



Press Release
SOLEX ENERGY LIMITED (FORMERLY KNOWN AS SOLEX ENERGY PRIVATE LIMITED)
July 11, 2025
Rating Upgraded & Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	78.91	ACUITE BBB Upgraded & Withdrawn	-
Bank Loan Ratings	5.04	Not Applicable Withdrawn	-
Bank Loan Ratings	45.75	-	ACUITE A3+ Upgraded & Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	129.70	-	-

Rating Rationale

Acuite has upgraded and withdrawn its long-term rating to 'ACUITE BBB' (read as ACUITE triple B) from 'ACUITE BBB-' (read as ACUITE triple B minusa) and the short-term rating to 'ACUITE A3+' (read as ACUITE A three plus) from 'ACUITE A3' (read as ACUITE A three) on Rs. 124.66 Cr. bank facilities of Solex Energy Limited (SEL). The rating is being withdrawn on account of the request received from the company and No Objection Certificate (NOC) received from the banker.

Also, Acuite has withdrawn its long-term rating of Rs. 5.04 Cr. bank facilities of Solex Energy Limited (SEL) without assigning any rating as the instrument is proposed facility. The rating is being withdrawn on account of the request received from the company.

The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility.

Rationale for rating

The rating upgrade reflects the strong growth in operating performance of the company driven by increasing production capacity and supported by a healthy order book. Further, while debt levels elevated owing to the capex expansions, the financial risk profile continues to remain moderate owing to increasing accruals and equity fund raise in FY2025. Further, the rating also takes into consideration the long-standing experience of the management in the renewables sector with an established track record of operations of the company and continued focus on expansion. However, the rating is constrained on account of intensive working capital operations, timely completion of planned capex and inherent risks in the solar manufacturing industry.

About the Company

Incorporated in October 2014, Solex Energy Limited (SEL, formerly known as Solex Energy Private Limited) is engaged in the manufacturing of monocrystalline and topcon solar panel modules, solar invertors, solar water heating systems, solar home and streetlights, etc. and also provides engineering, procurement and construction (EPC) services. The company's manufacturing facility is located in Tadkeshwar (Mandvi), Surat and is currently operating at a capacity of 1.5 GW for solar photovoltaic (PV) modules manufacturing. The company is listed on SME Platform of the National Stock Exchange of India Ltd (NSE Emerge) since 2018 with a current market cap of Rs. 1317 Cr. as on July 09, 2025. The company is promoted by Mr. Chetan Shah (Chairman and Managing Director).

Unsupported Rating
Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of SEL to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of operations and continued focus on expansions

SEL has a long track record of operations in solar industry which started from EPC of solar projects in 2014 and then diversified to solar PV module manufacturing from October 2022. Further, in March 2025, the company commissioned capacity of 800 MW, bringing its total operational capacity to 1.5 GW. Additionally, SEL is currently undertaking a major capital expenditure plan to expand its overall capacity to 4 GW, expected to commence from October 2025. Moreover, the company is spearheaded by a team of qualified and experienced professionals including Mr. Chetan Shah, who has an experience of over 15 years in the renewable energy industry.

Robust growth in operating performance supported by strong order book

The company reported a revenue of Rs. 660.04 Cr. in FY25, marking a significant increase of ~80 percent y-o-y from FY24 revenues of Rs. 365.90 Cr. This growth is attributable to the strong demand in the solar industry and continuous increase in the company's production capacity along with rise in EPC contracts. Further, the company has a healthy order book of ~Rs. 1,852 Cr. (out of which Rs. 1,275 Cr. is from single client) to be executed in the near term which provides a sound revenue visibility. Additionally, the company's operating margins have also reflected healthy growth, reported at 10.59 percent in FY25 as compared to 7.94 percent in FY24 on account of improving efficiency in operations. Subsequently, the company's net profitability increased to 6.00 percent in FY25 as against 2.39 percent in FY24.

Moderate financial risk profile

The financial risk profile of the company is marked by healthy net worth which stood improved at Rs. 157.83 Cr. as on March 31, 2025, against Rs. 46.17 Cr. as on March 31, 2024, owing to accretion of profits to reserves and issuance of fresh equity shares amounting to Rs. 72.93 Cr. in July 2024. Therefore, while, the total debt of the company stood higher at Rs. 147.50 Cr. in FY25, compared to Rs. 96.16 Cr. in FY24 on account of capex-debt, the gearing (debt-equity) stood improved to 0.93 times in FY25 against 2.08 times in FY24. Further, the debt protection metrics stood comfortable with interest coverage ratio of 6.73 times in FY25 (2.90 times in FY24) and debt service coverage ratio of 3.05 times in FY25 (1.65 times in FY24). Going forward, the upcoming capex of ~Rs. 225 Cr. to be funded by debt of Rs. 150 Cr. (balance through equity and internal accruals) shall further elevate the debt levels, however, healthy cash accrual generation is expected to keep the financial risk profile moderate.

