November 07, 2025

AB Energia Solutions Private Limited: Ratings assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term/Short term - Fund based/Non fund based - Others	170.00	[ICRA]BBB (Stable)/[ICRA]A3; assigned
Total	**170.00**	

**Instrument details are provided in Annexure I*

Rationale

The assigned ratings consider AB Energia Solutions Private Limited's (ABESPL) gradual scale-up in operations, its linkages with Oyster Renewable Energy Private Limited (OREPL), which is the renewable energy development platform held by Mr. Ratan Jindal & Family through a Singapore entity, Oyster Renewables Energy Holdings Pte. Limited, and its healthy order book position. ABESPL has successfully executed multiple small-scale rooftops, carport and floating solar projects, totalling a capacity of around 37 MWp till FY2025, and has installed another 85 MW in FY2026 till date as an engineering procurement and construction (EPC) contractor. ABESPL has a healthy order book in hand of Rs. 723.3 crore as it witnessed a steady inflow of new utility-scale EPC contracts which provide comfortable revenue visibility for FY2026 and FY2027. ABESPL has been able to secure and is currently executing relatively larger utility-scale orders, mainly from the Oyster Renewables Group and the Jindal Group. The major orders from the Oyster Group are for 301 MW and 22.35 MWp for other Jindal Group entities.

The Oyster Group plans to expand the renewable energy portfolio to 2-3 GW over the next 3-4 years. As ABESPL has a track record of executing projects for the Oyster Group in the past, the expansion plans of the Group augur well for ABESPL, as this may aid its order book and revenue visibility over the near to medium term. In addition to executing orders from Jindal Group entities, ABESPL has started securing and executing solar projects for other players in India, which will help diversify its client base to some extent. ICRA also notes the presence of an experienced promoter group, with an established footprint in renewable energy.

The company has exhibited a healthy growth in its revenue and profitability in the last two fiscals, with a revenue growth of 165.1 % in FY2024 and 169.4% in FY2025. The operating profitability margins have been healthy at around 28% in FY2024 and 10.5% in FY2025. The company's current order book in terms of project capacity stands at approximately 365 MWp, which is expected to generate revenues of around Rs. 723 crore over FY2026 to FY2027 with majority of the revenue recognition in FY2026. The company also has reported healthy debt metrics with an interest coverage of 115 times in FY2024 and 10.7 times in FY2025.

The ratings are, however, constrained by client concentration and low diversification of the existing order book in terms of client profile, project capacity and the value executed. Further, most of the large-scale projects in the current order book are either yet to be fully commissioned or are in an under-construction phase, exposing the company to project execution risk. The company has a limited track record in executing large-scale utility-scale projects till date as it has fully executed 37 MWp of projects till FY2025 and installed another 85 MWp of projects till FY2026 YTD which awaits commissioning. Hence, a timely completion of the ongoing orders without any time and cost overruns remains a key rating sensitivity and monitorable.

ABEPL faces execution risks from the ongoing projects and post-commissioning stabilisation challenges, such as meeting the contractual solar generation targets as the company also provides operations and maintenance (O&M) services for the executed projects for an initial period of three to four years.

The ratings are also constrained by the fixed price nature of the EPC contracts, exposing the company to raw material price fluctuation risk. However, in order to mitigate this risk, the company typically places back-to-back orders with its suppliers upon securing and signing the contracts. Also, the company keeps some cushion in its margin while bidding to absorb any fluctuations in the prices of equipment such as solar modules, inverters, mounting structures, cables and switchgear. Further, intense competition in the solar EPC and O&M space limits the pricing flexibility. The solar EPC and operations and maintenance industry is highly fragmented, exposing the company to intense competition and pricing pressures.

The Stable outlook on the long-term rating reflects the company's healthy order book that is expected to improve the scale and profitability of the business while maintaining the execution momentum and managing its working capital requirements.

Key rating drivers and their description

Credit strengths

Strategic positioning of the business, supported by linkages with a strong group – The company shares common directorship with Oyster Renewable Energy Private Limited (OREPL), which is indirectly held by Mr. Ratan Jindal and group. OREPL's strategic vision to scale up its renewable energy capacity to 2-3 GW over the next two years is backed by an equity investment commitment from Mr. Ratan Jindal. Comfort is derived from the common directorship and leadership and strategic positioning of ABEPSL in the EPC business, which in turn, is expected to contribute to a healthy order book over the medium term.

Healthy order book and strong domestic pipeline of solar projects impart revenue visibility over the near to medium term – ABESPL's technical expertise, execution capabilities and growing order book position place it well to capitalise on the increasing demand for solar energy solutions, especially from C&I clients seeking sustainable energy alternatives. The company has a total unexecuted order book of around Rs. 720 crore as of September 2025, out of which it plans to execute orders of more than Rs. 500 crore in FY2026. Apart from the projects from the Jindal Group, the company has already won a few orders from other players in the market and is in the process of developing a healthy pipeline of project over the coming months.

Comfortable financial risk profile – ABESPL has been able to register a healthy growth in its revenue and profitability over the last two years, backed by the execution of various solar EPC projects. The company has been receiving a healthy level of mobilisation advances from the Oyster Group projects it is executing, which has helped it manage the working capital requirements and has kept the debt level low. The interest cover was also healthy at 115 times in FY2024 and 10.7 times in FY2025 (excluding interest income earned on the cash and liquid investments). Further, it has debt repayment obligations of around Rs. 74 lakh in FY2026 and Rs. 1.29 crore in FY2027, which can be comfortably met by the company's healthy cash and liquid investment balances. The coverage and leverage are expected to remain robust on the back of a growing revenue base, stable profitability and largely stable debt levels.

