Flovel Energy Private Limited

September 23, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	6.98 (Reduced from 11.98)	CARE BBB; Stable / CARE A3+	Reaffirmed
Long-term bank facilities	RBI	243.02 (Enhanced from 238.02)	CARE BBB; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Flovel Energy Private Limited (FEPL) factor in growing scale of operations, healthy order book position providing revenue visibility, and comfortable financial risk profile marked by low overall gearing and healthy debt coverage indicators. Ratings further derive strength from the experienced promoters with a long track record of operations. However, these rating strengths are partially offset by the working capital intensive business, tender-based nature of the business, profitability being susceptible to raw material price volatility, competitive nature of the industry, and foreign exchange rate fluctuations risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained increase in scale of operations with total operating income (TOI) over ₹500.00 crore and sustenance of operating margin (profit before interest, lease rentals, depreciation, and taxation [PBILDT] margin) over 10% on a sustained basis while maintaining comfortable capital structure.
- Improvement in collection period leading to working capital cycle below 100 days on a sustained basis.

Negative factors

- Significant deterioration in TOI over 20% or PBILDT margin below 6% on a sustained basis.
- Elongating collection period, leading to elongation of working capital cycle above 200 days on a sustained basis.
- Un-envisaged debt programme, leading to deteriorating capital structure as marked by overall gearing above 1.50x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that FEPL will continue to benefit from the promoters' vast experience, and the company's established presence in the turbine industry.

Detailed description of key rating drivers

Key strengths

Healthy order book position

The company has an unexecuted order book position amounting to ~₹1,300 crore as on April 30, 2026, across India, Nepal, Vietnam, and Indonesia to be executed translating to ~4x of the TOI booked in FY26. Majority orders are to be executed in the next 2-3 years, which provides medium-term revenue visibility. However, the order book is concentrated where top two orders from Madhya Pradesh Power Generating Company Limited and Angelique International Limited constitute ~53% of the total order book position. Timely execution of orders, leading to improvement in the business risk profile, will remain a key monitorable.

Comfortable capital structure and debt coverage indicators

The company's debt profile consists of term loans, unsecured loans from promoters, mobilisation advance, letter of credit (LC) acceptances, fund-based working capital limits, which have moderate utilisation. The company's overall gearing stood comfortable at 0.76x as on March 31, 2026 (PY: 1.41x) with improvement in overall gearing due to low working capital limit utilisation as on balance sheet date. The company's comfortable capital structure provides sufficient gearing headroom in case of exigencies.

[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.

Coverage indicators also stood comfortable as reflected by total debt to gross cash accruals (TD/GCA) and PBILDT interest coverage of 4.67x (PY: 8.19x) and 2.95x (PY: 2.31x) in FY26, respectively.

Growing scale of operations
The company undertook capacity expansion in FY24-25, as a result of which FEPL was able to execute higher domestic orders. Majority orders executed by FEPL were government orders having higher profitability margins than orders given by private players. Formation of purchase committee in FY26 lead to rationalisation of costs with the company being able to diversify its supplier base. As a result of this, TOI grew at a compounded annual growth rate (CAGR) of ~8% for five years ended FY26. TOI stood at ₹322.45 crore in FY26 (PY: ₹294.53 crore). PBILDT and profit after taxation (PAT) margins in FY26 stood at 8.95% (PY: 10.40%) and 3.33% (PY: 3.13%), respectively.

Long-standing track record and extensive promoter experience
FEPL has a track record of around three decades in the turbine business. Over the years, the company established its position in the segment and added new customers to its portfolio, considering market demand. It has also completed multiple projects on time. Managed by the Kar family, Maharaj Kar (Chairman and Whole-time Director), a qualified Mechanical Engineer (aged 69 years) with 45 years of experience, is the main promoter and his father, late Dr Raj Nath Kar, who was a renowned technocrat and head of the hydro business at BHEL. Gautam Kar (Managing Director) has over 17 years of industry experience. He is a management graduate and started his career as a Management Trainee with VA Tech Germany in 2001, before joining his father's business.

Key weaknesses

Large working capital requirement
Operations are working capital intensive, driven majorly by elongated collection period of 190-200 days. Debtor levels are higher towards the fiscal year-end, owing to concentration of sales in the last quarter, retention money withheld, and payment timelines from government bodies. However, the working capital cycle is partially supported by the credit period available from creditors. The average creditor period stood at ~104 days in FY26 (PY: 119 days). While prudent management resulted in timely realisation of receivables and liquidation of inventory, cycle sustenance amidst revenue growth will be closely monitored.

Business profile susceptible to tender-based operations and foreign exchange rate fluctuations
FEPL undertakes turnkey projects and secures orders through tenders floated by government and private entities. Hence, revenue and profitability depend on the company's ability to bid successfully for tenders. Revenue remains susceptible to economic cycles or delay or deferment of capital expenditure (capex). Intense competition necessitates aggressive bidding to secure orders. With orders originating from export markets, the company's operating margins are also exposed to fluctuations in foreign exchange rates, although the company engages in hedging of its foreign exchange exposure. The company reported a forex gain of ₹2.20 crore in FY26 (PY: ₹0.69 crore).

Liquidity: Adequate
The company's liquidity profile is adequate as reflected by expected GCA of ~₹18-19 crore in FY27, against which the company has repayment obligations of ~₹8-9 crore. Average utilisation of fund-based limits remained moderate at ~46% for 12 months ending March 31, 2026. The company had low free cash and bank balance to the tune of ₹3.39 crore as on March 31, 2026. The company is not planning to incur major capex in the near-to-medium term.

Applicable criteria

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

The company is engaged in turbine manufacturing for small and medium-sized contracts from 1 MW to 50 MW. It is into manufacturing and supplying electrical and mechanical equipment, erection, commissioning, and supervision of hydro power plant. It operates under a tender-based business model catering to government and private entities. Contract execution usually

takes 12-24 months. The company also has exports projects in countries including Nepal, Bhutan, Vietnam, and Indonesia. The company's manufacturing plant is in Palwal, Haryana.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)	Q1FY27 (UA)
Total operating income	294.53	322.45	22.35
PBILDT*	30.63	28.87	
Profit after tax (PAT)	9.22	10.73	
Overall gearing (x)	1.41	0.76	
Interest coverage (x)	2.31	2.95	

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: CRISIL Ratings has downgraded ratings assigned to bank facilities of FEPL under the Issuer Not Cooperating (INC) category, vide its press release dated August 17, 2026, considering its inability to carry out review of ratings in the absence of requisite information from the company.

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-Cash Credit	RBI	Simple	-		-	-	36.00	CARE BBB; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	31-10-2033	30.02	CARE BBB; Stable
Fund-based/Non-fund-based-LT/ST	RBI	Simple	-		-	-	6.98	CARE BBB; Stable / CARE A3+
Non-fund-based - LT-Bank Guarantee	RBI	Simple	-		-	-	177.00	CARE BBB; 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 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	30.02	CARE BBB; Stable	1)CARE BBB; Stable (27-Aug-26)	-	-	-
2	Fund-based - LT-Cash Credit	LT	36.00	CARE BBB; Stable	1)CARE BBB; Stable (27-Aug-26)	-	-	-
3	Non-fund-based - LT-Bank Guarantee	LT	177.00	CARE BBB; Stable	1)CARE BBB; Stable (27-Aug-26)	-	-	-
4	Fund-based/Non-fund-based-LT/ST	LT/ST	6.98	CARE BBB; Stable / CARE A3+	1)CARE BBB; Stable / CARE A3+ (27-Aug-26)	-	-	-

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

Annexure-5: List of entities consolidated: Not applicable

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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