FC TECNRGY PRIVATE LIMITED

January 08, 2026

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

Rationale and key rating drivers

Reaffirmation in ratings assigned to FC Tecnrgy Private Limited (FCT) factors in the company's healthy profitability margins, a robust capital structure, and adequate liquidity position. Rating takes cognizance of the moderation in total operating in FY25 (refers to April 01, 2024, to March 31, 2025) and H1FY26 (refers to April 01, 2025, to September 30, 2025) due to execution timing. Rating also derives comfort from the comfortable financial profile of the company marked by negligible debt profile, with minimal reliance on external borrowings and sizeable cash and liquid investments. The ratings also derive strength from the experienced and qualified management, the company's established track record in providing fuel-cell-based power solutions, and its efficient working capital management. However, the ratings remain constrained by the high dependence on defence-related orders, particularly from the Indian Army, leading to customer concentration risk, the dependence on a limited supplier base for critical fuel cell components, and volatility in revenue visibility due to lumpy order execution, which has also resulted in moderation in operational performance of the company. Further, the sustainability of growth and profitability in a niche business segment, along with increasing competition in the fuel cell and clean energy space, remain key monitorable going forward

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the TOI over and above Rs.400 crore while sustaining PBILDT margins above 20%
- Improvement in the Gross Cash accruals more than Rs. 55-60 crore on sustainable basis

Negative factors

- Significant decline in scale of operations coupled with PBILDT margin going below 15% on a sustained basis
- Moderation in TOL/TNW above 3x on sustained basis
- Decline in Cash & Bank balance including FDs and mutual funds below Rs.50 crore on sustained basis

Analytical approach: Standalone

Outlook: Stable

The "Stable" outlook reflects that the company is likely to benefit from its established relationship with the customers/suppliers and sustain the comfortable financial risk profile and adequate liquidity position with extensive experience of the promoters in this business.

Detailed description of key rating drivers:

Key strengths

Healthy Operational performance despite moderation witnessed in FY25

Despite volatility in revenue trajectory, the company has demonstrated healthy profitability margins. Following a sharp scale-up in FY24, with total operating income (TOI) rising to ₹291.85 crore (FY23: ₹80.56 crore) driven by execution of large defence orders, revenues moderated to ₹213.43 crore in FY25 owing to timing differences in order execution and lower billings. In H1FY26, TOI stood at ₹75.73 crore, reflecting a relatively slower execution pace during the period.

Notwithstanding the moderation in topline, profitability indicators strengthened, highlighting the company's operating resilience. PBILDT margin improved significantly to 25.61% in FY25 (FY24: 17.36%), supported by lower raw material intensity and a favourable cost structure. PAT margin also expanded to 21.66% in FY25 (FY24: 14.11%). In H1FY26, PBILDT margin remained healthy at around 22%, underscoring the company's ability to sustain comfortable margins even amid revenue fluctuations.

Going forward, revenues are expected to recover gradually from FY27 onwards, aided by execution of defence and non-defence orders, while profitability is likely to remain comfortable, though subject to order mix and input cost dynamics.

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

Improved capital structure and debt protection metrics

The company's capital structure strengthened materially over the last two years. Net worth improved sharply to ₹93.06 crore as on March 31, 2025 (FY24: ₹65.73 crore), supported by strong internal accruals. Total debt remained negligible at ₹0.14 crore in FY25, and the company is debt-free in projected years.

As a result, gearing stood at nil as on March 31, 2025, while debt protection metrics remained exceptionally strong, with PBILDT interest coverage of 92.82x in FY25 and Total Debt/GCA at nil levels. The absence of reliance on working capital borrowings further strengthens the company's financial risk profile and provides adequate headroom to absorb business volatility.

Efficient working capital management

FCT has efficient working capital management as reflected by negative operating cycle at 30 days mainly on account of good credit period received by the company from its suppliers. Company usually credit period of 5-6 months from its suppliers based on their good relations. Further, most of the customers of the company are from ministry of defence who initiate orders through a tendering process. Upon receiving a purchase order, the company typically receives an advance payment of 10% - 15%. Subsequently, upon completion of production, the company receives 60% of the payment following Pre-Dispatch Inspection (PDI), with the remaining 25% to 30% disbursed upon joint receipt inspection on account of the same company has only 57 days of debtors outstanding as on March 31, 2025. Company dispatch orders in lots which leads to inventory days of 30-60 days.

