SOLARIUM GREEN ENERGY LIMITED

August 14, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term / Short Term Bank Facilities	RBI	10.00	CARE BBB-; Stable / CARE A3	Assigned
Long Term / Short Term Bank Facilities	RBI	70.00 (Enhanced from 47.00)	CARE BBB-; Stable / CARE A3	Reaffirmed
Long Term Bank Facilities	RBI	-	-	Withdrawn
Short Term Bank Facilities	RBI	13.00	CARE A3	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to Solarium Green Energy Limited (SGEL) continues to derive strength from experienced promoters, growing scale of operations alongwith moderate order book and alongwith moderate capital structure and debt coverage indicators. It also takes into account successful completion of its capex of 1.23 GW solar module manufacturing which is expected to lead to significant improvement in scale of operations.
However, the ratings remained constrained on account of moderate profitability and working capital intensive nature of operations. The ratings further remain constrained due to intense competition in the industry and profitability susceptible to solar module price volatility.

CARE Ratings Limited (CareEdge Ratings) has withdrawn the rating assigned to the long-term bank facility of SGEL sanctioned by the HDFC Bank, basis lender's no objection on withdrawal of ratings by CareEdge Ratings.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely execution of its orders on hand and consequent increase in total operating income (TOI) to above Rs.500 crore on a sustained basis while maintaining profit before interest, lease, depreciation and tax (PBILDT) margins at current level.
- Improvement in capital structure with overall gearing below 0.50x along with improvement in debt coverage indicators.

Negative factors

- Any delay in execution of ongoing orders resulting in TOI below Rs. 300 crore on sustained basis along with sustained dip in PBILDT margins to below 8%.
- Increase in working capital intensity adversely affecting debt coverage as well as liquidity indicators of the company.

Analytical approach: Standalone

Outlook: Stable

CareEdge Ratings believes that the entity will continue to benefit from the healthy experience of the promoters in the solar industry and maintain its moderate financial risk profile.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Detailed description of key rating drivers

Key strengths

Experienced promoters

SGEL was established in December 2015 and is led by a team of experienced promoters Ankit Garg and Pankaj Gothi, who actively oversee the company's operations. The promoters bring over one decade of industry experience, having previously operated in the solar and construction equipment sector. Mr. Ankit Garg is an IIT alumnus and has experience of around 13 years in this industry adding strong technical expertise to the leadership team.

SGEL has expertise in delivering high impact solutions in diverse and challenging environments and has done past projects in extreme conditions and remote locations like Ladakh for Border Security Force (BSF)

Growing scale of operations albeit moderate profitability

SGEL's Total Operating Income (TOI) grew at a CAGR of 17.04% over the past five years ended FY26. During FY26, TOI increased significantly ~59% y-o-y to Rs.368.35 cr. (P.Y.Rs.230.43 cr.) with sustained order execution. The same was however lower than envisaged, with company forgoing select L1 orders of NTPC owing to procedural delays.

As on June 24, 2026, SGEL had an orderbook of Rs.852.28 crore, translating into orderbook to TOI of around 2.31x of FY26, majority of which needs to be executed over a period of next 6-12 months, translating into healthy revenue visibility in near term. Further, with commencement of 1.23 GW solar module manufacturing plant in current year, TOI is expected to grow significantly to by over 2x in FY27.

These projects carried relatively lower margins, which also contributed to the moderation in operating profitability.

PBILDT margin of SGEL stood moderate at 8.33% in FY26, declining by 330 bps y-o-y from FY25 with increase in cost of raw material (mainly cost of PV modules), alongwith overall lower profitability in NTPC orders.

Operating margin is expected to remain in the range of 8.5-9% going forward, with intense competition in the solar industry.

Moderate capital structure and debt coverage indicators

Capital structure remained moderate, as marked by overall gearing of 0.97x as at March 31, 2026 (P.Y.0.48x). As envisaged, company availed term loan of Rs.50 cr. in FY26 for capex towards manufacturing of solar modules with production capacity of 1.23 GW, which resulted in increase in leverage level in FY26. It further availed term loan of Rs.15 cr. in current year towards the aforesaid capex, though gearing is expected to remain below unity in near to medium term, with healthy accretion to reserves. Further, networth of the company stood adequate at Rs.161.50 cr. in FY26 (Rs.141.43 cr. in FY25).

The debt coverage indicators of the entity remained satisfactory marked by PBILDT/ Interest Coverage of 2.93x (P.Y.6.82x) and total debt/ GCA of 6.06x (P.Y.3.46x), though moderated with increase in debt for the aforesaid capex alongwith higher interest costs owing to availment of additional debt (includes one-time charges for additional loan availed for capex).

