

October 09, 2026

To,
BSE Limited
 P J Towers,
 Dalal Street,
 Mumbai – 400 001

National Stock Exchange of India Limited
 Exchange Plaza, Bandra – Kurla Complex,
 Bandra East,
 Mumbai – 400051

Scrip Code: 543416

Symbol: ZODIAC

Sub: Announcement under Regulation 30 read with Para A of Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 30 read with Para-A of Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, We wish to inform you that CARE Ratings Limited, Credit Rating Agency has assigned the revised Credit Rating on Bank Loan Facility of the Company as per the below table:

Facilities	Amount (Rs. in Crores)	Rating	Rating Action
Long Term / Short Term Bank Facilities	71.55 (Enhanced from 63.55)	CARE BBB; Stable/ CARE A3+	Reaffirmed
Long Term Bank Facilities	115.95 (Reduced from 121.95)	CARE BBB; Stable	Reaffirmed
Long Term Bank Facilities	-	-	Withdrawn
Short Term Bank Facilities	1.50	CARE A3+	Reaffirmed

Copy of Letter of Credit Rating for bank facilities issued by CARE Ratings Limited is enclosed below.

The aforementioned information is also available on the website of the Company i.e. www.zodiacenergy.com.

You are requested to kindly note the same.

Thanking you,
 Yours faithfully,
 For **Zodiac Energy Limited**

DIVYA
 DHARMENDR
 ABHAI JOSHI

Digitally signed by DIVYA
 DHARMENDRABHAI JOSHI
 Date: 2026.10.09 15:05:25
 +05'30'

Divya Joshi
Company Secretary &
Compliance Officer

Place: Ahmedabad
 Encl: A/a



CIN: L51909GJ1992PLC017694
 ISO 9001 & 14001 : 2015 Certified

"Zodiac House" 12, Times Corporate Park, Near Baghban Party
 Plot, Thaltej-Shilaj Road, Thaltej, Ahmedabad. PIN 380059

NSE : Symbol - ZODIAC
 BSE : Code - 543416



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www.zodiacenergy.com
info@zodiacenergy.com



Zodiac Energy Limited

October 08, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term / Short-term bank facilities	RBI	71.55 (Enhanced from 63.55)	CARE BBB; Stable / CARE A3+	Reaffirmed
Long-term bank facilities	RBI	115.95 (Reduced from 121.95)	CARE BBB; Stable	Reaffirmed
Long-term bank facilities	RBI	-	-	Withdrawn
Short-term bank facilities	RBI	1.50	CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Zodiac Energy Limited (ZEL) continue to derive strength from growing scale of operations and moderate profitability supported by presence in Independent Power Purchase (IPP) segment, experienced promoters with established track record of solar power project execution on engineering, procurement, and engineering (EPC) basis, and adequate liquidity.

However, these rating strengths are partially offset by moderate order book position, working capital intensive operations, and moderate financial risk profile. Ratings also take cognisance of sizeable equity commitment towards ZEL's solar project special purpose vehicles (SPVs), funding pattern, which shall remain crucial for the company's financial risk profile. Ratings also consider profitability susceptible to volatility in solar module prices and its presence in a fragmented and highly competitive industry.

The rating assigned to cash credit facility has been withdrawn since this limit has not been renewed per the latest sanctioned letter of the lender.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in total operating income (TOI) above ₹600 crore while maintaining the present profitability level.
- Improvement in capital structure marked by overall gearing below 1.50x.

Negative factors

- Moderation in capital structure marked by overall gearing above 2x on a sustained basis.
- Deteriorating credit risk profile of the off taker with delay in receiving payments.
- Gross current asset (GCA) days above 180 days on a sustained basis.

Analytical approach: Standalone while factoring its equity commitments towards its SPVs, and support, if any, required during construction and operational phase.

Outlook: Stable

Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that ZEL shall continue to benefit from extensive experience of its promoters resulting in sustained order execution. Stable outlook also reflects benefits derived from long-term power purchase agreement (PPA) with a strong counterparty, for its IPP project.

Detailed description of key rating drivers

Key strengths

Growing scale of operations and moderate profitability

ZEL maintained a strong growth trajectory in FY26, with revenue rising ~38% year-on-year (y-o-y) to ₹543.52 crore, supported by robust order execution and buoyant solar demand. Momentum strengthened in Q1FY27, with revenue growing ~45% y-o-y to ₹141.81 crore.

¹SEBI: 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.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Profitability also improved, marked by profit before interest, lease rental, depreciation and tax (PBILDT) margin expanding 120 bps to 10.28% in FY26, and further to 10.62% in Q1FY27, partially aided by the higher-margin IPP business. Consequently, the company's gross cash accruals improved from ₹26.31 crore in FY25 to ₹38.69 crore in FY26. Other return indicators continue to remain healthy marked by return on capital employed (ROCE) and return on net worth (RONW) of 15.56% and 19.76%, respectively, (19.99% and 27.66%, respectively, in FY25).