Experienced and qualified management

FC Tecnrgy Private Limited is promoted by Colonel Karandeep Singh (Retired), who served for around 20 years as an Infantry Officer in the Indian Army and has approximately 3.5 years of experience with an Indian IT (GIS) and defence-focused multinational company, where he held the position of Vice President. The company is managed by a qualified and experienced leadership team and the collective experience and domain expertise of the management team support effective decision-making and contribute positively to the company's day-to-day operations and strategic execution.

Key weaknesses

High customer concentration with dominant reliance on defence orders

The company continues to exhibit high customer concentration, with a significant portion of revenues derived from defence-related orders, particularly from Indian Army-linked entities. In FY24 and FY25, defence segment contributed the majority of revenues, while exports and non-defence segments remain nascent.

Although the company has initiated diversification into non-defence applications such as smart cities, data centres, railways, and limited exports, the revenue contribution from these segments remains modest as of H1FY26. Any slowdown, deferment, or policy-related changes in defence procurement could materially impact revenue visibility and execution pace.

High dependence on single supplier for fuel cell

The company is engaged in manufacturing of power backup system for various purposes including power backup in remote areas, village electrification, data centre power backup and others. For the same company require various products like fuel cells, cables, enclosures etc and are doing the assembly in India. The company is heavily dependent on its supplier SFC Energy for the supply of fuel cells. However, the risk is mitigated to some extent as FCT has good relations with SFC energy AG and on account of the same in June 2023, SFC Energy AG started has set up subsidiary in India namely SFC Energy India wherein FCT also hold 8% stake. SFC has an exclusive agreement with FCT till 2032 for supply of fuel cells, and major disruption or supply chain issues in SFC, can have major impact on the FCT operations and its ability to complete the orders in timely manner.

Rising competition in fuel cell industry in India

Presently FCT does not face much competition because of its unique product however fuel cell industry in India is expanding based on various factors such as increasing government support for clean energy initiatives, growing awareness of environmental issues, and advancements in fuel cell technology. As a result, both domestic and international companies are intensifying their efforts to capture market share and establish themselves as leaders in this rapidly evolving sector. This competitive landscape is fostering innovation, driving down costs, and expanding the range of fuel cell applications in India, ultimately benefiting consumers and accelerating the transition towards sustainable energy solutions.

Liquidity: Adequate

Liquidity position of the company is adequate as expected gross cash accruals generated by the company amounting Rs.23.92 crore in FY25, against no major term debt obligation. FCT has cash and bank balance (including lien marked FDs) of Rs. 55.43 crore as on March 31, 2025. Furthermore, the company also has investments in mutual funds amounting to Rs. 26.00 crores as on September 30 ,2025. Current ratio of the company also comfortable, as it remains above unity from past 5 years.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Electrical Equipment	Other Electrical Equipment

The Company was founded in early 2016 by Col Karandeep Singh (Retd) who had taken early retirement to become an entrepreneur. FC TecNrgy is the first company to commercialize Fuel Cells in India for the Defence & Homeland Security Domains. The Company has deployed over 2000 Fuel Cell Solutions in India over the last four years with the CAPF, Smart Cities, and Ministry of defence. FC TecNrgy is the exclusive partner of SFC Energy, Ag of Germany, one of the world's leading Fuel Cell companies since 2016, and has a similar partnership with Oorja Fuel Cells of Fremont, CA, USA. In June 2023, SFC Energy AG started production of Direct Methanol, Hydrogen Fuel Cells and Power Electronics Products in India under SFC Energy India wherein FCT hold 8% stake in SFC energy India.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	291.85	213.43	75.73
PBILDT*	50.67	54.67	NA
Profit after tax (PAT)	41.19	46.23	13.02
Overall gearing (x)	0.35	0.00	NA
Interest coverage (x)	59.35	92.82	NA

A: Audited UA: Unaudited NA: Not Available; 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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Issuer Rating-Issuer Ratings		-	-	-	0.00	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	Issuer Rating-Issuer Ratings	LT	0.00	CARE BBB; Stable	-	1)CARE BBB; Stable (02-Jan-25)	1)CARE BBB-; Stable (22-Mar-24)	1)CARE BB+; Stable (26-Dec-22) 2)CARE BB+ (Is); Stable (15-Dec-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	Issuer Rating-Issuer Ratings	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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