Credit challenges

Limited track record in executing large-scale projects – The company has a limited track record of executing large utility scale projects. It has installed around 120 MWp of solar projects till date out of which around 37 MWp of solar projects has been already commissioned and the remaining projects which are large have been commissioned partially. As the track record of ABESPL is largely that of executing small scale projects, a successful execution of the current utility scale projects with no time or cost overruns in the near term remains a key credit monitorable.

Profitability exposed to raw material price risk because of fixed-price EPC contracts – The company's EPC contracts are structured as fixed-price contracts, excluding change-in-law provisions, which exposes it to raw material price volatility. This risk is mitigated through securing quotations and locking in prices on a back-to-back basis, post the signing of the EPC contracts through advance payments during the procurement period. However, managing the raw material price volatility will remain a key monitorable, going forward.

High customer concentration with low project diversification - ABESPL's client portfolio has remained concentrated, with a significant portion of the pending order book linked to entities within the Oyster Group and other entities of the Jindal Group. This exposes the company to execution and client concentration risks, particularly in the event of delays in approvals or clearances from any single project, which could adversely impact the cash flows. However, the risk is partially mitigated by the company being a related entity of the Oyster Group and benefitting from more future projects from the Group. Further, for the orders that are being executed by the company, the payments from the clients have been timely and ABESPL has received interest-free mobilisation advances amounting to 25-50% of the project value from these projects.

Presence in a highly competitive industry – ABESPL is currently a small-sized player in an intensely competitive and fragmented solar EPC industry. Its competitors include EPC arms of independent power producers, established EPC players and EPC arms of solar panel manufactures. It also faces competition from several small-scale players, who provide EPC and O&M services for solar power projects. In addition, the EPC sector is competitive as it is a tender-based business. These factors tend to impact the profitability margins of EPC players.

Liquidity position: Adequate

The liquidity of the company has been assessed as adequate. Though the cash flow from operations is expected to remain negative in FY2026 on account of higher working capital requirements because of the increasing scale of operations, the debt repayment obligations are low and can be met through the free cash and liquid investments of around Rs. 116 crore as on October 31, 2025. Further, the cash flow from operations is expected to remain sufficient to meet the debt repayment obligations for FY2027. The liquidity position will also be supported by a cushion of around Rs. 40 crore available in the working capital limits as on October 31, 2025. However, a prudent management of the working capital requirements remains crucial to maintain an adequate liquidity profile.

Rating sensitivities

Positive factors – The rating may be upgraded if there is a substantial increase in the company's earnings and net worth along with a satisfactory progress in under-development projects without any major time and cost overruns. At the same time, maintaining the profitability, leverage and coverage metrics at a comfortable level, along with an adequate liquidity position, would be the other monitorables favouring an upgrade.

Negative factors – Delays in project execution and continuous low profitability, along with a stretch in the working capital cycle, weakening the liquidity position and leverage and coverage metrics may result in a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	ICRA has considered consolidated financials of AB Energia Solutions Private Limited to arrive at the rating. The subsidiaries considered for consolidation can be referred to in Annexure II

About the company

AB Energia Solutions Private Limited offers solar EPC solutions and O&M services across India. It was incorporated on February 16, 2016, and is held by Mr. Siddharth Bhatia and his family members, who is also the director of Power Capacitors Pvt Ltd and Oyster Renewable Energy Pvt Ltd.

Power Capacitors is involved in the manufacturing and supply of metallized polypropylene capacitors, and Oyster Renewable Energy is an Indian renewable independent power producer focused on developing renewable energy projects and is promoter by Mr. Ratan Jindal.

The company has provided EPC and O&M services for 120-MWp capacity of solar projects as on date. The company has executed ground-mounted solar projects, floating solar projects, rooftop/carport solar solutions, on grid/off grid systems, integrated PV projects, solar pump systems, and operations and maintenance of solar power plants.

In FY2025, ABESPL incorporated AVIISII Electric Systems Private Limited, a wholly owned subsidiary engaged in the production of steel components. This entity is expected to cater to the module mounting structure requirements for the solar projects being executed by ABESPL. Subsequently, in FY2026, the company formed another subsidiary, Enerterra Private Limited, which is intended to provide advisory support on land acquisition and grid connectivity.

Key financial indicators (audited)

AB Energia Solutions Private Limited (Standalone)	FY2024	FY2025
Operating income	101.2	272.7
PAT	21.1	20.3
OPBDITA/OI	28.3%	10.5%
PAT/OI	20.8%	7.4%
Total outside liabilities/Tangible net worth (times)	0.5	3.1
Total debt/OPBDITA (times)	0.1	2.8
Interest coverage (times)	115.2	10.7

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)					Chronology of rating history for the past 3 years					
			FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund based/Non-fund based - Others	Long term/ Short term	170.00	Nov 07, 2025	[ICRA]BBB (Stable)/ [ICRA]A3	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term - Fund based/Non-fund based working capital	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Long term/Short term - Fund based/Non-fund based - Others**	NA	NA	NA	170.00	[ICRA]BBB (Stable)/ [ICRA]A3

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
AVIISII Electric Systems Private Limited	**100%**	Full Consolidation
Enerterra Private Limited	**100%**	Full Consolidation

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