

## PSPN Synergy Private Limited

February 03, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	16.00 (Reduced from 24.00)	CARE BBB; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Rating assigned to the bank facilities of PSPN Synergy Private Limited (PSPL) derive strength from the overall financial risk profile of the company characterised by sustained improvement in capital structure and debt coverage indicators during FY25 (refers to April 01 to March 31) on account of sustained operational track record of more than eight years and availability of Debt Service Reserve Account (DSRA) of Rs. 6 crores in place which is sufficient to service debt servicing obligations for two quarters. The ratings continue to take comfort from long-term Power Purchase Agreement (PPA) with Uttar Pradesh Power Corporation Limited (UPPCL) at a fixed tariff rate for the entire capacity providing long term revenue visibility, presence of escrow arrangements with lender for debt repayment and timely receipt of payments from the off taker.

However, rating continues to remain constrained by the below P-90 generation levels during FY25, counterparty credit risk on account of relatively weak financial risk profile of the off-taker UPPCL and exposure to climatic conditions and technological risks. Further, rating takes cognizance of funds moved to sister concern in the form of advances for executing expansion plans within that entity.

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

#### Positive factors

- Achievement of CUF in line with its P-90 levels on a sustained basis along with improvement in coverage indicators with average DSCR above 1.35x on a sustainable basis.
- Faster than expected deleveraging of the asset.

#### Negative factors

- Delay in receipt of payments from the off-taker viz. UPPCL leading to elongation in receivable cycle beyond 4 months.
- Significantly lower than envisaged PLF levels negatively impacting the debt servicing indicators.
- Inability of the company to meet required covenants as per the sanctioned terms leading to breach in terms of financing agreements.

**Analytical approach:** Standalone

#### Outlook: Stable

The stable outlook reflects CARE's opinion that the generation levels of the project will remain in line with its P-90 levels and timely receipt of payments from its off-taker.

### Detailed description of key rating drivers:

#### Key strengths

##### Improvement in overall financial risk profile of the company

The company has reported sustained improvement in the overall financial risk profile characterised by improvement in its capital structure and debt service indicators during FY25. The overall gearing of the company improved to 0.40x as on March 31, 2025, from 0.63x as on March 31, 2024, owing to scheduled repayment of term loan and simultaneous increase in the networth base of the company due to accretion of profits. The debt coverage indicators of the company also improved with interest coverage and TD/PBILDIT improving from 2.32x and 2.43x respectively as on March 31, 2024 to 3.64x and 1.59x respectively as on March 31, 2025. Further during FY25 company repaid USL using surplus funds from PSPL, of ~Rs. 2.59 crore, leading to further improvement in overall gearing since USL was included as part of total debt.

<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.

**Sustained satisfactory operational track record of more than eight years along with the timely receipt of payment**

The project has a satisfactory operational track record of more than eight years post commissioning in May 2017. The company has reported satisfactory generation levels over the past seven fiscals, with the project achieving a net capacity utilisation factor (CUF) of 19.23% against 18.42% during FY24. Although the same was below the P-90 CUF level of 19.87%, it was a significant improvement from the previous year, majorly on account of favourable weather and proper maintenance of the plant.

**Long-term off-take arrangement with UPPCL in the form of PPA at an agreed fixed tariff rate**

As per terms of the long-term PPA signed in December 2015, the company is supplying power to UPPCL at a fixed tariff rate of Rs.7.02 per unit, for a contracted tenure of 12 years under Uttar Pradesh Solar Power Policy, 2013. The tariff will be jointly paid by Uttar Pradesh New & Renewable Energy Development Agency (UPNEDA) and UPPCL. With a long term off-take arrangement, the company has a long-term revenue visibility. Considering the duration of PPA of 12 years till May 25, 2029, the repayment period for term loan is kept till December 31, 2027, thereby providing comfort over the maturity alignment for revenue visibility and debt repayment.

**Escrow arrangement for debt repayment along with maintenance of DSRA for 2 quarters of debt servicing**

In line with the sanctioned terms and conditions of the lender, there is an Escrow account maintained where proceeds from UPPCL are credited and the amount credited is first utilized towards operational expenses followed by the payment of debt servicing obligations and then, the remaining amount is allowed to be utilised by the company. Moreover, as per the terms of lender, the company is maintaining an amount of Rs. 6.00 crore equivalent to 2 quarters of debt servicing as DSRA in line with the sanction terms.

**Key weaknesses****Weak financial profile of the off-taker UPPCL**

The company is exposed to counterparty credit risk related to its off-taker UPPCL, which has a weak financial profile on account of weak financial risk profiles of the UP state discoms (buyer of the power from UPPCL) marked by significantly stretched receivable and payable days, leveraged capital structure, weak cost coverage ratio and high AT&C losses. However, the company has been receiving payment in timely manner from UPPCL within 30 days, during the last 2 years (except one instance where payment was received in 32 days in Mar-25) ended November 30, 2025. Therefore, going forward, the timely receipt of payment is crucial for repayment of debt and would be key rating sensitivity.

**Exposure to climatic conditions and technological risks**

Achievement of desired CUF going forward would be subject to changes in climatic conditions, amount of degradation of modules as well as other technological risks. However, the track record of poly-crystalline modules has been satisfactory so far in India.

**Limited experience of promoters in renewable space**

The affairs of the Company are managed by the directors – Mr Navin Jain, Mr Naresh Kumar Jain, Mr Navneet Jain & Ms Shreya Garg. Mr Naresh Kumar Jain and his son, Mr Navin Jain, have over two decades of experience in the iron & steel industry. However, PSPL has been their first venture in the renewable energy segment. Therefore, despite possessing entrepreneurial experience of about 2 decades, the promoters hold limited vintage in setting up and operating renewable projects. This may restrict their ability to undertake operation and maintenance of the plant, in case of any requirement.

**Liquidity: Adequate**

The liquidity of PSPL is adequate with the expected gross cash accruals of ~Rs. 9.05 crore against repayment obligations of Rs. 6.94 crore for FY26. The company as per the requirement of the lender has maintained DSRA of Rs. 6.00 crore as on December 31, 2025. Additionally, the company also has sufficient free investments of ~Rs. 9.86 crores as on December 31, 2025, which is kept in the form of Fixed deposits providing additional cushion to its liquidity.

**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

PSPN Synergy Pvt Ltd is a special purpose vehicle, promoted by its group companies, namely, Shree Radhey Radhey Ispat Pvt. Ltd., Sigma castings Ltd and Kundan Castings Pvt Ltd, for undertaking the installation & operation of a Solar PV Power Plant in Jalaun, Uttar Pradesh. The company successfully commissioned the 15 MW AC plant on May 25, 2017 & supplying power to Uttar Pradesh Power Corporation Limited (UPPCL) at an agreed fixed tariff rate of Rs.7.02 per unit, for a contracted tenure of 12 years.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	18.49	19.67
PBILDT*	12.68	13.74
Profit after tax (PAT)	2.59	5.24
Overall gearing (x)	0.63	0.40
Interest coverage (x)	2.32	3.64

A: Audited UA: Unaudited; Note: these are latest available financial results

\*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
Fund-based - LT-Term Loan		-	-	December 2027	16.00	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	16.00	CARE BBB; Stable	-	1)CARE BBB; Stable (08-Jan-25)	1)CARE BBB; Stable (19-Jan-24)	1)CARE BBB-; Stable (01-Dec-22) 2)CARE BBB-; Stable (01-Apr-22)

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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