

Rotomag Enertec Limited

March 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	438.00 (Enhanced from 220.00)	CARE A-; Stable / CARE A2+	Reaffirmed
Short-term bank facilities	0.50	CARE A2+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Rotomag Enertec Limited (previously known as Rotomag Motors and Controls Private Limited) (REL) continue to draw strength from vast experience of its promoters, established position of Rotomag Group (mainly including REL and its subsidiary Rotomotive Powerdrives (India) Limited [RPIL; rated CARE A-: Stable/CARE A2+]) in manufacturing high performance electrical motors (direct current [DC] and alternating current [AC]) and solar pumps with a growing focus on solar pumping solution (SPS) business segment, group's wide marketing and distribution network and its geographically diversified clientele.

Ratings also take note of a healthy growth in company's total operating income (TOI) and profitability in FY25 (FY refers to April 01 to March 31) and 9MFY26 on a consolidated basis, and the growth momentum is expected to continue, aided by favourable growth prospects for SPS in India backed by government support. Ratings further continue to draw strength from REL's comfortable capital structure and debt coverage indicators and its adequate liquidity.

However, ratings continue to remain constrained by high working capital intensive SPS business segment with significant elongation of receivables of REL at 9MFY26-end owing to a delay in receipt of central funding, though the same is expected to improve till year-end with gradual release of funds from January 2026. Ratings also take note of susceptibility of SPS's business to changes in government policies. Ratings further remain constrained considering vulnerability of REL's profitability to volatile raw material prices and foreign exchange fluctuation and, intense competition in the AC motors and SPS business segments.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained growth in consolidated total operating income (TOI) through solar segment while maintaining profitability and credit metrics, without material adverse impact on the working capital cycle.

Negative factors

- Decline in consolidated TOI below ₹500 crore and decline in profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin below 10%, on a sustained basis.
- Elongation of gross current asset days above 350 days and / or large debt funded capex, leading to deterioration in overall gearing over 0.50x and resulting in moderation in surplus liquidity, on a sustained basis.

Analytical approach: Consolidated

For arriving at ratings of REL, CARE Ratings Limited (CareEdge Ratings) has taken a consolidated view of REL and its wholly owned subsidiary i.e. RPIL and step-down subsidiary i.e. Cyclo Transmissions Limited (CTL). REL holds 98.90% equity stake in RPIL and has also extended an unconditional and irrevocable corporate guarantee for bank facilities of RPIL. Companies have a common management and RPIL shares its manufacturing facilities with REL's solar pumps manufacturing. REL has also acquired controlling stakes in two other subsidiaries in FY26. CTL is a wholly owned subsidiary of RPIL with 100% shareholding.

List of companies considered in REL's consolidation is shown in Annexure-6.

Outlook: Stable

A stable outlook reflects CareEdge Ratings' view that REL is likely to maintain its operating performance supported by its experienced promoters and established position of the group, while sustaining its low leverage level and adequate liquidity profile.

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

Detailed description of key rating drivers:

Key strengths

Experienced promoters in electric motors business

The Rotomag group has an operational track record of over three decades in manufacturing DC and AC motors for diversified industrial applications. The promoter, Umesh Balani, has over 30 years' experience in the electric motor industry and promoters are supported by a qualified team of professionals in day-to-day operations.

Established presence of the group in manufacturing AC motors, DC motors and pumps, with growing focus on solar pumping solution business

The Rotomag group has a strong presence in the motor manufacturing segment, given strong research and development foothold, which enables the company to manufacture variety of AC and DC motors, including Brushless DC (BLDC) and Permanent Magnet DC (PMDC) motors of different specifications for customised end-use. It also manufactures surface submersible solar pumps with PMDC and BLDC technologies, which has high efficiency over conventional pumps.

In the last few years, the Rotomag group's focus towards the SPS has amplified, which has benefited the company in terms of increased scale of operations, improved margins and geographical diversification in different states.

Established sales and distribution network with geographically diversified clientele

The group has successfully established its operations in the domestic market supported by its technologically advanced products and strong after sales service. REL has a network of ~350+ dealers/distributor across India. It also supplies DC and AC motors directly to original equipment manufacturers (OEMs) across industries such as printing, packaging, electric vehicle, power distribution and irrigation, among others. The group also exports its products (mainly DC motors) to the USA, the Netherlands, and other European countries.

In the solar space, the company has executed solar pumping projects for government authorities across states, including Haryana, Gujarat, Rajasthan, Madhya Pradesh, Maharashtra, and Chhattisgarh, among others.

Growing scale of operations with healthy profitability

The company operates in three business divisions, namely AC/DC motors, supply of solar pumps and SPS projects under PM-KUSUM. In FY25, REL's consolidated TOI grew significantly by 82% to ₹1,266 crore (PY: ₹695.12 crore), with ~86% of the consolidated scale contributed by REL. At consolidated level, profitability also improved with a 663 bps improvement in PBILDT margin to 19.56% in FY25, supported by economies of scale and better price realisation for SPS projects executed by REL under the latest Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM) tenders.

