Soleos Energy Private Limited

March 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term / Short Term Bank Facilities	35.00	CARE BBB-; Stable / CARE A3	Assigned
Long Term / Short Term Bank Facilities	40.00	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 Soleos Energy Private Limited (SEPL) derive strength from comfortable financial risk profile, healthy orderbook and profitability margins. The ratings also factor experience of promotors in renewable energy segment, growth in scale of operations and adequate liquidity.

The above rating strengths, are however, partially offset by projected equity commitment and corporate guarantee to SPVs under developer model, implementation risk since project progress of more than 90% of orderbook is at nascent stage and working capital intensive nature of operations. The ratings also factor counterparty and single project concentration risk, SEPL's presence in intensely competitive Solar EPC industry where margins are susceptible to volatility in RM price fluctuations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Satisfactory implementation of orderbook leading to achievement of envisaged Scale of operations while maintaining its profitability margins above 12%.

Negative factors

- Slower progress of projects leading to significant moderation in Total Operating Income (TOI) than envisaged and/ or dip in Profit before interest lease depreciation and taxes (PBILDT) below 10% on sustained basis.
- Elongation of Gross current asset days beyond 250 days on sustained basis.
- Significant increase in investment and/or advances to Special purpose Vehicles (SPVs) for project execution and/or significant increase in guaranteed debt leading to deterioration of financial risk profile.

Analytical approach: Standalone while factoring investments in SPVs and corporate guarantee extended to SPVs.

Outlook: Stable

The stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectations that SEPL shall be able to sustain its financial risk profile on back of execution of its healthy orderbook.

Detailed description of key rating drivers:

Key strengths

Comfortable financial risk profile

The financial risk profile of SEPL is comfortable marked by overall gearing of 0.26x (PY: 0.41x) and Total outside liability by Tangible networth (TOL/TNW) of 0.94x (PY: 1.61x) as on FY25 end (FY refers to period between April 01 and March 31). Also, funds to the tune of Rs. 100 crore have been infused in form of equity via private placement in FY26 leading to healthy networth base envisaged in range of ~Rs.220-240 crore as on FY26 end.

The debt coverage indicators are also satisfactory marked by Interest coverage and Total debt (TD) by PBILDT of 11.8x (PY: 9.8x) and 0.75x (PY: 0.78x) respectively as on FY25 end.

Going forward, with envisaged increase in scale of operations, debt is envisaged to increase, albeit overall gearing is envisaged to remain comfortable at below unity levels.

Growth in scale of operations and healthy PBILDT margins:

SEPL's TOI grew from ~Rs. 10 crore in FY21-FY22 to Rs. 186 crore in FY25 on back of augmentation in orderbook due to increase in thrust of government in renewable energy segment. In 9MFY26, SEPL has clocked TOI of ~Rs. 171 crore and is expected to close FY26 at ~Rs. 500 crore, Q4 execution has been extremely skewed in line with industry trend, with Q4 contributing ~65-70% of annual TOI in last 3 years for SEPL.

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

SEPL's PBILDT margins reported improvement from 7-8% in FY21-22 to ~16% in FY25 on account of higher margins in projects awarded as a developer and better absorption of fixed cost owing to economies of scale. SEPL is expected to achieve PBILDT margins in range of 12-14% in FY26. Same is envisaged to moderate; albeit remain healthy on account of higher sales and marketing expense incurred for augmentation in orderbook.

Healthy orderbook position; albeit counterparty risk

SEPL has confirmed orders of ~Rs. 2100 crore as on December 08, 2025 translating into orderbook/TOI of ~10.7x (based on FY25 TOI) and ~4x (based on expected FY26 TOI) indicating healthy revenue visibility in medium term. However, counterparty risk prevails since majority of orderbook is awarded by private players who have limited experience in renewable energy segment. Also, SEPL has limited track record of association with these private counterparties.

