



Press Release
SOVA SOLAR LIMITED
December 31, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE A- Stable Assigned	-
Bank Loan Ratings	30.00	ACUITE A- Stable Reaffirmed	-
Bank Loan Ratings	90.00	-	ACUITE A2+ Assigned
Bank Loan Ratings	60.00	-	ACUITE A2+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	190.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long term rating of '**ACUITE A-**' (read as **ACUITE A minus**) and short term rating of '**ACUITE A2+**' (read as **ACUITE A two plus**) on the Rs.90.00 Crore bank loan facilities of Sova Solar Limited. The outlook is '**Stable**'.

Acuite has also assigned long term rating of '**ACUITE A-**' (read as **ACUITE A minus**) and short-term rating of '**ACUITE A2+**' (read as **ACUITE A two plus**) on the Rs.100.00 Crore bank loan facilities of Sova Solar Limited. The outlook is '**Stable**'.

Rationale for rating

The rating factors in the company's scale of operations, marked by an operating income of Rs.522.41 Cr. in FY2025 as against Rs.329.33 Cr. in FY2024. The EBITDA and PAT Margin of the company stood at 12.46% and 7.65% respectively in FY2025. Moreover, the company has registered revenue of Rs.266.13 Crore till October, 2025. The stability in revenue is further backed by unexecuted orders in hand of Rs.871.96 Crore as on 30th November, 2025. Further, the rating takes into account the healthy financial risk profile of the company as reflected by the gearing ratio at 0.01 times as on 31st March 2025 along with the interest coverage ratio and debt service coverage ratio at 13.23 times and 10.21 times respectively as on 31st March 2025 as well as the adequate liquidity profile supported by sufficient accruals against the debt repayment obligations. Additionally, the working capital operations of the company are efficient, marked by GCA days of 89 days as on 31st March, 2025. The rating also draws comfort from the experience of the management in the same line of business and established relationships with customers and suppliers. However, the above-mentioned strengths are partly offset by the susceptibility of margins to fluctuations in raw material prices and the highly competitive nature of the industry.

About the Company

Incorporated in 1996, Kolkata based Sova Solar Limited (SSL) is engaged in the manufacturing of Solar Photo Voltaic Modules. The company is founded by Mr. Subrata Mukherjee. SSL its

manufacturing facilities located at Durgapur, West Bengal. The Present Directors of the company are Mr. Ranendra Chakraborty, Mr. Subrata Mukherjee, Mr. Pradip Ganguly, Ms.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone financial and business risk profiles of Sova Solar Limited to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of operations and experienced management

SSL was incorporated in 1996 and is engaged in the manufacturing of solar photovoltaic modules. The established track record of operations and experienced management has helped the company in establishing healthy relationships with its suppliers and clientele. In addition, the wide distribution network of the company supports to bag orders from reputed clientele. Acuite believes that the company will continue to derive benefit from the experienced management to undertake fresh orders and timely execute the existing orders with the management's strong understanding of market dynamics.

Healthy Business Risk Profile

The business risk profile of the group is healthy, supported by the operating income of the company, which increased by 58.63% and stood at Rs.522.41 Crore in FY2025 against Rs.329.33 Crores in FY2024 contributed by the increase in sales volume of photovoltaic (PV) modules. The company has enhanced its effective production capacity to 594 MW in FY2025 from the existing 459 MW which was funded through internal accruals and is expected to further boost its scale of operations as reflected by revenue of Rs.266.13 Crore clocked by the company till October, 2025. The stability in revenue is further backed by an unexecuted order book of Rs.871.96 Crore as on 30th November, 2025. These orders are primarily from reputed clientele, including Larsen & Toubro Limited, DRA Infracon Private Limited, Ashoka Buildcon Limited, Maharashtra State Power Generation Company, Bondada Engineering Limited, etc. Moreover, the EBITDA margin of the company stood at 12.46% in FY2025 against 16.05% in FY2024 and 8.17% in FY2023 on account of decrease in average price realization. Likewise, the PAT margin stood at 7.65% in FY2025 against 9.87% in FY2024 and 4.40% in FY2023 on account of high depreciation costs majorly on the back of capex related to enhancement of its production capacity. Acuite believes that the company will continue to sustain its order book position and maintain its business risk profile over the medium term on the back of orders executed by the company.

