Urja Global Limited

January 08, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Issuer rating Issuer Rating	0.00	CARE BB-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of the issuer rating assigned to Urja Global Limited (UGL) continues to factor in the group's small scale of operations, low profitability margins, and weak debt coverage indicators. Further, the rating remains constrained by working capital-intensive operations, competitive and fragmented industry, exposure to geopolitical, regulatory and foreign exchange (forex) risks. However, these rating weaknesses are partly offset by experienced management, diversified product portfolio and established dealer network, and comfortable capital structure with low overall gearing, driven by healthy tangible net worth (TNW) base and low debt levels.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely collections from trade receivables leading to operating cycle below 200 days on a sustained basis.

Negative factors

- Decline in the TOI by more than 20% and/or PBILDT margin falling below 3% on a sustained basis.
- Any significant debt-funded capital expenditure (capex) undertaken or deterioration in TNW, leading to deterioration in the capital structure as marked by overall gearing of above 2.00x on a sustained basis.
- Deterioration in liquidity due to withdrawal of unsecured loans by promoters or materialization of any contingent liability pertaining to the statutory dues.

Analytical approach: Consolidated

CARE Ratings Limited (CARE Ratings) has taken a 'consolidated' approach for analytical purpose since UGL and its subsidiaries (collectively referred to as "Urja group"), are engaged in similar line of business, having business and financial linkages due to common promoters and management. The list of entities consolidated is given in **Annexure-6**.

Outlook: Stable

The stable outlook reflects CARE Rating's expectation that the group shall sustain its operational and financial performance over the medium term backed by the experience of promoters in the industry

Detailed description of key rating drivers:

Key weaknesses

Small scale of operations

The total operating income (TOI) of the group grew by ~51% to Rs. 67.25 crore in FY25 (April 01, 2024, to March 31, 2025; PY: Rs. 44.47 crore), largely driven by sales of electric scooters (e-scooters) and lead acid batteries. Nevertheless, the scale remains small, which limits the group's financial flexibility in times of stress and restricts scale benefits. Considering limited value addition from solar panels trading and installation, the group started e-scooters and batteries assembly and manufacturing in recent years. Further, the group reported total operating income of Rs. 34.51 crore in H1FY26 (April 01, 2025, to September 30, 2025).

Low profitability margins and weak debt coverage indicators

The profitability margins of the group stood low, in FY25 with profit before interest, lease rentals, depreciation, and taxation (PBILDT) and profit after tax (PAT) margin of 2.67% (PY: 5.31%) and 2.06% (PY: 4.58%) respectively, due increase in manpower and digital initiative cost. However, in H1FY26, PBILDT margin has improved to 3.77%. The debt coverage indicators of the group stood weak with the interest coverage and total debt to GCA (TD/GCA) of 2.85x (PY: 3.32x) and 25.59x (PY: 15.84x) respectively on March 31, 2025.

Working capital-intensive operations

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

The group's operating cycle stood elongated at 412 days in FY25 (PY: 468 days). The group was unable to make collections from certain debtors, pertaining to the solar panel trading segment, on account of Covid-19 induced cessation or delay of several projects. Out of the total debtors and creditors outstanding as on March 31, 2025, the debtors to the tune of ~Rs.65 crore are outstanding from more than two years. As such, average collection and creditors' period stood elongated at 457 days and 270 days respectively in FY25. As such, the average inventory holding period stood elongated at 225 days in FY25.

Competitive and fragmented nature of industry

The Indian electric two-wheeler (e2W) market is highly competitive, marked by the presence of several established players, including Hero Electric Vehicles Private Limited and Ola Electric Mobility Private Limited. Considering growing consumer confidence and changing preferences towards e2Ws, new entrants are expected to enter the market in the next two-three years, which will intensify competition. Further, the solar industry is fragmented and competitive. The group faces competition from large industry players such as Vikram Solar and other engineering, procurement and construction (EPC) arms of several solar panel manufacturers. It also faces competition from several smaller players providing operations and maintenance (O&M) services to solar power projects. Growth opportunities in the solar energy sector, supported by government incentives, are attracting more players, thereby increasing competition. Battery manufacturing industry is also competitive owing to low entry barriers and low capital requirement for setting up operations. Intense competition limits pricing flexibility and bargaining power. Therefore, it is crucial for Urja group to promptly develop new products, launch new models with unique features at affordable cost and expand its distribution network to meet prospective customer demand.

