Cygni Energy Private Limited

December 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	70.00	CARE BB+; Stable	Assigned
Long-term / Short-term bank facilities	26.00	CARE BB+; Stable / CARE A4+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Cygni Energy Private Limited (CEPL) are constrained by continued operational losses in the last few years, moderate and fluctuating scale of operations due to lower off-take in battery packs for two-wheeler segment, elongated working capital cycle, and tender-based nature of business amid increasing competition in the industry.

However, rating weaknesses are partially mitigated by strong investor support from the Saraogi family, which owns its flagship entity, Go Fashion India Ltd (Go Colors brand), strong order book position in the Battery Energy Storage Systems (BESS) segment providing medium-term revenue visibility and experienced and qualified management team.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Ability to generate profit at operational level and growth in scale to above ₹100 crore.
- Timely execution of projects and improving in operating cycle and overall cash flows.

Negative factors

- Significant decline in total operating income (TOI) by over 20%.
- Inability to generate adequate and timely cash flows from BESS projects impacting company's liquidity profile.
- Notable dilution of stake by the Saraogi family group or inadequate support from investors when needed.

Analytical approach: Standalone (while factoring linkages with strong promoter group).

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the entity will continue to benefit from extensive experience of the management, healthy orderbook in hand, and continued support from investors, going forward.

Detailed description of key rating drivers:

Key weaknesses

Fluctuating scale and operational losses

The company's revenue from operations has been on a declining trend since 2023 primarily because electric two-wheeler original equipment manufacturers (OEMs) were adversely affected by policy changes in the sector, including the reduction of subsidies under the FAME-II scheme and the introduction of stricter compliance requirements in 2023. These developments led to lower production volumes for OEMs, which in turn reduced their procurement of two-wheeler battery packs from the company.

Reduction in scale of electric vehicle (EV) battery packs for two-wheeler segment, inventory liquidation of EV battery packs for two wheelers due to reduced demand and presence of higher fixed overheads has resulted in operational losses in FY24 and FY25. Losses in the past two years have weakened the net worth base though it stood moderate at ₹75 crore as on March 31, 2025.

Subsequently, the company commissioned a facility to manufacture battery backs for electric three-wheelers which commenced production in May 2025. Going forward, revenue and profitability are expected to improve with incremental contribution from the three-wheeler EV battery pack segment and the execution of BESS projects.

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

Elongated working capital cycle

The company's working capital cycle remained elongated at 438 days in FY25 (PY: 424 days). Inventory levels are high as imported cells carry a lead time of 1.5–2 months, necessitating higher stocking. The company extends a credit period of 30 days to customers, while domestic suppliers provide credit of 30–45 days.

Competition and tender-based pricing risk

CEPL secures contracts primarily through tendering for BESS projects, where awards are made on the basis of L1. This mechanism restricts pricing flexibility and exposes the firm to competition. Dependence on L1 bidding also creates uncertainty in order inflows, as success in tenders is not assured, impacting revenue visibility and profitability. However, CEPL has secured contracts from four companies majorly for supply of DC block. The risk of order volatility is partially mitigated by the company's long-standing presence in the battery solutions business and established industry relationships.

Client concentration risk

The company remains exposed to high client concentration risk, with the top five customers historically accounting for over 90% of revenue. This risk is expected to remain, as recent BESS project wins are also concentrated among four clients. Any adverse development at these clients such as delays or project-level issues may materially impact the company's revenue visibility and cash flows.

Key strengths

Strong investors and qualified promoter

The company was founded by Venkat Rajaraman, who has over 25 years of industry experience and previously served as CEO of Su-Kam Power Systems. He holds an MS in Electrical Engineering from Stanford University. Cygni benefits from strong investor backing from the Saraogi family which owns its flagship entity, Go Fashion India Ltd (Go Colors brand). The investment is led by Rahul Saraogi. In FY22 and FY23, the investors infused over ₹53 crore, which has been utilised towards, operational/financial requirements, funding the losses and setting up of new manufacturing facility.

Strong order book in BESS projects

CEPL has recently entered the BESS segment for renewable power applications and has a confirmed business pipeline orders of ~₹533 crore in this segment. These are primarily supply, installation, and commissioning of DC block. Counterparty for BESS projects is strong, including Ctrl-S group, Greenko group, and HG Infra Engineering Limited.

Liquidity: Stretched

Liquidity position of the company remains stretched, with expected GCA tightly matched against the debt repayment obligation of ~₹3 crore in FY26. Reliance on bank borrowings for working capital is high, reflected in an average CC utilisation of 91% for the 12 months ended October 2025, leaving minimal cushion. However, promoters are resourceful and have infused funds in the past. Going forward, promoters are likely to infuse need-based funds to support financial and operational needs.

Assumptions/Covenants - Not applicable

Environment, social, and governance (ESG) risks - Not applicable

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Electrical equipment	Other electrical equipment

CEPL was founded in 2014 by Venkat Rajaraman. The Saraogi family invested in the company later in 2022 and holds ~65.7% of equity in the company. Between 2015 and 2020, CEPL operated in the solar inverter-less direct current solutions segment—covering both off-grid and grid-based applications—based on patented IIT Madras technology. In 2020, the company transitioned into the EV mobility segment and began supplying lithium-ion battery packs of varying capacities and specifications for EVs. The company has set up a 4.8-GWh manufacturing facility at Maheshwaram, Hyderabad. The company is currently into EV batteries for two-wheeler and three-wheeler, energy storage systems and solar DC and AC-based products.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	102.12	47.26	38.40
PBILDT	-1.17	-6.69	-13.97
PAT	0.25	-7.02	-8.65
Overall gearing (times)	0.15	0.27	0.64
Interest coverage (times)	-0.52	-3.19	-5.02

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

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-Cash Credit	-	-	-	-	15.00	CARE BB+; Stable
Fund-based - LT-Term Loan	-	-	-	Feb-2034	55.00	CARE BB+; Stable
Non-fund-based - LT/ ST-BG/LC	-	-	-	-	26.00	CARE BB+; Stable / CARE A4+

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-Cash Credit	LT	15.00	CARE BB+; Stable				
2	Fund-based - LT-Term Loan	LT	55.00	CARE BB+; Stable				
3	Non-fund-based - LT/ ST-BG/LC	LT/ST	26.00	CARE BB+; Stable / CARE A4+				

LT: Long 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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ ST-BG/LC	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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