With healthy sector prospects, stable IPP income and growth in trading operations, CareEdge Ratings expects revenue to grow ~35-40% in FY27, with sustained profitability.

ZEL commissioned 26.56 MWp (AC capacity) solar power assets across 12 sites in Gujarat under Renewable Energy Service Company (RESCO) model in a phased wise manner in H1FY26. It has 25-year PPA with Uttar Gujarat Vij Company Limited (UGVCL) at a tariff rate of ₹3 per Kilo Watt hour, providing revenue stability. The company reported plant load factor (PLF) of over 22% across all sites and revenue of ₹15.58 crore in FY26.

Experienced promoters with demonstrated track record of operations in solar EPC segment

Kunj Shah, Managing Director (MD), has an established track record of over three decades in design, supply, installation, testing, commissioning, and operation and maintenance (O&M) of power assets on EPC basis. Kunj Shah looks after the overall business and is responsible for strategy and planning, finance, investments, and operations. He is ably supported by experienced professionals. The proven track record enables company to bid for complex projects (including canal top and floating solar), in domestic and overseas market. ZEL has installed 500+ MW of solar power projects catering to over 16,000 clients across 15+ states in India and Africa.

Key weaknesses

Moderate orderbook position, resulting in near-term revenue visibility

ZEL's order book stood at ₹208.32 crore as on September 9, 2026, executable over 6-12 months, providing near-term revenue visibility. The order book moderated from ₹394 crore as on May 31, 2025, largely following the completion of a major order of ~₹154-crore in Q1FY27.

Given the fragmented, small-ticket, and short-tenure nature of orders, the order book witnesses a continuous churn, and the company's ability to sustain a continuous order procurement remains crucial from credit perspective.

Orders from ZEL's SPVs constitute ~49% of the current order book, while the balance includes external clients including reputed customers.

Moderate financial risk profile

ZEL's financial risk profile continues to remain moderate, as indicated by an overall gearing and a total outside liabilities to tangible net worth (TOL/TNW) of 1.86x and 3.06x, respectively, as of March 31, 2026 (1.81x and 2.48x at previous year end).

The company's debt largely comprises term loans tied to its IPP solar asset and working capital borrowings under its EPC operations. High working capital intensity (in EPC business) and a moderate net worth base (of ₹116.82 crore on March 31, 2026), results in sizeable reliance on external borrowings and elevated gearing.

Debt coverage indicators remained moderate marked by PBILDT interest coverage and total debt to PBILDT (TD/PBILDT) of 2.97x and 3.89x, respectively, in FY26 (FY25: 4.34x and 4.72x).

In absence of major debt-funded capex and scheduled debt repayment, CareEdge Ratings expects gradual improvement in the company's financial risk profile in the medium term. The company is setting up solar power projects under SPVs, which entail funding requirements. While the company is also mulling raising equity for the same, overall funding pattern of these projects and its impact on ZEL's financial risk profile shall remain crucial from credit perspective.

Working capital intensive operations

Inherent to the EPC industry, ZEL's operations are working capital intensive, as reflected in high GCA days of ~225 days in FY26 (PY: 159 days), owing to sizeable inventory and receivable holding period, and additional funds deployed towards margin money and advances to suppliers. Moderation in GCA days in FY26 was mainly attributed to higher inventory levels near year-end, pending billing of one major project. This inventory was partially liquidated in Q1, and GCA days are expected to remain in the range of 155-175 days in the medium term.

Working capital requirements are largely funded through working capital borrowings, in addition to creditors and advance from customers. Effective management of working capital to ensure timely project execution is critical from the credit perspective.

Intense competition and profitability susceptible to solar module price volatility

ZEL is a mid-sized solar EPC player and faces stiff competition from several established players in the industry. In absence of price escalation clause in majority projects, ZEL's profitability remains exposed to volatility in prices of solar cells and modules, though short tenure nature of contracts and back-to-back procurement of solar modules mitigates this risk to an extent.

Liquidity: Adequate

ZEL's liquidity is adequate marked by sufficient gross cash accruals in range of ₹50-65 crore against its scheduled term debt obligation (incl. finance lease repayment) of ~₹7-12 crore from FY27-FY29, though funding requirement for SPVs remain sizeable. The IPP asset on the company's own books has an adequate average debt service coverage ratio (DSCR) of ~1.17x, though generation remains susceptible to climatic variations and equipment performance. Month-end utilisation of fund-based working capital limits averaged at ~77% for 12 months ended August 2026 (with ad-hoc limits of ~₹2 crore availed for 30 days once during the period).