Exposure to geopolitical, regulatory and forex fluctuation risks

The Indian electric vehicle (EV) industry depends on imports, especially for procuring battery cells; hence, the group's operations are vulnerable to geopolitical developments between India and cell-exporting nations. Therefore, changes in regulations related to component imports or supply chain disruptions can impact the growth prospects of Urja group. Further, regulatory interventions affecting demand and viability of vehicles sold by the group can also impact its performance. The electric two-wheeler (e2W) market also faces constraints such as inadequate public charging infrastructure, limited battery life and high replacement costs. To overcome these barriers, the government implements favourable policies for e2W manufacturers to support upgradation and modifications in EV technology.

Key strengths

Experienced management

Incorporated in 1992, Urja Group has a track record of ~10 years in the solar, battery and electric two-wheeler industries. Gajanand Gupta, Chairman, Urja Global Limited (UGL), is a Chartered Accountant with vast experience in corporate finance, business advisory, business planning and decision-making. The group is managed by Mohan Jagdish Agarwal, Managing Director, UGL, who has ~25 years of experience in production and marketing. He is supported by Yogesh Kumar Goyal, Whole-time Director, UGL, a postgraduate with considerable experience in marketing and sales development. Day-to-day operations are managed by a well-qualified team with requisite experience in the related field. Further, as informed by the management, the promoters are committed to infusing additional funds to support the liquidity position of the group, as seen historically, reflecting their resourcefulness.

Diversified product portfolio and established dealer network

The Urja group has a diversified product portfolio that comprises e-scooters, batteries (lead acid and lithium-ion) and solar panels. The group has built its own exclusive dealer/distributor network, primarily in North India. Currently, it has ~260 dealers/distributors for the sale of e-scooters and monthly 20-25 dealers are added. The group also sells its products (e-scooters, batteries, solar panels and other solar products) through "Urja Kendra" – a dedicated retail outlet facilitating the sale of these products. The group plans to expand this model across India through its established channel partner network, enhancing its presence and reach in the retail segment. Further, the group sells products directly to consumers (B2C) through its Urja Kendra website.

Liquidity: Stretched

The group's repayment obligations for FY26 stood close to Rs. 0.58 crores as against expected GCA of ~Rs.2.30 crores. Further, the group has low free cash and bank balance of Rs.0.40 crore as on September 30, 2025. The group is not planning to incur any capex in the medium term.

Applicable criteria

Consolidation
Definition of Default
Issuer Rating
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector

Auto Components & Equipments
Wholesale Trading

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Diversified	Diversified	Diversified	Diversified

Incorporated in 1992, UGL is listed on both stock exchanges (NSE and BSE). Urja group is engaged in manufacturing, assembly, and marketing of e-scooters and lead acid batteries. The group is also engaged in trading and installation of solar panels. From current fiscal year, the group has also started to undertake the solar EPC projects, wherein it aims to undertake solar projects from private organizations by way of designing, supplying and installation of solar panels, batteries, inverters etc. Further, the group also sells its products through "Urja Kendra" – a dedicated retail outlet facilitating the sale of these products. It plans to expand this model across India through its established channel partner network, enhancing its presence and reach in the retail segment.

Brief Financials (₹ crore) Consolidated	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	44.47	67.25	34.51
PBILDT*	2.36	1.80	1.30
Profit after tax (PAT)	2.03	1.38	1.38
Overall gearing (x)	0.26	0.31	0.27
Interest coverage (x)	3.32	2.85	4.33

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
Issuer Rating-Issuer Ratings		-	-	-	0.00	CARE BB-; 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	Issuer Rating-Issuer Ratings	LT	0.00	CARE BB-; Stable	-	1)CARE BB-; Stable (20-Dec-24)	-	-

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	Issuer Rating-Issuer Ratings	Simple

Annexure-5: Lender details: Not applicable

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Urja Batteries Limited	Full	Subsidiary
2	Urja Digital World Limited	Full	Subsidiary
3	Sahu Minerals and Properties Limited	Full	Subsidiary

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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