सोलर एनर्जी कॉर्पोरेशन ऑफ इंडिया लिमिटेड
(भारत सरकार का उपक्रम)
Solar Energy Corporation of India Ltd.
(A Government of India Enterprise)
स्वच्छ भारत – स्वच्छ ऊर्जा

Ref. No. SECI/2025-26/NSE/CS-38 **Date: 09/09/2026**

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

Subject: **Intimation of Credit Rating under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"]**

Dear Sir/Madam,

Pursuant to the provisions of Regulation 55 of the SEBI (LODR) Regulations, 2015, read with other applicable provisions, if any, please find enclosed herewith the details of the credit rating in respect of Non-Convertible Debentures (ISIN: INE054008011).

This is for your information and record.

Yours Faithfully,

For Solar Energy Corporation of India Limited

SUNIL KUMAR MEHLAWAT
Digitally signed by SUNIL KUMAR MEHLAWAT
Date: 2026.09.09 19:08:21 +05'30'

Sunil Kumar
Company Secretary and Compliance Officer
Membership No. A17693

Press Release

SOLAR ENERGY CORPORATION OF INDIA LIMITED

September 09, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Bonds	SEBI	600.00 (Reduced from 700.00)	CARE AAA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of the rating assigned to the long-term bonds of Solar Energy Corporation of India Limited (SECI), which is India's largest renewable energy (RE) power trader, continues to factor in its strong market position, healthy financial profile, and strategic importance to the Government of India (GoI). The rating derives strength from its large scale of operations, healthy return metrics and a favourable capital structure with low debt dependence, and comfortable liquidity position, marked by significant cash balances and liquid investments. The company's demonstrated ability to raise funds from the market further enhances financial flexibility. SECI has maintained its leadership position, as reflected by trading of ~62 billion units (BUs) in FY26 (PY: ~50 billion BUs), while maintaining a trading margin of ₹0.07 per unit. The company continues to diversify its revenue base through implementation of its own projects. Its operational renewable capacity stood at ~122 MW and battery energy storage systems (BESS) capacity of ~121 MWh as on date, while ~1.6 GW of RE capacity and 1200 MWh of BESS are under development and are expected to be commissioned over the medium term. SECI is also acting as the nodal agency for schemes, such as the Production Linked Incentive (PLI) scheme for modules (Tranche II), green hydrogen, and PM-KUSUM, providing an additional source of income.

CARE Ratings Limited (CareEdge Ratings) notes that, at the time of previous rating exercise, ~8 GW of capacity remained stranded due to pending power sale agreement (PSA) signing with distribution companies (DISCOMs). Of this, ~4 GW has subsequently achieved PSA tie-ups, while efforts continue for the balance capacity, supported by measures implemented by the Ministry of New and Renewable Energy (MNRE). SECI is also foraying into the commercial and industrial (C&I) segment and Contract for Difference (CfD) tenders to cater demand-side requirements. CareEdge Ratings understands that the GoI has supported the CfD pilot mechanism through a ₹76 crore stabilisation fund, which will act as a revolving financial buffer for settlement obligations. The rating also continues to factor in SECI's back-to-back PSAs with state distribution utilities (DISCOMs) on similar terms as the power purchase agreements (PPAs), mitigating demand, execution, and operational risks. The rating also benefits from superior tariff competitiveness, reflected by a weighted average tariff of ~₹2.72 per unit for ~64 GW of PSA-tied capacity as on June 2026 end, which is significantly lower than the average power purchase cost (APPC) of DISCOMs.

SECI's GoI ownership and strategic importance further support the rating, with guarantees extended to certain borrowing programmes. SECI plays a strategic role as the GoI's nodal agency for promoting and facilitating RE adoption in the country. Functioning primarily as a RE trader and sole Renewable Energy Implementing Agency (REIA), SECI serves as a key vehicle for achieving India's target of 500 GW of RE capacity by 2030. The rating continues to derive strength from the robust multi-layered payment security framework, comprising the availability of a Payment Security Fund (PSF), Letters of Credit (LCs) established from distribution utilities, and SECI's status as a beneficiary under the tripartite agreement (TPA) executed among the Reserve Bank of India (RBI), state governments, and central government beneficiaries. CareEdge Ratings notes that the TPA arrangement with 15 states is scheduled to expire in October 2026, while the arrangement with the balance 14 states is due to expire in FY31. Comfort is derived from SECI's reduced dependence on the TPA mechanism, with no invocation since FY22. Renewal of the TPA mechanism would remain a key monitorable. SECI has issued LCs to developers in accordance with the PPA terms, certain DISCOMs have either not extended the requisite LCs to SECI or have issued LCs below the stipulated levels. However, the said risk is mitigated as the payment discipline from DISCOMs has improved following the implementation of the Late Payment Surcharge (LPS) Rules, 2022. The improved payment discipline is reflected in the collection period remaining below 80 days as on March 31, 2026.

