

Waaree Renewable Technologies Limited

February 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	27.37 (Reduced from 28.94)	CARE A+; Stable	Upgraded from CARE A; Stable
Long-term / Short-term bank facilities	2,200.00 (Enhanced from 1,394.06)	CARE A+; Stable / CARE A1+	Upgraded from CARE A; Stable / CARE A1

Details of instruments/facilities in Annexure-1.

Rationale and key rating driver

The ratings upgrade on the bank facilities of Waaree Renewable Technologies Limited (WRTL), which is engaged in the business of providing engineering, procurement, and construction (EPC) solutions in the solar power sub-segment, factors in significant increase in scale of operations of the company and profitability margins remaining in line with envisaged levels. This is reflected by total operating income (TOI) of ₹1,598 crore in FY25 and ₹2,229 crore in 9MFY26 against TOI of ₹877 crore in FY24. Moreover, the profitability margins continue to sustain at satisfactory levels with earnings before interest, taxation, depreciation, and amortisation (EBITDA) margin of 19.5% in FY25 and 9MFY26. Further, the receivable position has improved with collection cycle of ~80 days as on September 2025 end against ~114 days as on FY25 end. This apart, upwards revision in ratings of WRTL factors in the improvement in credit profile of WRTL's parent, Waaree Energies Limited (WEL, rated 'CARE AA-; Stable/CARE A1+').

The ratings continue to factor in the strong and resourceful parentage by virtue of WRTL being a subsidiary of WEL, which is the largest solar PV module manufacturer of India with 5.4 GW of solar cell and ~22.8 GW of solar module manufacturing capacities as of December 2025 end. Further, WRTL's order book position continues to remain healthy as reflected by an unexecuted order book for ~2.9 GW aggregating to gross unexecuted contract value of ~₹3,537 crore as on December 2025 end.

However, these rating strengths of WRTL are partially offset by high competitive intensity in the renewable energy EPC segment and profitability margins susceptible to volatility in input prices. Further, CARE Ratings Limited (CareEdge Ratings) considers the nature of business operations, which requires utilisation of working capital limits to extend letters of credit (LCs) / bank guarantees (BGs) to vendors and customers. Going forward, the company's ability to execute underlying orders without any material cost or time overrun would be critical from a profitability perspective.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the credit profile of the parent, WEL.
- Improvement in financial risk profile as reflected by significant improvement in profitability margins on a sustained basis.

Negative factors

- Deterioration in financial risk profile as reflected by lower-than-expected profitability margins and increase in operating cycle thereby adversely impacting the liquidity.
- Decline in total outside liabilities to tangible net worth (TOL/TNW) beyond 2.5x on a sustained basis.
- Weakening of the credit profile of the parent, WEL, or any change in linkages/support philosophy between the parent and WRTL.

Analytical approach: Consolidated; factoring in parent support.

CareEdge Ratings has analysed WRTL based on consolidated financials of the entity. Subsidiaries consolidated with WEL as on September 30, 2025, are listed under Annexure-6. Moreover, CareEdge Ratings expects WRTL's parent, WEL, to be willing to extend need-based support to WRTL, given the high strategic importance of WRTL for WEL.

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

Outlook: Stable

The stable outlook on the CARE A+ rating of WRTL reflects CareEdge Ratings' opinion that the company would benefit from its healthy order book position. The expectation of successful order book execution and sustained improvement in operational performance supports the outlook.

Detailed description of key rating drivers:
Key strengths
Strong and resourceful parentage by virtue of being a part of the Waaree Group

WRTL is a majority owned subsidiary of WEL and a part of the Waaree group. WEL is an established player in the solar module manufacturing industry with track record of over 15 years. The company is the largest solar module manufacturer in India with 5.4 GW cell and 22.8 GW module manufacturing capacities (including ~1.6 GW module capacity in US) as on December 2025 end. In addition to solar module manufacturing, the Waaree group also undertakes EPC activities for solar power plants, which contributes ~10% of total sales. WEL is also part of the ALMM-I for solar PV module manufacturing in India having enlisted module manufacturing capacity of ~20 GW per the ALMM-I list dated December 22, 2025, and enlisted cell manufacturing capacity of ~5.2 GW per the ALMM-II list dated December 15, 2025, released by the Ministry of New & Renewable Energy (MNRE).

Significant growth in revenue over the years and healthy profitability, and swift operating cycle

The company's financial position is strong as reflected by growth in total operating income (TOI) from ~₹877 crore in FY24 to ~₹1,598 crore in FY25 and ~₹2,229 crore in 9MFY26. The company has maintained operating profitability margins above 15% and net margins above 10% since FY23. The working capital intensity is moderate with inventory holding period of less than 10 days and operating cycle of less than 50 days.

