

## Solar91 Cleantech Limited

February 10, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term / Short-term bank facilities	28.00	CARE BBB-; Stable / CARE A3	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The ratings assigned to bank facilities of Solar91 Cleantech Limited (Solar91) factor in the qualified promoters and company's sizeable order book and power purchase agreement (PPA)-tied independent power producer (IPP) pipeline of over 230 MW, which provides medium-term revenue visibility. The ratings also derive strength from healthy improvement in profitability in FY25 (FY refers to April 01 to March 31) and its moderate capital structure and adequate liquidity.

However, these rating strengths are partially offset by Solar91's moderate scale of operations, geographic concentration of solar engineering, procurement, and construction (EPC) operations and susceptibility of margins to volatility in solar module prices, and intense competition in the solar EPC and IPP segments.

The ratings also factor in the sizeable equity commitments required for the implementation of IPP projects undertaken through Solar91's wholly owned special purpose vehicles (SPVs). Additionally, ratings reflect the inherent execution risks associated with solar project development, particularly in relation to land acquisition and grid connectivity, given the company's moderate track record in executing both ground-mounted and rooftop solar projects.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Growth in scale of operations above ₹550 crore, while maintaining its healthy orderbook and profitability on a sustained basis.
- Reduction in guaranteed obligations and financial support to SPVs on a sustained basis resulting in adjusted gearing below 1.4x.

#### Negative factors

- Decline in its TOI below ₹350 crore or sustained decline in profitability leading to lower cash accruals or increase in reliance on external debt leading to overall gearing above 1.0x on a standalone basis.
- Lower-than-expected operational performance of SPVs, necessitating support from Solar91 to fund its debt obligations.
- Any stretch in working capital cycle impacting liquidity position of the company on a sustained basis.

**Analytical approach:** Standalone while factoring equity commitment and corporate guarantees for debt in SPVs.

### Outlook: Stable

The Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that the company will sustain its operational performance, supported by a healthy order book and the favourable growth prospects of the renewable energy sector.

### Detailed description of key rating drivers:

#### Key strengths

##### Qualified promoters, albeit moderate execution track record

Solar91 was incorporated by four first-generation promoters with over a decade of experience in the solar power sector. The roles and responsibilities within the company are fairly divided with Mr Prateek Agrawal and Mr Sandeep Gurnani look after the company's operations, and Mr Saurabh Vyas and Mr Dhawal Vasavada looks after marketing, finance, and other functions of the company. As of March 2025, the company has executed solar power projects of ~100 MW under the EPC model across multiple states in India, primarily in the rooftop and ground-mounted segments. Backed by qualified promoters with a growing execution track record, which has substantially strengthened in the last two years, company has scaled up to an IPP-linked EPC model.

##### Healthy order book providing medium-term revenue visibility, albeit execution-dependent

Solar91 has secured a sizeable project pipeline aggregating over 325 MWAC under the Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyaan (PM-KUSUM) scheme, comprising over 150 MWAC in Rajasthan and over 175 MWAC in Karnataka. Additionally, Solar91 has been awarded a 50 MW / 100 MWh standalone Battery Energy Storage System (BESS) project in Rajasthan. Execution of these projects is undertaken through newly formed wholly owned SPVs, with Solar91 acting both as the project sponsor and the EPC contractor.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

Overall, the sizeable pipeline provides revenue visibility; however, the timely achievement of financial closure, equity mobilisation and execution across multiple SPVs remains a key monitorable. Moreover, considering BESS is a new vertical, where the promoters have limited technical experience, the timely execution and stabilisation of the BESS project, remains crucial for the company's scale-up plans.

### **Healthy profitability**

During FY21 to FY23, Solar91's profit before interest, lease rentals, depreciation and taxation (PBILDT) margins remained thin in the range of 0.1% to 2.1%. However, with growth in scale of operations, improved project mix and initial contribution from IPPP linked execution pipeline, Solar91 reported healthy improvement in profitability with the PBILDT margin improving to 16.64% in FY25 from 9.48% in FY24. In H1FY26, Solar91 has reported PBILDT margins of 20.51% with increased pace of IPP project execution. The company's increasing exposure to IPP-linked execution is expected to support margins over the medium term.

### **Moderate financial risk profile**

Solar91's capital structure remains moderate, with overall gearing of 0.18x as on March 31, 2025, supported by equity infusion and profit accretion. The company also raised equity of ₹60.27 crore till November 30, 2025. However, after factoring guaranteed debt at SPV-level, Solar91's adjusted overall gearing remained high at 4.38x as of FY25 end. However, projects under SPVs are expected to be self-sustainable, and no further support from Solar91 is envisaged once they commence commercial operations. Debt coverage indicators are comfortable on a standalone basis.

