Press Release
ETHOS POWER PRIVATE LIMITED
January 27, 2026
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	0.50	ACUITE BBB- | Positive | Assigned	-
Bank Loan Ratings	11.00	ACUITE BBB- | Positive | Reaffirmed	-
Bank Loan Ratings	14.50	-	ACUITE A3 | Assigned
Bank Loan Ratings	49.00	-	ACUITE A3 | Reaffirmed
Total Outstanding Quantum (Rs. Cr)	75.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating to **"ACUITE BBB-" (Read as ACUITE Triple B Minus)** and short-term rating to **"ACUITE A3" (Read as ACUITE A Three)** on Rs.60 crore of bank facilities of Ethos Power Private Limited. The Outlook is revised from **"Stable"** to **"Positive"**.

Further, Acuite has assigned the long-term rating of **"ACUITE BBB-" (Read as ACUITE Triple B Minus)** and short-term rating of **"ACUITE A3" (Read as ACUITE A Three)** on Rs.15 crore of bank facilities of Ethos Power Private Limited. The Outlook is **"Positive".**

Rationale for Rating:
The rating reflects the company's healthy performance driven by a significant rise in revenue to Rs.141.11 crore in 9MFY26 from Rs.41.98 crore in the 9MFY25, supported by timely execution of solar pump projects and an outstanding order book of Rs.286 crore as of December 2025. The financial risk profile remains healthy with improved net worth, low gearing and stable debt protection metrics, while the company's ability to secure high-margin contracts has enhanced operating profitability. Further, improved debtor days owing to better collection from solar pump projects, adequate liquidity backed by steady accruals and reduced reliance on external borrowing also support the credit profile. However, with a potential change in revenue mix, maintaining collection efficiency will remain a key monitorable, along with working capital management, timely execution and securing of orders, sustainability in profitability and exposure to raw material price volatility.

About the Company

Ethos Power Pvt Ltd (EPPL) is a EPC (Engineering, Procurement, and Construction) company which is primarily engaged in the business of setting up electrical substations and in the supply, installation, and commissioning of solar pump projects. Solar pump projects typically include an Operations and Maintenance (O&M) obligation for a period of five (5) years, whereas substation projects carry a Defect Liability Period (DLP) ranging from one (1) year to two (2) years, as per the respective contract terms.The present Directors of Company are Mr.

Kushavjeet Mann, Mr. Sandeep Mann and Mr. Maha Singh Mann. The Clientele of the Company includes Maruti Suzuki India Limited, KEC international Limited, Maharashtra Energy Development Agency, Rajasthan Rajya Vidyut Prasaran Nigam Limited, Haryana Renewable Energy Development etc. The Company works in the state of Delhi, Gurugram, Haryana, Rajasthan etc.

Unsupported Rating
Not Applicable.

Analytical Approach
For arriving at this rating, Acuité has taken a standalone view of the business and financial risk profile of Ethos Power Private Limited.

Key Rating Drivers

Strengths

Benefits derived from experienced management
The promoter of EPPL, Mr. Sandeep Mann has and Mr. Kushavjeet Mann have experience of over a decade in the power industry with respect to electrical and contractual work. The experience of the promoter has enabled the company to maintain strong relations with its customers as well as with its supplier. Acuité believes that the promoters' experience and healthy relations with its customers and suppliers will continue to benefit EPPL over the medium term.

Improvement in Scale of operations
EPPL registered modest revenue growth in FY25, reaching Rs.99.15 crore from Rs.92.08 crore in FY 24, supported by timely execution of solar pump and substation projects. In 9MFY26, revenue rose sharply to Rs.141.11 crore from Rs.41.97 crore year-on-year basis, driven by the solar pump segment, which contributed around 68% to total revenue, including major execution for the Haryana Renewable Energy Development Agency. The company holds an outstanding order book of Rs.286 crore as of December 2025, with 68% comprising EPC–electrical substation projects and 32% EPC–solar pump projects. Operating profitability improved to 13.43% in FY25 from 10.68% in FY24 due to favorable raw material prices and high margin projects, while PAT margin also strengthened to 7.68% in FY25 versus 6.56% in FY24. Acuité believes EPPL's operating performance to strengthen further, supported by visible revenue traction and a healthy order book, although raw material price fluctuations and new order inflows remain key monitorable.

Moderately Healthy Financial Risk Profile:
EPPL's financial risk profile remains moderately healthy, supported by an improvement in net worth to Rs.38.42 crore in FY25 from Rs.30.84 crore in FY24 due to steady reserve accretion, along with low gearing at 0.24 times in FY 25 despite a rise in total borrowings to Rs.9.23 crore in FY25 from Rs.2.48 crore in FY 24. The increase in short-term borrowings was primarily driven by vendor-financing arrangements with Siemens Financial Services for equipment procurement under the KEC International Ltd & Maruti Suzuki India Limited's project, availed with a tenure of up to one year to benefit from early payment discounts. Debt protection metrics remain healthy, with ICR at 4.19 times and DSCR at 2.59 times in FY25, while TOL/TNW and Debt/EBITDA stood at comfortable levels of 0.67 times and 0.65 times, respectively in FY 25. Acuité believes EPPL's financial risk profile will remain healthy in the medium term, supported by absence of any debt-funded capex plans.