Strong financial position characterised by unleveraged capital structure

The company's capital structure is satisfactory as reflected by overall gearing of 0.1x as on September 2025 end. The company's overall gearing has remained below unity as the company does not have any significant long-term debt and only requires working capital limits to manage the company's day-to-day operations. Further, TOL/TNW stood at 1.2x as on September 2025 end, which further aids the company's financial strength.

Healthy orderbook position providing revenue visibility in the near term

The company has a healthy unexecuted order book for ~2.9 GW aggregating to gross unexecuted contract value of ~₹3,537 crore as of December 2025 end, providing revenue visibility to the company in the near term. Moreover, the order book constitutes contracts with reputed counterparties eliminating counterparty credit risk to a meaningful extent.

Key weaknesses
Susceptibility of profitability to volatility in the prices of key input

WRTL undertakes EPC contracts (Turnkey and BOS - Balance of Supply) for construction of solar power projects across geographies to be commissioned within predefined timelines and cost. CareEdge Ratings notes that challenges with respect to increase in the prices of various inputs, cables, structures, and modules among others may impact the company's TOI and profitability. While the risk of increase in the solar module prices is partly mitigated due to the fact that WRTL sources its modules from its parent, WEL, the company's ability to demonstrate strong project execution capabilities despite disruptions remains crucial from the credit perspective. Moreover, CareEdge Ratings also makes a note of the fact that with sharp fluctuations in metal prices and challenges in land acquisition and receipt of prerequisite clearances, profitability of solar EPC players like such as WRTL may remain vulnerable.

High level of competitive intensity in the solar EPC segment

WRTL is a mid-sized player operating in an intensely competitive and fragmented industry. Its competitors include EPC arms of several independent power producers (IPPs), who comparatively hold a high bargaining power in terms of securing orders from those respective developers. It also faces competition from several medium to small-sized players, who provide EPC and operations and maintenance (O&M) services to the same target segment.

Dependence on working capital limits to sustain business operations

Given the nature of business operations, the company requires working capital limits to extend LCs/BGs to its vendors and customers. As of September 2025 end, of the total sanctioned limits, working capital utilisation stood at 59%. Going forward, the company's ability to execute underlying orders without material cost or time overrun would be critical from a profitability perspective.

Liquidity: Adequate

As on September 2025 end, the company had free cash and bank balance of ~₹107 crore. This apart, the company had restricted cash balance of ~₹141 crore and unutilised working capital limits of ~₹450 crore as of September 2025 end. Due to the nature of the business, the company does not maintain a higher cash balance since working capital requirement is funded through external facilities periodically.

Environment, social, and governance (ESG) risks

WRTL is dedicated to fostering sustainable living by championing environmental preservation, promoting health and safety through adoption of green energy practices, empowering children through educational initiatives, and actively engaging communities in environmental stewardship programmes. Notably, 43% of WRTL's board consists of independent directors, ensuring robust governance and diverse perspectives.

Applicable criteria
[Consolidation](#)
[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

Incorporated on June 06, 1999, WRTL is a majority owned subsidiary of WEL. WRTL is engaged in the business of providing EPC solutions to third-party renewable energy developers across the country and generation of power through renewable energy sources. The company is listed on the Bombay Stock Exchange (BSE).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	December 31, 2025 (UA)
Total operating income	877	1,598	2,229
PBILDT*	207	311	434
Profit after tax (PAT)	145	229	323
Overall gearing (x)	0.2	0.1	NM
Interest coverage (x)	30.6	21.0	41.0

A: Audited, UA: Unaudited, NM: Not Meaningful; 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
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	-	-	-	-	2200.00	CARE A+; Stable / CARE A1+
Term Loan-Long Term	-	-	-	December 2033	27.37	CARE A+; 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	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	2200.00	CARE A+; Stable / CARE A1+	-	1)CARE A; Stable / CARE A1 (21-Mar-25) 2)CARE A-; Stable / CARE A2 (24-Oct-24) 3)CARE A-; Stable / CARE A2 (10-May-24)	-	-
2	Term Loan-Long Term	LT	27.37	CARE A+; Stable	-	1)CARE A; Stable (21-Mar-25) 2)CARE A-; Stable (24-Oct-24)	-	-

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	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple
2	Term Loan-Long Term	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Waasang Solar One Pvt Ltd	Full	Subsidiary
2	Sunsational Solar Pvt Ltd	Full	Subsidiary
3	Sunsantional Energy Pvt Ltd	Full	Subsidiary
4	Sunsational Power Private 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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