In 9MFY26, consolidated TOI grew by 15% to ₹871.40 crore (₹758.94 crore in 9MFY25) with a PBILDT margin of 17.63%. As on December 31, 2025, REL had an order-book of ₹1600 crore, including ₹810 crore for SPS projects under PM-KUSUM and ₹790 crore pertaining to solar rooftop work under Pradhan Mantri Surya Ghar Yojana, providing moderate revenue visibility. Large part of this orderbook is expected to be executed in Q4FY26, with this the growth momentum in consolidated TOI is expected to continue for FY26 as well.

Low leverage and comfortable debt coverage indicators

On a consolidated basis, REL's capital structure remains comfortable, marked by an overall gearing of 0.40x as on March 31, 2025 (0.24x as on March 31, 2024). The debt includes fixed deposit (FD) backed overdraft (OD) of ₹103 crore as on March 31, 2025, and overall gearing adjusted for FD backed OD stood low at 0.24x as on March 31, 2025 (PY: 0.04x). The marginal deterioration in gearing at FY25 end against previous year end was owing to incremental working capital borrowings availed to fund the sizeable growth in scale. For 9MFY26, company's debt level elevated further with availment of ₹100 crore NCDs for acquisition of controlling stake (51%) in Statcon Energia Private Limited, and further working capital debt availed to fund the elongated receivables, particularly from Maharashtra.

Debt coverage indicators on a consolidated basis remained comfortable in FY25, marked by PBILDT interest coverage and total debt to PBILDT (TD/PBILDT) of 11.91x and 1.00 year, respectively. For 9MFY26, PBILDT interest coverage moderated to 5.47x but remained comfortable. This moderation was owing to an overall decline in consolidated profitability with moderation in margin in RPIL, led by increase in metal prices which could not be passed on entirely owing to high competition, and elevated interest costs in REL due to availment of additional working capital borrowings.

Favourable growth prospects from government's impetus on using renewable energy in agricultural sector

The government launched PM-KUSUM scheme to promote the use of solar pumps in farming, under which government assistance is provided to incentivise farmers to run solar water pumps and use barren land for generating power for extra income every year. This augurs well for players such as REL. Under Component-B of PM-KUSUM, government envisages installation of 12,32,327 off-grid solar pumps, of which ~9,42,189 pumps are installed as on November 30, 2025. This and healthy budgetary allocation of ₹5,000 crore in Union Budget 2026-2027, provides healthy revenue visibility for the players in SPS segment.

Additional demand drivers for energy efficient pumps in the domestic market include replacement demand for conventional (low efficiency) diesel pumps, which are saddled with challenges such as high operating cost and frequent power outages.

Key weaknesses**High working capital intensity in solar pumping solution business**

On a consolidated basis, ~70-75% of TOI in FY25 and 9MFY26 was generated through SPS. Considering the tender-driven business, collection cycle from SPS remains ~5-6 months and remains vulnerable to delays in release of subsidies by government. Skewed order execution for SPS in second half of the financial year inflates outstanding debtors at year end. This and the company's increased execution of SPS projects in Maharashtra (over 70% of SPS revenue was derived from Maharashtra in FY25 and 9MFY26), led to significant elongation in receivables in 9MFY26 owing to state budgetary constraints and delay in receipt of credit lines from Asian Infrastructure Investment Bank (AIIB). This resulted in a high collection period of 242 days in 9MFY26, against 143 days in FY25.

Some traction in receivables was witnessed post December 2025 and as articulated by the management, large part of the long-outstanding receivables are expected to be realised before year end. Streamlining of the receivables cycle and timely release of funds from central/state government shall remain a key rating monitorable.

Exposure to volatile raw material prices and foreign exchange rate fluctuations

On a consolidated basis, REL's key raw materials include steel, aluminium, and copper, which contribute ~50-60% total cost. Prices of these raw materials are volatile due to their global demand-supply linkages, which exposes REL's profitability to raw material price fluctuation risk. However, REL endeavours to largely procure these materials based on confirmed orders, which mitigates the risk to a certain extent.

REL also imports some of its raw materials, however the imports are negligible, limiting the exposure to forex fluctuation risks. On a consolidated basis, the company is a net exporter, which also provides some benefit of natural hedge against adverse foreign exchange rate fluctuations risk.

Intense competition in motors and solar pumping system business

The group faces intense competition in its motors and solar business. Market for AC motors has competition from well-established global and domestic players such as ABB, Siemens, Nidec, Bonfiglioli, Bharat Bijlee and CG Power and Industrial Solutions Limited (previously known as Crompton Greaves), among others, while the market for DC motors is fragmented. However, complexity and high precision requirement in the motor division gives the company a competitive edge and results in better margins. As the government is focused on increased usage of electric vehicles (EVs), demand of AC motors used in EVs is expected to improve.

SPS business is also highly competitive with presence of many organised and unorganised players, which constrains profitability. However, this risk is partly mitigated by the company's position as being one of the largest suppliers of solar pumps under PM-KUSUM scheme in India.

Solar pumping solution business susceptible to change in government policies

SPS business heavily depends on regulatory and budgetary support from government. In many cases, solar pumps are subsidised up to 60-70%. Adverse change in government policy / withdrawal of subsidy support / delays in releasing subsidy may adversely impact business prospects and the company's profitability, with sizeable share in TOI being from this segment.

