

SOLARIUM GREEN ENERGY LIMITED

September 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	50.00	CARE BBB-; Stable	Assigned
Long Term / Short Term Bank Facilities	47.00	CARE BBB-; Stable / CARE A3	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to Solarium Green Energy Limited (SGEL) derives strength from its experienced promoters, growing scale of operations along with improving profitability, moderate net-worth base and satisfactory debt coverage indicators.

However, the ratings remained constrained on account of moderate order book position and working capital intensive nature of operations. The ratings also factors in execution and stabilisation risk associated with ongoing capex for solar module manufacturing. The ratings further remain constrained due to intense competition in the industry and profitability susceptible to solar module price volatility.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely execution of its orders on hand and consequent increase in total operating income (TOI) to above Rs.500 crore on a sustained basis while maintaining profit before interest, lease, depreciation and tax (PBILDT) margins at current level.
- Improvement in capital structure with overall gearing below 0.50x along with improvement in debt coverage indicators.

Negative factors

- Any delay in execution of ongoing orders resulting in TOI below Rs. 300 crore on sustained basis along with sustained dip in PBILDT margins to below 8%.
- Increase in working capital intensity adversely affecting debt coverage as well as liquidity indicators of the company.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Ratings Limited (CareEdge Ratings) expectations that company will continue to benefit from the healthy experience of the promoters in the solar industry.

Detailed description of key rating drivers:

Key strengths

Experienced promoters

SGEL was established in December 2015 and is led by a team of experienced promoters — Mr. Ankit Garg and Mr. Pankaj Gothi, who actively oversee the company's operations. The promoters bring over one decade of industry experience, having previously operated in the solar and construction equipment sector.

Mr. Ankit Garg is an IIT alumnus and has experience of around 12 years in this industry adding strong technical expertise to the leadership team. SGEL has expertise in delivering high impact solutions in diverse and challenging environments and has done past projects in extreme conditions and remote locations like Ladakh for Border Security Force (BSF).

Growing scale of operations, along with improving profitability margins

SGEL's Total Operating Income (TOI) grew at a CAGR of 19.73% over the past 5 years ended FY25. During FY25, TOI increased by 89% y-o-y and stood at Rs.230.43 crore in FY25 as against Rs.177.76 crore in FY24. The increase was on account of healthy order book execution in FY25.

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

The PBILDT margin of SGEL has also improved over last 5 years ended FY25. The improvement in PBILDT margins is on account of securing high margin orders and due to better absorption of fixed overheads driven by larger scale of operations.

The PBILDT margin of SGEL stood moderate at 11.63% in FY25 (13.82% in FY24), marginally moderated as compared to last year with increase in employee costs. PBILDT margin is expected to remain in the range of 11-12% in the projected period.

Moderate net-worth base and capital structure although satisfactory debt coverage indicators

The capital structure improved and remained moderate marked by overall gearing of 0.48x as on March 31, 2025 (1.55x as on March 31, 2024) on a net worth base of Rs.141.43 crore (P.Y.Rs.141.43 cr.). The networth base improved as company made IPO of 54,99,600 equity shares of face value Rs.10 at price of Rs.191 per equity share including share premium which aggregates to Rs.105.04 cr. The funds were raised mainly for working capital requirements and corporate use.

The debt profile of the company consists of working capital borrowings of Rs.67.25 crore, USL of Rs.0.16 crore, and term loan of Rs.0.58 cr. The majority of the debt is in the form of working capital borrowings due its working capital-intensive nature of operations.

The debt coverage indicators of the entity remained satisfactory marked by PBILDT/ Interest Coverage of 6.82x (P.Y.10.9x) and Total debt/ GCA of 3.50x (P.Y.1.93x).

Key weaknesses

Moderate order book position

SGEL's orderbook position remained moderate at Rs.147.41 crore as on July 18, 2025. The orderbook consists of reputed clients like NTPC, BSF, Kirloskar technologies Private Limited and others. Apart from above, entity has been selected as L1 for tenders floated by NTPC for solarisation of government departments. NTPC has floated tenders for selection and discovery of rates for rate contract for EPC of grid connected rooftop solar PV Projects by categorising 15 terrain types across 3 power zones (50-200 KW, 200-1000 KW, 1000KW and above) and company has been selected as L1 for 39 zones out of 45. SGEL is expecting orders of minimum Rs.270.68 cr. from NTPC under this contract for CFY. As per BSE announcement dated July 28, 2025, from these L1 orders company has received Rs.26.62 cr. orders on July 24, 2025 from 2 zones.

Working capital intensive nature of operations

Gross Current Asset (GCA) days of SGEL remained elongated at 337 days in FY25 (143 days in FY24) contributing to high working capital requirement. GCA days remained elongated due to increase in collection period with average collection period increasing from 39 days in FY24 to 96 days in FY25, majorly due to higher revenue from government contracts where realisation remains elongated. Working capital intensive operations are funded by creditors and working capital bank borrowing. Effective management of working capital to ensure timely project execution is critical from the rating perspective.

Intense competition and profitability susceptible to solar module price volatility

SGEL is a mid-sized solar EPC player and faces stiff competition from several established players in the industry. EPC contracts are fixed price contracts to be executed in 8-12 months, hence there is no price escalation clause in the contracts awarded to the company. In absence of price escalation clause, SGEL's profitability remains exposed to volatility in prices of solar cells and modules, though short tenure nature of contracts and back-to-back procurement of solar modules mitigates this risk to an extent.

Liquidity: Adequate

SGEL has adequate liquidity characterised by sufficient cushion in its cash accruals vis-à-vis its term debt repayment obligations. The average utilisation for its fund-based working capital limits remained at 81% for the past 12 months ending April 2025. However, cash flow from operations turned negative at ₹60.03 crore in FY25, primarily due to an increase in year-end receivables and inventory buildup, driven by a higher execution during Q4FY25. SGEL has free cash and bank balance of Rs.11.02 crore as on FY25 end.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Ahmedabad (Gujarat) based Solarium Green Energy Limited (SGEL) was incorporated in December 17, 2015. The company is engaged in providing Engineering, Procurement and Construction (EPC) solutions that encompass designing, engineering, procurement, installation, and maintenance for solar energy solutions and is promoted by Ankit Garg and Pankaj Gothi along with other directors. SGEL designs, procures, installs, and maintains solar power systems majorly from rooftop residential and C&I including few government orders. SGEL has served a diverse portfolio of reputed clients including National Thermal Power Corporation, BSF, Military Engineer Services, Torrent Power etc. Further, it is undergoing capex for solar module manufacturing plant of 1000 MW, expected to get operational from January 2026 onwards.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	98.82	177.76	230.43
PBILDT	6.04	24.56	26.80
PAT	3.16	15.74	18.59
Overall gearing (times)	5.89	1.55	0.48
Interest coverage (times)	4.22	10.19	6.82

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

Status of non-cooperation with previous CRA: None

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 2030	50.00	CARE BBB-; Stable
Fund-based - LT/ ST-Cash Credit		-	-	-	47.00	CARE BBB-; Stable / CARE A3

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				
2	Fund-based - LT/ST-Cash Credit	LT/ST	47.00	CARE BBB-; Stable / CARE A3				

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
2	Fund-based - LT/ ST-Cash Credit	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.

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