Weaknesses

Intensive Working Capital management:

The company's working capital cycle marginally stretched in FY2025, with GCA days rising to 180 days from 174 days in FY2024 due to higher cash and bank balances arising from maintenance of surplus fund in the OD account. However, collection efficiency improved sharply, reflected in a significant reduction in debtor days to 63 in FY 25 days from 130 days in FY 24, largely driven by timely realizations in the solar pump segment. Trade receivables comprise amounts due to both solar projects and substation projects. In solar projects, approximately 90% of the invoice value is realized at the time of invoicing, while the balance 10% is released within 60–90 days after commissioning of the pumps. In substation projects, around 90% of the payments are released at the time of invoicing, subject to contractual terms, and the remaining 10% is released upon completion of the project. Inventory levels remained low at 6 days (FY2025) compared to 4 days (FY2024), while other current assets increased to Rs.10.49 crore in FY 25 from Rs.7.23 crore in FY 24 due to higher supplier advances. Accounts payable days improved to 83 days in FY 25 from 110 in FY 24 days, supported by stronger cash flows. Acuité believes that working capital management will continue to improve in the medium term, supported by enhanced collection efficiency however with a potential change in revenue mix, maintaining collection efficiency will remain a key monitorable.

Highly competitive industry:

EPPL is into power projects, wherein the sector is marked by the presence of several mid-to-large sized players. The risk becomes more pronounced as tendering is based on minimum amount of bidding on contracts and susceptibility to inherent cyclicality in the infrastructure segment. Further, it is dependent on State Government's thrust on power infrastructure works.

Rating Sensitivities

1. Movement in Topline and profitability
2. Working Capital Management
3. Timely execution and securing new orders

Liquidity Position

Adequate

The company's liquidity position remains adequate, supported by net cash accruals of Rs.8.05 crore against long-term borrowings of Rs.1.04 crore in FY2025. It is expected to generate net cash accruals of Rs.13–15 crore over the medium term. The current ratio stood at 1.99 times in FY2025 compared to 2.00 times in FY2024. The Company has maintained Cash and bank (includes OD surplus balance) balances of Rs.21.19 crore in FY2025, and furthermore, as of December 2025, the company has maintained free fixed deposits of around Rs.6 crore. Average fund-based utilization stood at 34% (based on maximum utilization) for the six months ended December 2025, while non-fund-based utilization averaged 30–35% for LC and 90–95% for BG, primarily for performance guarantees of around 2.5–3% with authorities. Reliance on external borrowings has reduced since September 2025 due to improved collection efficiency. Acuité believes the company's liquidity will remain adequate in the medium term, supported by steady accruals and efficient collections.

Outlook: Positive

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	99.15	92.08
PAT	Rs. Cr.	7.61	6.04
PAT Margin	(%)	7.68	6.56
Total Debt/Tangible Net Worth	Times	0.24	0.08
PBDIT/Interest	Times	4.19	5.69

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
• Infrastructure Sector: https://www.acuite.in/view-rating-criteria-51.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. Acuite'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
13 Dec 2024	Letter of Credit	Short Term	6.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Bank Guarantee (BLR)	Short Term	18.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Bank Guarantee (BLR)	Short Term	17.00	ACUITE A3 (Assigned)
	Bank Guarantee (BLR)	Short Term	8.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	2.00	ACUITE BBB- | Stable (Assigned)
	Secured Overdraft	Long Term	9.00	ACUITE BBB- | Stable (Upgraded from ACUITE BB+ | Stable)
04 Oct 2023	Letter of Credit	Short Term	6.00	ACUITE A4+ (Downgraded from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	18.00	ACUITE A4+ (Downgraded from ACUITE A3)
	Secured Overdraft	Long Term	9.00	ACUITE BB+ | Stable (Downgraded from ACUITE BBB- | Stable)
03 Aug 2023	Letter of Credit	Short Term	6.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	18.00	ACUITE A3 (Reaffirmed)
	Secured Overdraft	Long Term	9.00	ACUITE BBB- | Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A3 | Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE A3 | Reaffirmed
YES BANK LIMITED	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.50	Simple	ACUITE A3 | Assigned
H D F C Bank Limited	Not avl. / Not appl.	Cash Credit	12 Feb 2025	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE BBB- | Positive | Reaffirmed | Stable to Positive
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE A3 | Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE BBB- | Positive | Reaffirmed | Stable to Positive
YES BANK LIMITED	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.50	Simple	ACUITE BBB- | Positive | Assigned

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About Acuité Ratings & Research

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