76 MW (AC) solar power capacity, factors in strong operational track record of ~8.5 years (weighted average). The capacity has consistently delivered generation levels above the P-90 estimate, as reflected by the weighted average plant load factor (PLF) of 21.62% in FY25 (21.89% in FY23 and 21.16% in FY24) compared to the weighted average P-90 estimate of 20.60%. The collection performance also continues to remain healthy with payments being received within 55 days of invoicing for the RG. Liquidity remained strong with cash and liquid investments of ₹156 crore as on September 22, 2025, including DSRA of ₹32 crore.

The rating factors in long-term revenue visibility owing to presence of 25-year power purchase agreements (PPAs) with Solar Energy Corporation of India Limited (SECI), NTPC Vidyut Vyapar Nigam Limited (NVVN; rated CARE AAA; Stable/ CARE A1+), and Punjab State Power Corporation Limited (PSPCL) at fixed tariffs for the entire capacity of respective special purpose vehicles (SPVs). The credit profile is supported due to geographical and off-taker diversification within the Sekura RG. The rating also considers strong structural features such as a fixed interest rate on term loans till January 2026, a waterfall mechanism, maintenance of a debt service reserve account (DSRA) per stipulated terms, and robust debt coverage indicators with average DSCR being upwards of 1.5x for entire term loan tenor per CareEdge Ratings' base case. The Sekura RG's credit profile also derives strength from its well-established promoter group having substantial exposure to power transmission and renewable energy sectors.

However, these strengths are partly offset by inherent exposure of power generation to climatic variations and technological risks since revenue is linked to actual generation. The RG remains vulnerable to counterparty credit risk owing to exposure to PSPCL for 56.25 MW (34% of capacity under Sekura RG) capacity. However, payment from off-takers including PSPCL has been timely since commercial operations date (COD), as evident from debtor days of 55 days in FY25 (PY: 58 days). CareEdge Ratings notes that tariff competitiveness of the underlying capacity is relatively weak as evident from a weighted average tariff of ₹5.64 per unit.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Faster-than-expected deleveraging of the portfolio.

#### Negative factors

- Significant underperformance in generation and/or increase in debt levels of the combined entity, weakening cumulative debt service coverage ratio (DSCR) on project debt to less than 1.25x on a sustained basis.
- Elongation in receivable cycle beyond 100 days at combined level on a sustained basis.
- Re-negotiation of tariff with SPVs, adversely impacting coverage metrics.

### Analytical approach: Combined

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

All seven SPVs in the Sekura RG (PSEPL, NSPPL, SSPPL, SPPL SPIPL, ESPL, and SUPL) are engaged in a similar line of business and have common management function. These SPVs are also expected to have fungibility of surplus cash, post servicing of their respective debt. This is considering an unconditional, irrevocable, enforceable inter-company agreement executed for the entire amount of the facility, for full tenure and a well-defined T minus structured payment mechanism. Hence, financial and business risk profiles of these entities have been combined. The list of entities which have been combined is presented in **Annexure-6**.

**Outlook: Stable**

CareEdge Ratings believes that the combined entity would continue to benefit considering presence of long-term PPAs for the portfolio under the RG, satisfactory operational performance in line with past trends and timely payment from off-takers.

**Detailed description of key rating drivers:****Key strengths****Presence of an intercompany agreement for pooling of surplus cash flows and other contractual comforts**

Per documents, the SPV requiring support or the lender's agent can call for surplus funds from the other SPVs to meet shortfall with respect to debt repayment. All surplus cash flow available of a particular borrower after its debt servicing can be made available to support accounts of other borrowers on receipt of support notice. The lender's agent is expected to test the fund deficiency at least four days prior to the due date so as to call for timely support. This establishes reasonable cash flow fungibility among the RG. Comfort is also drawn from the presence of a single lender for all seven SPVs under the RG, expected to monitor shortfall requirements and initiate prompt fund transfers.

Of the total contracted capacity of Sekura RG, 63% is tied up with SECI, 3% with NVVN, and 34% with PSPCL. PSPCL capacity is based in Punjab, while the balance is in Rajasthan and Uttar Pradesh.

**Revenue visibility from long-term PPAs for entire capacity at a fixed tariff; steady collection track record**

SPVs under Sekura RG supply their entire power under long-term PPAs for 25 year from COD. The capacity-weighted average tariff is ₹5.64 per unit. The defined payment cycle is 60 days for all PPAs, except for NVVN, which is 30 days. PPAs include provisions for recovery of late payment surcharge and maintenance of a revolving irrevocable letter of credit (LC).

All off-takers have demonstrated a steady payment track record. In FY25, average collection days for NVVN, SECI and PSPCL were approx. one day, 58 days and 70 days respectively.

**Established seasoning of all assets with healthy generation levels**

The entire capacity of 166.76 MW-AC under the structure was fully commissioned and has been operational since April 2016. The capacity-weighted average generation track record is 8.5 years. Each asset has consistently generated above its P-90 level for the last few years. Weighted average capacity utilisation factor (CUF) was ~21.62% in FY25 (21.89% in FY23 and 21.16% in FY24) against P-90 estimate of 20.60% (20.89% in FY23 and 20.74% in FY24).

**Comfortable debt coverage metrics**

The tail period between the loan maturity and the expiry of the PPAs is at least five years, in case of all seven SPVs under the RG. The average DSCR (assuming subordination of compulsory convertible debenture [CCD] interest pay-out) for the rated loan combined for all entities is projected above 1.5x per CareEdge Ratings' base case. The sanction stipulates maintenance of DSRA equivalent to two quarters of debt servicing for assets with PSPCL as the off-taker, and one quarter of debt servicing for assets with SECI and NVVN as off-takers. The company has maintained DSRA per sanction. The interest rate is fixed for three years till January 2026, which mitigates interest rate risk to some extent. A trust and retention account (TRA) is maintained, in which receipts from the off-taker and other realisation from the project are deposited and payments are made in order of priority as stipulated by lenders.