Nevertheless, counter party risk is mitigated by advance payment clause in range of ~10-30% prior commencement of work and payment milestone of ~70-80% of contract value prior to dispatch of solar modules on site.

Experienced promotors

SEPL was incorporated as a proprietorship concern by Mr. Bhavesh Rathod in 2012 and later converted into private limited company in 2017. Along with the founder promotor, operations of the company are managed by directors Parth Rangolia and Dhaval Jiyani who have experience of about a decade in the industry. The promotors are ably supported by professionals at tier -1 level of management having adequate professional experience in the industry to look after day-to-day operations.

Key weaknesses

Nascent stage of orderbook implementation and Single order concentration:

~Around 90% of the orderbook is at a nascent stage of implementation with first bill yet to be raised as on December 08, 2025. However, since execution period for projects is ~6-9 months (except Gujarat DRC SA project), skewed execution is expected in Q4FY26.

SEPL's orderbook is concentrated with a single project i.e. Gujarat DRC SA contributing around ~50% to the orderbook. The project is a 100MW solar EPC contract to be executed in Congo, Africa in span of ~2.5-3 years ending on March 2028.

Timely completion of project and receipt of payment from counterparty remains crucial from credit perspective.

Working capital intensive nature of operations:

Operations of SEPL are working capital intensive in nature marked by GCA days of 240 days as on FY25 end (PY: 164 days) on account of skewed execution in Q4 leading to high receivables as on balance sheet date. Apart from this, advance payment made to suppliers for module procurement, Advances to group companies (SPVs), extension of cash margin against LC limits and extension of FD as collateral to lenders has resulted into elongated GCA days.

Equity commitment as well as extension of CG for projects undertaken in SPV (under Developer model):

In FY26, SEPL is executing ~67% of orderbook as a developer of IPP project under few SPVs. SEPL is expected to extend support in form of equity commitments as well as extend Corporate Guarantee (CG) to lenders of SPV (to the tune of SEPL's share in SPV). In FY26, equity commitment of ~Rs. 65 crore is expected for projects undertaken in SPV's. Till December 2026, funds of ~Rs. 54 crore have been extended and balance funds of Rs. 11 crore are expected to be funded from funds infused via private placement.

The debt tie-up of the projects under developer model is pending. However, adjusted overall gearing (post factoring CG extended) is expected to be around 1x as on FY26 end.

Any further extension of funds to SPV as well as higher than envisaged CG to lenders will remain key monitorable.

Liquidity: Adequate

SEPL has adequate liquidity marked by negligible annual term debt repayment obligation of ~Rs. 1 - 4 crore as compared to GCA of Rs. 45 crore- Rs. 100 crore in FY26-28.

Liquidity cushion is available in term of unutilised CC limits with average utilisation of CC limits to the tune of 64% in past 12 months ended December 2025 and free cash and bank balance of Rs. 5.49 crore as on December 31, 2025 (FY25 end: 26.15 crore). Healthy current and quick ratio of 1.72 and 1.43 respectively as on March 31, 2025.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Construction
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

Soloes Energy Private Limited (SEPL), based at Ahmedabad, was initially incorporated in 2012 by Mr. Bhavesh Rathod as a proprietorship concern for providing solar ground mount and rooftop solutions to commercial and industrial players and was later converted into private limited company in 2017. SEPL is now operating as a Solar EPC contractor as well as project developer for IPP projects.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	December 31, 2025 (UA)
Total operating income	100.45	186.27	171.4
PBILDT*	15.88	31.00	18.85
Profit after tax (PAT)	11.03	23.46	NA
Overall gearing (x)	0.41	0.26	NA
Interest coverage (x)	9.84	11.80	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
Fund-based-LT/ST		-	-	-	40.00	CARE BBB-; Stable / CARE A3
Non-fund-based - LT/ ST-BG/LC		-	-	-	35.00	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	LT/ST	40.00	CARE BBB-; Stable / CARE A3				
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	35.00	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	Simple
2	Non-fund-based - LT/ ST-BG/LC	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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About us:

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