### **Favourable renewable energy industry outlook**

India has set an ambitious target of achieving 500 GW of renewable energy capacity by 2030 where solar power is expected to occupy a lion's share. To achieve this target, ~36 GW of solar energy capacity is required to be installed every year, till 2030. There is a great thrust from the government for improving the share of solar power in India's overall power mix, which is reflected from various policy initiatives. Government has introduced PM-KUSUM scheme to achieve solar power capacity addition of 34.8 GW by March 2026 with total central financial support of ₹34,400 crore. Solar91 has received the IPP projects under PM-KUSUM scheme and has already executed PPAs for ~237.30 MW till November 2025.

### **Key weaknesses**

#### **Sizeable equity commitment requirement for IPP projects under SPVs**

Solar91 has received Letter of Award aggregating over 325 MW under the IPP segment in which the company is expected to infuse ~30% of the project cost as equity, while the remaining amount will be financed through debt at the SPV level, guaranteed by Solar91. Signing of PPA, securing prerequisite clearance and timely achievement of financial closure of project debt will remain crucial for execution of the IPP projects.

Currently, Solar91 plans to fund its equity requirements through internal accruals and raising equity. This apart, Solar91 has the option to divest its equity stake in SPVs and has a liquidity cushion in form of Central Finance Assistance (CFA) to fund its equity commitments. Any delay/ shortfall could adversely impact project execution and increase reliance on external debt, which may impact the company's financial risk profile and liquidity. Hence, Solar91's ability to mobilise the required equity and debt in a timely manner remains critical from a credit perspective.

### **Moderate scale of operations**

Solar91 operated primarily as a solar EPC player until FY24, with operating income in the range of ₹18–43 crore during FY21–FY24. While Solar91's TOI grew to ₹135 crore in FY25 and ₹200 crore in H1FY26 following the commencement of IPP-linked EPC execution, its overall scale remains moderate. Given that Solar91's entire order book comprises projects from its wholly owned SPVs, with no third-party orders, the company's ability to scale up depends on timely equity mobilisation, financial closure of SPV-level debt, and strict adherence to project commissioning timelines.

### **Geographical concentration of operations**

Solar91's IPP-linked EPC order book is primarily concentrated in Rajasthan and Karnataka, exposing the company to state-specific regulatory, policy, and operational risks, including changes in solar policies, tariff structures, subsidy mechanisms, and payment behaviour of state DISCOMs. Any adverse policy changes, delays in approvals, or deterioration in the financial profile of the concerned DISCOMs could impact project implementation timelines, cashflows at the SPV level, and consequently the company's overall risk profile. However, government focus on solar energy and policy support is expected to mitigate the risk to some extent.

### **Intense competition and profitability susceptible to input price volatility**

Solar91 operates in a highly competitive solar EPC and IPP development environment, facing competition from larger, well-established national EPC contractors and integrated renewable energy developers. Competitive bidding for DISCOM-linked projects limits pricing flexibility and results in tight project margins. The company's profitability remains exposed to volatility in solar module and cell prices, which constitute a significant portion of project cost, particularly given the fixed-tariff nature of PPAs and limited cost pass-through mechanisms. While the company undertakes bulk procurement and attempts to optimise purchase timing, sharp increase in input prices or delays in procurement could adversely impact margins at both the EPC and IPP levels. Accordingly, the company's ability to manage procurement efficiently and maintain cost competitiveness remains a key monitorable.

**Liquidity: Adequate**

Solar91's liquidity remains adequate marked by moderate cash accruals and moderate utilisation of fund-based working capital limits. Solar91 has generated gross cash accruals of ₹16.81 crore in FY25 (FY24: ₹2.39 crore). Solar91 reported cash flow from operations of ₹30.65 crore (FY24: ₹6.48 crore) in FY25 and had free cash and bank balance of ₹5.37 crore as of FY25 end. Average month-end utilisation of its fund-based working capital limits in the trailing 12 months ended November 2025, has remained ~60%. However, non-fund-based limit utilisation has remained ~90% reflecting elevated requirements for bank guarantees towards bid security and performance obligations. Further, SPVs are eligible to receive CFA from MNRE under PM-KUSUM scheme which can be up streamed to Solar91 which will aid liquidity.

**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](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

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[Factoring Linkages Parent Sub JV Group](#)

**About the company and industry****Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Incorporated in 2015 and based in Jaipur, Solar91 is a renewable-energy company offering comprehensive solar power solutions. Founded by four IIT alumni, the company has expanded from being an EPC company catering to commercial and industrial clients—including rooftop solar and related installations—to operating under the IPP model.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2026 (UA)
Total operating income	42.93	135.01	200.48
PBILDT*	4.07	22.46	41.13
Profit after tax (PAT)	2.34	16.61	31.69
Overall gearing (x)	1.39	0.18	0.10
Interest coverage (x)	6.53	24.79	47.36

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ST-Cash Credit		-	-	-	2.00	CARE BBB-; Stable / CARE A3
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	26.00	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/ST-Cash Credit	LT/ST	2.00	CARE BBB-; Stable / CARE A3				
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	26.00	CARE BBB-; Stable / CARE A3				

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/ ST-Cash Credit	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	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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