**Long-term O&M contract at pre-determined price; satisfactory equipment-make and performance guarantee**

Entities under the Sekura RG entered a 25-year O&M contract at a definite price with a fixed escalation clause with Solairedirect India LLP (part of the ENGIE SA group). ENGIE SA is an integrated energy company with a multinational presence. The SPVs under the RG have used poly-crystalline photovoltaic (PV) technology, with modules and inverters procured from reputed vendors having standard warranty and performance assurance.

### Promoter group's extensive experience and investment philosophy provide financial flexibility to SPVs

As on March 31, 2025, Edelweiss Infrastructure Yield Plus (EIYP) Fund holds 74% in all SPVs under the Sekura RG. EIYP is a Securities and Exchange Board of India (SEBI)-registered Category-I alternative investment fund (AIF) and invests in sectors such as power transmission, renewables, roads and highways, and other infrastructure assets. The fund is positioned to acquire and manage operational assets in the infrastructure space in India with low counterparty risk, O&M costs, and high operating margins with long residual life, resulting in stable cash flows. EIYP has a portfolio of 16 operational assets in the power transmission, renewable, and road sectors. The fund has a strong capital commitment from a group of domestic and global investors. The investment team has professionals with expertise across the infrastructure sector, finance domain, risk appraisal and management.

### Key weaknesses

#### Moderate counterparty credit risk

Of Sekura RG's contracted capacity, 34% is tied up with PSPCL, which has moderate operational and financial profile, exposing it to counterparty credit risk. However, payment track record from off-takers including PSPCL has been timely in the past as evident from debtor days of 55 days in FY25 (58 days in FY23 and 70 days in FY24). The stipulation of a cash sweep mechanism by the lender in case of PPA tariff reducing below the contracted rate mitigates the risk of tariff renegotiation to some extent. Stretch in the payment pattern or adverse impact on the tariff may have a bearing on the credit profile of Sekura RG, and thus, will remain monitorable.

#### Climatic and technological risks

SPVs under Sekura RG have used multi-crystalline technology, which has a proven history worldwide, suffers relatively lower degradation, and requires lesser land, leading to a reduction in the balance of systems (BoS) cost compared to thin-film modules. However, achievement of the desired CUF going forward, will be subject to changes in climatic conditions, amount of degradation of modules, and other technological risks. Revenue is linked to actual generation and lower generation may impact cash flows.

#### Interest rate risk

SPVs under Sekura RG are exposed to interest rate risk since tariffs are fixed for the PPA tenure while interest rate is floating in nature. The risk is mitigated to some extent by interest reset every three years.

#### Liquidity: Strong

There is adequate headroom between the projected gross cash accruals (GCA) of FY26 and FY27 against scheduled debt repayments. PSEPL, NSPPL, ESPL and SSPPL are maintaining a DSRA equivalent to one quarter of debt obligation. SPPL, SUPL and SPIPL are maintaining two quarters equivalent of DSRA per sanction. As on September 22, 2025, the combined unencumbered cash and equivalent was ₹156 crore including DSRA of ₹32 crore, which is more than the level maintained in last rating reviews. Timely payment from off-takers largely mitigates absence of working capital limit with the SPVs.

### Applicable criteria

[Consolidation & Combined Approach](#)

[Definition of Default](#)

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

[Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[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 December 2013, NSPPL has set up a 20.25-MW AC solar PV project at village Khetusar, district Jodhpur, in Rajasthan. It has entered into a long-term PPA for a period of 25 years with SECI at a tariff of ₹5.45 per unit. The entire capacity is operational since May 2015.

**Brief Financials: NSPPL (Standalone)**

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Prov.)
Total operating income	20.8	20.2
PBILDT	16.7	15.4
PAT	2.9	3.4
Overall gearing (times)	1.5	1.5
Interest coverage (times)	1.8	1.8

A: Audited Prov.: Provisional; Note: these are latest available financial results

**Brief Financials: Sekura RG (Combined)**

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Prov.)
Total operating income	173.8	179.7
PBILDT	105.8	109.5
PAT	4.5	29.0
Overall gearing (times)	1.6	1.4
Interest coverage (times)	2.5	2.8

A: Audited Prov.: Provisional; Note: these are latest available financial results; \*combined financials of PSEPL, NSPPL, SPPL, SPIPL, SSPPL, ESPL and SUPL per CareEdge Ratings Estimates

**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 2035	62.20	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	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (24-Apr-23)	1)CARE AA; Stable (20-Dec-22)
2	Un Supported Rating-Un Supported Rating (Long Term)	LT	-	-	-	-	-	1)Withdrawn (20-Dec-22)
3	Fund-based - LT-Term Loan	LT	62.20	CARE AA+; Stable	-	1)CARE AA; Stable (04-Sep-24)	1)CARE AA; Stable (06-Jul-23)	-

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	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.	Pokaran Solaire Energy Private Limited	Full	Operational and financial linkages
2.	Northern Solaire Prakash Private Limited	Full	Operational and financial linkages
3.	Suryaoday Solaire Prakash Private Limited	Full	Operational and financial linkages
4.	Solaire Power Private Limited	Full	Operational and financial linkages
5.	Solairedirect Projects India Private Limited	Full	Operational and financial linkages
6.	Enviro Solaire Private Limited	Full	Operational and financial linkages
7.	Solaire Urja Private Limited	Full	Operational and financial linkages

**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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