Key weaknesses

Profitability susceptible to input price volatility

SGEL is a mid-sized solar EPC player and faces stiff competition from several established players in the industry. EPC contracts are fixed price contracts to be executed largely within 12 months, hence there in no price escalation clause in the contracts awarded to the company. In absence of price escalation clause, SGEL's profitability remains exposed to volatility in prices of solar cells and modules, though short tenure nature of contracts and back-to-back procurement of solar modules (for select orders) mitigates this risk to an extent.

Further, the solar PV module industry is highly competitive, with significant competition from Chinese and other domestic PV module manufacturers. Government initiatives to boost domestic manufacturing have led to substantial capacity expansions by leading manufacturers. These factors cumulatively have led to an excess supply in the domestic market and has intensified competitive intensity, which can potentially impact profit margin

Working capital intensive nature of operations

Gross Current Asset days remained elongated at 325 days in FY26 (337 days in FY25) owing to high working capital intensity of the business operations. The high GCA days are primarily attributable to the long receivable cycle from select public sector clients and sizeable inventory maintained to ensure smooth execution of projects, including inventory for recently commenced module manufacturing unit. Further, funds are also blocked in fixed deposits maintained against working capital limits and advances

extended to suppliers, resulting in higher gross current assets. The company's working capital cycle is also impacted by skewed execution and billing towards quarter-end, leading to elevated receivables at the balance sheet date.
Considering this, effective management of working capital to ensure timely project execution is critical from credit perspective. Working capital intensive operations are funded through creditors and working capital bank borrowing.

Liquidity: Adequate

SGEL has adequate liquidity characterised by sufficient cushion in its cash accruals vis-à-vis its term debt repayment obligations, moderate utilization of its working capital limits and free liquidity. The average utilisation for its fund-based working capital limits remained around 80% for the past 12 months ending June 2026.
Cash flow from operations stood negative at Rs.4.10 cr. (P.Y. negative Rs.59.75 cr.) owing to growing scale of operations alongwith increase in year-end receivables and inventory buildup, driven by a higher execution during Q4FY26. SGEL has free cash and bank balance of Rs.30.39 cr. as on FY26 end.

The company has annual debt repayment obligations in the range of Rs.1.5-3 cr. as against sufficient envisaged cash accruals in the range of Rs.23-27 cr. indicating sufficient cushion.

Applicable criteria

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Ahmedabad (Gujarat) based Solarium Green Energy Limited (SGEL) was incorporated in December 17, 2015. The company is engaged in providing Engineering, Procurement and Construction (EPC) solutions that encompass designing, engineering, procurement, installation, and maintenance for solar energy solutions and is promoted by Ankit Garg and Pankaj Gothi along with other directors. SGEL designs, procures, installs, and maintains solar power systems majorly from rooftop residential and C&I including few government orders. SGEL has served a diverse portfolio of reputed clients including National Thermal Power Corporation, BSF, Military Engineer Services, Torrent Power etc. Further, it commenced solar module manufacturing plant of 1.23 GW, from March 2026 onwards.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (Ab.)
Total operating income	177.76	230.43	368.35
PBILDT*	24.56	26.80	30.68
Profit after tax (PAT)	15.74	18.87	20.47
Overall gearing (x)	1.55	0.48	0.97
Interest coverage (x)	10.19	6.82	2.93

A: Audited; Ab.Abriged; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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-Term Loan	RBI	Simple	-		-	31-01-2031	0.00	Withdrawn
Fund-based - LT/ ST-Cash Credit	RBI	Simple	-		-	-	70.00	CARE BBB-; Stable / CARE A3
Fund-based-Short Term	RBI	Simple	-		-	-	13.00	CARE A3
Non-fund-based - LT/ ST-Bank Guarantee	RBI	Simple	-		-	-	10.00	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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE BBB-; Stable (02-Sep-25)	-	-
2	Fund-based - LT/ ST-Cash Credit	LT/ST	70.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (02-Sep-25)	-	-
3	Fund-based-Short Term	ST	13.00	CARE A3				
4	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	10.00	CARE BBB-; Stable / CARE A3				

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: 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

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Kalpesh Ramanbhai Patel Director **CARE Ratings Limited** Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in
Relationship Contact Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Nikita Akhilesh Goyal Associate Director **CARE Ratings Limited** Phone: 079-40265670 E-mail: nikita.goyal@careedge.in Twinkle Kishor Manglani Lead Analyst **CARE Ratings Limited** E-mail: twinkle.manglani@careedge.in

About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information,
please visit www.careratings.com