However, rating strengths are tempered by the counterparty credit risk associated with exposure to state distribution utilities which have weak-to-moderate operational and financial profiles. However, the risk is mitigated to some extent owing to competitive tariffs for most underlying projects, diversification across multiple states and union territories and presence of payment security mechanism under PPA. As part of the payment security mechanism, SECI maintains funds in the PSF, which are

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

segmented into amounts earmarked for capacities tendered prior to 2017 under National Solar Mission (NSM) Phase II – Batch I, III and IV (VGF Schemes) and contributions collected from developers for tenders floated post October 2019 (Non-VGF Schemes). CareEdge Ratings understands that tenders floated in 2017-2019 are also covered under the non-VGF framework following receipt of a board resolution permitting such fungibility. The rating is also constrained by extant execution risk as the significant capacity is at under construction stage. This would entail a capex of ~₹11,000 crore expected to be funded in debt to equity ratio of 80:20. The equity contributions would be funded through internal accruals. Consequently, leverage is expected to increase, with total debt/earnings before interest, taxation, depreciation, and amortisation (EBITDA) of 3.1x as of FY27 end against 1.2x as of FY26 end. The company's ability to commission the projects without material cost and/or time overrun shall be critical to ensure adequate returns and shall be a key monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Not applicable

Negative factors

- Reduction in GoI shareholding below 51% or change in the support philosophy of GoI/MNRE towards SECI.
- Significant delays in receipt from DISCOMs thereby impacting the liquidity position of the company.

Analytical approach: Standalone plus factoring in support from GoI

The ratings factor SECI's strategic importance to the GoI and its important role for the Indian power trading sector. SECI has received support in the form of periodic equity infusion, payment security fund and its inclusion in the tripartite agreement for the recovery of payments from state discoms.

Outlook: Stable

The stable outlook factors in satisfactory trading performance, strong cash-flow generations and coverage under the tripartite agreement for the payment of discom dues and reasonable debt coverage metrics in the medium term. CareEdge Ratings also envisages SECI would be able to commission its under-construction capacities without major time or cost overrun.

Detailed description of key rating drivers

Key strengths

Ownership by GoI and Navratna status
As on March 31, 2026, GoI holds 100% equity stake in SECI, which has received support in the form of periodic equity infusion, payment security fund, and its inclusion in the TPA for the recovery of payments from state DISCOMs. SECI was conferred Navratna status in August 2024, granting it enhanced autonomy in investment and capital expenditure decisions. This status enables SECI to undertake projects up to ₹1,000 crore without prior government approval, accelerating its operational agility.

Established position as the largest power trader in the country
SECI is a premier trader of RE power in the country. As on March 31, 2026, India's total RE installed capacity reached ~280 GW out of which SECI has operational PSAs for nearly 11% (30 GW) of renewable capacity. Beyond this, SECI has signed PSAs of another 36 GW capacity, with these projects being in an implementation stage. SECI traded ~62,000 MUs of power in FY26 against ~50,000 MUs and ~43,000 MUs in FY25 and FY24, respectively. From April 2026 onwards, SECI is acting as a sole renewable energy implementing agency in this segment.

Presence of payment security mechanisms, such as TPA and PSF among others
SECI faces credit risks from financially weak DISCOMs and therefore has developed a robust multi-layered payment security framework, comprising the availability of a PSF, LCs established from distribution utilities, and SECI's status as a beneficiary under the TPA executed among the Reserve Bank of India (RBI), state governments, and central government beneficiaries. CareEdge Ratings notes that the TPA arrangement with 15 states is scheduled to expire in October 2026, while the arrangement with the balance 14 states are due to expire in FY31. Comfort is derived from SECI's reduced dependence on the TPA mechanism, with no invocation since FY22. Renewal of the TPA mechanism would remain a key monitorable. The TPA was last invoked by SECI in

FY21 and FY22 against the Andhra Pradesh discoms and Hubli Electricity Supply Company Limited (HESCOM) for the recovery of past dues.

SECI has issued LCs to developers in accordance with the PPA terms, certain DISCOMs have either not extended the requisite LCs to SECI or have issued LCs below the stipulated levels. However, the said risk is mitigated as the payment discipline from DISCOMs has improved following the implementation of the LPS Rules, 2022. The improved payment discipline is reflected in the collection period remaining below 80 days as of March 2026 end.