ZEL reported negative cash flow from operations of ₹2.49 crore in FY26 (PY: -₹1.05 crore) with growing scale and year-end inventory built up. In light of further growth in scale and investment requirement for IPP projects, the company is mulling enhancement in its working capital limits to shore up liquidity.

ZEL has cash and bank balance of ₹0.97 crore and margin money (including fixed deposit receipt [FDR] for debt service reserve account [DSRA]) of ₹31.96 crore as on March 31, 2026. The company's liquidity ratio remains moderate marked by current ratio of 1.07x as on March 31, 2026.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Construction Sector](#)

[Infrastructure Sector Ratings](#)

[Solar Power Projects](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

Ahmedabad based ZEL (L51909GJ1992PLC017694) was promoted by Kunj Shah in 1992 as Zodiac Genset Private Limited. Starting with diesel-based power generation solutions to a comprehensive clean energy solutions company. ZEL was rebranded as 'Zodiac Energy Private Limited' in 2007 and later listed on stock exchange in 2017.

ZEL operates as a turnkey solar energy solution provider, offering end-to-end services on EPC basis including design, supply, installation, testing, commissioning, O&M. ZEL executes residential, commercial, and utility scale solar power projects. ZEL also undertakes trading of solar products majorly solar panels and modules, among others.

In 2024, ZEL ventured into solar IPP business, where ZEL entered PPA with Uttar Gujarat Vij company Limited over 25 years.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	407.78	543.52	141.81
PBILDT*	37.04	55.90	15.06
Profit after tax (PAT)	19.97	21.07	7.02
Overall gearing (x)	1.81	1.86	NA
Interest coverage (x)	4.34	2.97	3.25

A: Audited; UA: Unaudited; NA: Not available Note: These are latest available financial results.

*PBILDT: Profit before interest, lease rental, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

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 regulators:

A list of facilities / instruments falling under the purview of 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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	RBI	NA	-		-	-	0.00	Withdrawn
Fund-based - LT-Electronic Dealer Financing Scheme	RBI	NA	-		-	-	30.00	CARE BBB; Stable
Fund-based - LT-Term Loan	RBI	NA	-		-	31-07-2043	81.46	CARE BBB; Stable
Fund-based - LT-Working Capital Limits	RBI	NA	-		-	-	4.49	CARE BBB; Stable
Fund-based - LT/ ST-Cash Credit	RBI	NA	-		-	-	45.55	CARE BBB; Stable / CARE A3+
Fund-based - ST-Working Capital Limits	RBI	NA	-		-	-	1.50	CARE A3+
Non-fund-based - LT/ ST-Bank Guarantee	RBI	NA	-		-	-	26.00	CARE BBB; Stable / CARE A3+

NA: Not applicable

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-Cash Credit	LT	-	-	-	1)CARE BBB; Stable (07-Aug-25) 2)CARE BBB-; Stable (03-Apr-25)	1)CARE BBB-; Stable (03-Dec-24)	-
2	Fund-based - LT-Term Loan	LT	81.46	CARE BBB; Stable	-	1)CARE BBB; Stable (07-Aug-25) 2)CARE BBB-; Stable (03-Apr-25)	1)CARE BBB-; Stable (03-Dec-24)	-
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	26.00	CARE BBB; Stable / CARE A3+	-	1)CARE BBB; Stable / CARE A3+ (07-Aug-25) 2)CARE BBB-; Stable / CARE A3 (03-Apr-25)	1)CARE BBB-; Stable / CARE A3 (03-Dec-24)	-
4	Fund-based - LT-Working Capital Limits	LT	4.49	CARE BBB; Stable	-	1)CARE BBB; Stable (07-Aug-25) 2)CARE BBB-; Stable (03-Apr-25)	1)CARE BBB-; Stable (03-Dec-24)	-
5	Fund-based - LT/ ST-Cash Credit	LT/ST	45.55	CARE BBB; Stable / CARE A3+	-	1)CARE BBB; Stable / CARE A3+ (07-Aug-25) 2)CARE BBB-; Stable / CARE A3 (03-Apr-25)	-	-
6	Fund-based - LT-Electronic Dealer Financing Scheme	LT	30.00	CARE BBB; Stable	-	1)CARE BBB; Stable (07-Aug-25) 2)CARE BBB-; Stable (03-Apr-25)	-	-

7	Fund-based - ST-Working Capital Limits	ST	1.50	CARE A3+	-	1)CARE A3+ (07-Aug-25) 2)CARE A3 (03-Apr-25)	-	-
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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](#)

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.

Contact us

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About us:

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