Liquidity: Adequate

REL's liquidity is adequate, characterised by sufficient cushion in accruals against the term-debt repayment obligations and unencumbered free cash and bank balance of ~₹40 crore as on December 31, 2025.

With an overall gearing of 0.40x as on March 31, 2025, REL has sufficient gearing headroom to raise funds for its capital expenditure and working capital requirements. The cashflow from operations stood negative at ₹36.74 crore with sizable growth

in scale of operations in FY25, funded by incremental working capital borrowings. The company's reliance on external working capital borrowings increased further in current year with elongation in receivables. With this, company has availed additional sanction of ₹205 crore in the current year to support its working capital requirement.

Average utilisation of its combined fund-based working capital limits has remained moderate at 80% for 12-months ended December 2025, while its non-fund-based limits has remained utilised at full in the same period.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[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

Anand, Gujarat based REL was incorporated in August 1993 and is engaged in manufacturing conventional brushed DC motors, BLDC motors, PMDC and other variants of DC motors for industrial applications. The company ventured in manufacturing PMDC surface and BLDC submersible solar pumps in 1999 and started solar project system integration (engineering, procurement, and construction [EPC]) business in 2013. The company is one of the key beneficiaries under PM-KUSUM for supply and implementation of off-grid SPS.

In 2006, REL entered a 50:50 joint venture with Motive Srl (Italy) and incorporated RPIL. From FY15-FY17, REL bought considerable stake from its JV partner and its stake in RPIL stands at 98.90% as on March 31, 2024. RPIL is engaged manufacturing AC electric motors and gear boxes. These products find application in manufacturing machines for diverse industries such as printing and packaging, plastics, marble and granite, textile, fabrication, and agricultural equipment. REL also has a step down subsidiary namely Cyclo Transmissions Limited (CTL), which is engaged in the manufacturing of power transmission equipment. CTL is wholly owned subsidiary of RPIL.

This apart, REL in current year has acquired two subsidiaries Statcon Energiaa Private Limited (manufacturing of inverter and energy storage systems used in solar rooftop systems) and Su-Vastika Systems Private Limited (manufacturing of power inverter).

Against investment of ₹.108 crore, REL acquired 51% stake in Statcon Energiaa Private Limited and against investment of ₹.5-6 crore, 100% stake in Su-vastika Systems Private Limited is acquired.

Brief Financials (₹ crore) REL- Consolidated	March 31, 2024 (A)	March 31, 2025 (A)	#9MFY26 (Prov.)
Total operating income	694.41	1266.03	871.40
PBILDT*	89.80	247.69	153.64
Profit after tax (PAT)	68.87	167.52	NA
Overall gearing (x)	0.25	0.40	NA
Interest coverage (x)	15.65	11.91	5.47

A: Audited Prov.: Provisional, NA: Not Available; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

#Note: Consolidated 9MFY26 (Prov.) financials are not inclusive of financials of newly acquired subsidiaries Statcon Energiaa Private Limited and Su-Vastika Systems Private Limited, which were acquired in FY26.

Status of non-cooperation with previous CRA: Nil

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/ ST-Cash Credit		-	-	-	335.00	CARE A-; Stable / CARE A2+
Non-fund-based - LT/ ST-BG/LC		-	-	-	103.00	CARE A-; Stable / CARE A2+
Non-fund-based - ST-Credit Exposure Limit		-	-	-	0.50	CARE A2+

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-Term Loan	LT	-	-	-	-	1)Withdrawn (06-Mar-24)	1)CARE A-; Stable (25-Jan-23)
2	Fund-based - LT/ST-Cash Credit	LT/ST	335.00	CARE A-; Stable / CARE A2+	-	1)CARE A-; Stable / CARE A2+ (10-Mar-25)	1)CARE A-; Stable / CARE A2+ (06-Mar-24)	1)CARE A-; Stable / CARE A2+ (25-Jan-23)
3	Non-fund-based - LT/ ST-BG/LC	LT/ST	103.00	CARE A-; Stable / CARE A2+	-	1)CARE A-; Stable / CARE A2+ (10-Mar-25)	1)CARE A-; Stable / CARE A2+ (06-Mar-24)	1)CARE A-; Stable / CARE A2+ (25-Jan-23)
4	Non-fund-based - ST-Credit Exposure Limit	ST	0.50	CARE A2+	-	1)CARE A2+ (10-Mar-25)	1)CARE A2+ (06-Mar-24)	1)CARE A2+ (25-Jan-23)

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	Fund-based - LT/ ST-Cash Credit	Simple
2	Non-fund-based - LT/ ST-BG/LC	Simple
3	Non-fund-based - ST-Credit Exposure Limit	Simple

Annexure-5: Lender details

To 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	Rotomotive Powerdrives (India) Limited	Full	RPIL being subsidiary of REL with 98.90% shareholding
2	Cyclo Transmission Limited	Full	CTL being step down subsidiary of REL and wholly owned subsidiary of RPIL with 100% shareholding

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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