Weaknesses

Working capital intensive operations

The working capital operations of the company are intensive marked by gross current assets of 184 days in FY25 as compared to 129 days in FY24, driven by high inventory and debtor levels. The company-maintained inventory levels of 108 days in FY25 as compared to 72 days in FY24. In general the company has a 90-day cycle of converting raw materials into finished goods. The debtor levels stood increased at 62 days in FY25 (47 days in FY24) owing to higher billing in the last quarter of the year. Further, the creditor days stood at 60 days in FY25 (65 days in FY24).

Susceptibility to increasing competition and inherent challenges in the industry

While the competition from imports is mitigated through policy measures like Approved List of Models and Manufacturers (ALMM) and imposition of basic custom duty on PV modules, the company remains exposed to competition from other domestic manufacturers, especially with the announcement of large expansion plans by existing players and entry of large new players owing to the growing demands of renewable sources of energy. Further, the profitability indicators remain exposed to the volatility in price movements of key raw materials like solar cells, glass, aluminium. Additionally, the industry remains exposed to policy uncertainties, technological disruptions, supply chain vulnerabilities and dependence on imports for the key raw material like solar cells.

Rating Sensitivities

Not Applicable

Liquidity Position Adequate

The company's liquidity position is adequate marked by sufficient net cash accruals of Rs. 48.83 Cr. in FY25 as against maturing debt repayment obligations of Rs. 8.77 Cr. for the same period. The bank limit utilisation stood

moderate marked by fund-based limit utilisation of ~60 percent for the last five months ended May 2025 and non-fund-based limit utilisation of ~50 percent for the last six months ended March 2025. The current ratio also stood comfortable at 1.41 times as on March 31, 2025. Further, the company had an unencumbered cash and bank balances of Rs. 10.24 Cr. as on March 31, 2025.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	660.04	365.90
PAT	Rs. Cr.	39.60	8.73
PAT Margin	(%)	6.00	2.39
Total Debt/Tangible Net Worth	Times	0.93	2.08
PBDIT/Interest	Times	6.73	2.90

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
23 Apr 2024	Stand By Line of Credit	Short Term	15.75	ACUITE A3 (Reaffirmed)
	Stand By Line of Credit	Short Term	10.00	ACUITE A3 (Assigned)
	Stand By Line of Credit	Short Term	20.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	8.92	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	4.77	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	5.04	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.00	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	0.30	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	24.92	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	4.00	ACUITE BBB- Stable (Reaffirmed)
09 Aug 2023	Stand By Line of Credit	Short Term	15.75	ACUITE A3 (Assigned)
	Stand By Line of Credit	Short Term	20.00	ACUITE A3 (Assigned)
	Term Loan	Long Term	30.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	4.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	10.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	4.92	ACUITE BBB- Stable (Assigned)
	Proposed Term Loan	Long Term	0.03	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.00	Simple	ACUITE BBB Upgraded & Withdrawn (from ACUITE BBB-)
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BBB Upgraded & Withdrawn (from ACUITE BBB-)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.04	Simple	Not Applicable Withdrawn
Bank of Baroda	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A3+ Upgraded & Withdrawn (from ACUITE A3)
State Bank of India	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.75	Simple	ACUITE A3+ Upgraded & Withdrawn (from ACUITE A3)
Bank of Baroda	Not avl. / Not appl.	Term Loan	01 Apr 2023	Not avl. / Not appl.	31 Oct 2030	8.92	Simple	ACUITE BBB Upgraded & Withdrawn (from ACUITE BBB-)
Union Bank of India	Not avl. / Not appl.	Term Loan	01 Apr 2023	Not avl. / Not appl.	31 Dec 2032	4.77	Simple	ACUITE BBB Upgraded & Withdrawn (from ACUITE BBB-)
State Bank of India	Not avl. / Not appl.	Term Loan	01 Nov 2021	Not avl. / Not appl.	31 Oct 2030	24.92	Simple	ACUITE BBB Upgraded & Withdrawn (from ACUITE BBB-)
Bank of Baroda	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 May 2027	1.00	Simple	ACUITE BBB Upgraded & Withdrawn (from ACUITE BBB-)
Bank of Baroda	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2024	0.30	Simple	ACUITE BBB Upgraded & Withdrawn (from ACUITE BBB-)

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About Acuité Ratings & Research

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