Healthy Financial risk profile

The financial risk profile of the company is healthy, marked by tangible net-worth stood at Rs.127.63 Crore as on 31st March 2025 as against Rs.87.67 Crore as on 31st March 2024. The increase in the net-worth is on an account of accretion of profits into reserves. The capital structure of the company is marked by gearing ratio which stood at 0.01 times as on 31st March 2025 against 0.17 times as on 31st March 2024. Further, the coverage indicators are comfortable reflected by the interest coverage ratio and debt service coverage ratio which stood at 13.23 times and 10.21 times respectively as on 31st March 2025 against 9.37 times and 7.37 times as on 31st March 2024. The TOL/TNW ratio of the company stood at 0.87 times as on 31st March 2025 against 0.70 times as on 31st March 2024 and DEBT-EBITDA stood at 0.03 times as on 31st March 2025 against 0.28 times as on 31st March 2024. The company undergoes capex in the range of Rs.7.00 Crore to Rs.9.00 Crore annually related to maintenance and upgradation of plant and machinery, technology advancement however same are funded by internal cash accruals of the company. Acuite expects the financial risk profile of the company to remain healthy with no major debt-funded capex plans in the near to medium term.

Efficient Working capital operations

The working capital operations of the company are marked by GCA days which stood at 89 days as on 31st March, 2025 as against 91 days as on 31st March, 2024. The inventory days of the company improved and stood comfortable at 37 days as on 31st March, 2025 against 74 days as on 31st March, 2024. Further, the debtor days stood at 49 days as on 31st March, 2025 against 17 days as on 31st March, 2024 and the creditor days stood at 61 days as on 31st March, 2025 against 37 days as on 31st March, 2024. Acuite expects that working capital operations of the company will remain at similar levels in the near to medium term.

Weaknesses

Susceptibility of margins to fluctuation in raw material prices and highly competitive nature of industry

The operating margins of the company are susceptible to volatility in raw material prices, primarily solar photovoltaic (PV) cells. Given the high import dependency for these key inputs, the company's profitability is also exposed to adverse foreign exchange fluctuations. However, the company has forward contract limits for hedging, which mitigates potential foreign exchange losses to an extent. Furthermore, the company operates in a highly competitive and fragmented industry, where the presence of numerous large domestic and international players limits its pricing flexibility and bargaining power with customers.

Rating Sensitivities

- Movement in topline
- Sustenance of the profitability margins while scaling up of operations.
- Working capital cycle

Liquidity Position Adequate

The liquidity profile of the company is adequate marked by net cash accruals of Rs.46.06 crore as on 31st March, 2025 against the debt repayment obligations of Rs.0.05 crore in the same period. Going forward, the company is expected to generate enough net cash accruals in the range of Rs.55.00 Cr. to Rs.65.00 Cr. against the debt repayment obligation of Rs.0.04 Crore in the same period. The current ratio of the company stood at 1.27 times as on 31st March, 2025 as against 1.49 times as on 31st March, 2024. The cash and bank balance available with the company stood at 0.23 Cr. as on 31st March, 2025. Moreover, the fund based and non-fund based working capital limits stood utilized at 21.26% and 60.39% for last six months ending November, 2025. Acuite expects the liquidity profile of the company to remain adequate in the near to medium term, supported by sufficient accruals to debt repayment obligations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	522.41	329.33
PAT	Rs. Cr.	39.96	32.50
PAT Margin	(%)	7.65	9.87
Total Debt/Tangible Net Worth	Times	0.01	0.17
PBDIT/Interest	Times	13.23	9.37

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, Acuite 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
24 Oct 2025	Cash Credit	Long Term	4.00	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE A- Stable (Assigned)
	Letter of Credit	Short Term	19.50	ACUITE A2+ (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	7.00	ACUITE A2+ (Assigned)
	Proposed Short Term Bank Facility	Short Term	18.50	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	36.00	ACUITE A2+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE A2+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE A2+ Assigned
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A- Stable Reaffirmed
AXIS BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A- Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A- Stable Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A- Stable Assigned
AXIS BANK LIMITED	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A2+ Reaffirmed
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.00	Simple	ACUITE A2+ Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A2+ Assigned
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	54.00	Simple	ACUITE A2+ Assigned

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About Acuité Ratings & Research

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