Back-to-back PSA-PPA structure
SECI signs a PSA with a DISCOM or bulk consumer to sell the power at a fixed tariff. Simultaneously, SECI signs a PPA with the renewable energy developer to purchase power whilst keeping margin of ₹7 paise/unit for itself. Most terms in the PPA are a mirror of the PSA, including tariff, penalties, and change-in-law provisions among others. This structure ensures that SECI avoids stranded capacity or unsold power and does not retain residual market, execution, or operational risk, as its obligations to the developer are mirrored by the obligations of the buyer.

SECI diversifies revenue base through multiple income streams
As of June 2026, SECI has an operational renewable energy (RE) portfolio of ~122 MW and BESS capacity of 121 MWh, with satisfactory generation and collection performance. Operational performance of the portfolio is expected to remain stable going forward. In addition, SECI continues to diversify its revenue base by undertaking the role of nodal agency for key government-led initiatives, including the Production Linked Incentive (PLI) scheme for solar modules (Tranche II), the National Green Hydrogen Mission and PM-KUSUM. These initiatives provide SECI with an additional stream of income. SECI is also foraying into the C&I segment and CfD tenders to cater demand-side requirements. CareEdge Ratings understands that the GoI has supported the CfD pilot mechanism through a ₹76 crore stabilisation fund, which will act as a revolving financial buffer for settlement obligations. While the contribution from these emerging segments remains modest at present, their gradual scale-up is expected to provide an incremental contribution to SECI's EBITDA over the medium term.

Key weaknesses

Exposure to counterparty credit risk
The weak financial health of many state DISCOMs continues to remain a cause of concern for SECI. Considering SECI's low-cost energy charge, diversified off-taker base and importance as a significant supplier to the DISCOM, it has better bargaining power in collections. The payment security mechanism continues to be backed by LC, TPA, and PSF, which mitigates the risk of large build-up of receivables. Post implementation of LPS Rules, the payment discipline has improved with collections remaining below 80 days as of FY26 end.

Risks related to projects under implementation
SECI faces execution risk as the significant capacity of ~1.6 GW of RE capacity and 1200 MWh of BESS are under development and are expected to be commissioned over the medium term. The said capacity would entail a capex of ~₹11,000 crore, expected to be funded in a debt-to-equity ratio of 80:20. The equity contributions would be funded through internal accruals. Consequently, leverage is expected to increase, with total debt/EBITDA of 3.1x as of FY27 end against 1.2x as of FY26 end. The company's ability to commission the projects without material cost and/or time overrun shall be critical to ensure adequate returns and shall be a key monitorable.

Thin PSF cover for non-VGF schemes
The rating derives comfort from SECI's robust payment security framework, supported by a substantial PSF corpus of ₹3,887 crore as on March 31, 2026, across VGF and non-VGF schemes. While PSF cover for non-VGF schemes is thinner, comfort is drawn from lower chances of DISCOM default as weighted average tariff of ~₹2.72 per unit for ~64 GW of PSA-tied capacity as on June 2026 end, which is significantly lower than the APPC of discoms.

Liquidity: Strong

The liquidity profile of the group is healthy marked by cash and cash equivalents of ~₹1,100 crore as on March 31, 2026 (excluding PSF cushion). The liquidity position is further supported by lower utilisation of fund-based working capital (~1%) and healthy cash generation. The liquidity is also supported by presence of payment security fund and LC's w.r.t ~33% of the receivables as on March 31, 2026.

Applicable criteria

Definition of Default
Factoring Linkages Government Support
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Infrastructure Sector Ratings
Solar Power Projects
Wind Power Projects

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power trading

Incorporated on September 20, 2011, SECI is a Navratna Central Public Sector Undertaking (CPSU) dedicated to the growth and development of RE capacity in India. It is a CPSU under the MNRE and is 100% owned by the GoI. SECI is the foremost REIA in India, responsible for facilitating the development of solar, wind, hybrid, and storage projects.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	13,136	15,308	18,447
PBILDT*	620	790	876
PAT	436	502	579
Overall gearing (times)	0.11	0.11	0.27
Interest coverage (times)	56.69	17.15	20.65

A: Audited; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Bonds	SEBI	Simple	INE054008011	26-Sep-2025	7.14	26-Sep-2035	600.00	CARE AAA; 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 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	Bonds	LT	600.00	CARE AAA; Stable	-	1)CARE AAA; Stable (11-Sep-25)	-	-

LT: Long term;

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: 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.

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About us:

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