

Prostarm/Secretarial/2025-26/64

November 14, 2025

To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code: 544410	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Scrip Symbol: PROSTARM
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Sub: Intimation for Rating assigned by Care Ratings Limited

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations), 2015 (the "SEBI Listing Regulations")

Dear Sir/Madam,

Pursuant to the Regulation 30 of the SEBI Listing Regulations, we would like to inform you that the CARE Ratings Limited has assigned the following rating:

Facilities/Instruments	Amount (₹ Crore)	Rating	Rating Action
Long Term Bank Facilities	125.00	CARE A-; Stable	Assigned
Long Term / Short Term Bank Facilities	65.00	CARE A-; Stable / CARE A2	Assigned
Short Term Bank Facilities	10.00	CARE A2	Assigned
Issuer rating	0.00	CARE A-; Stable	Reaffirmed

We are enclosing herewith a copy of the press release dated November 13, 2025, published by Care Ratings Limited for your reference, which we have received on today, i.e. November 14, 2025 at 10.43 a.m.

The said intimation shall also be available on website of the Company at www.prostarm.com.

Kindly take the above information on record.

Thanking you,

For **Prostarm Info Systems Limited**

Sachin Gupta
Company Secretary and Compliance officer
Membership No: F12500

Encl: As above



Prostarm Info Systems Limited

November 13, 2025

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Long Term Bank Facilities	125.00	CARE A-; Stable	Assigned
Long Term / Short Term Bank Facilities	65.00	CARE A-; Stable / CARE A2	Assigned
Short Term Bank Facilities	10.00	CARE A2	Assigned
Issuer rating Issuer Rating	0.00	CARE A-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Prostarm Info Systems Limited (PISL) factor in the promoters' extensive experience in the power solutions industry, well-qualified management team, and established track record with reputed clientele across diversified sectors. Ratings also derive comfort from PISL's healthy profitability, a strong order book providing medium-term revenue visibility, comfortable financial risk profile, and adequate liquidity.

CARE Ratings Limited (CareEdge Ratings) also notes PISL's listing on BSE and NSE from June 2025, post a successful initial public offer (IPO), which subsequently improved its financial risk profile.

However, ratings remain constrained by the company's modest scale of operations in a highly competitive and fragmented industry and high working capital-intensity marked by elongated gross current asset (GCA) days resulting in negative cash flow from operations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Sustained growth in scale of operations with total operating income (TOI) exceeding ₹750 crore while maintaining profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 14%.
- Strengthening of liquidity with improvement in GCA days below 180 days on a sustained basis.

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Decline in scale of operations with TOI below ₹300 crore or PBILDT margin below 10%.
- Any further elongation in operating cycle marked by operating cycle days above 120 days on a sustained basis.
- Deterioration of debt coverage indicators marked by PBILDT interest coverage below 5x or term debt/ PBILDT above 0.5x on a sustained basis.

Analytical approach: Consolidated

CareEdge Ratings has analysed PISL's credit profile by considering the consolidated financial statements of the company owing to financial, business, and operational linkages between the parent and the subsidiaries. Prostarm Energies Systems Private Limited operates in the same line of business and under a common management team. Details of the subsidiaries and associates, which have been consolidated as on March 31, 2025, are mentioned in Annexure-6.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectations that PISL will benefit from the experience of its promoters, established presence in power electronics and energy storage segment, and moderate order book in the medium term.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and established track record of operations

PISL is promoted by Ram Agarwal and Vikas Agarwal, who possess over 15 years of experience in the power solutions industry. The promoters are supported by a professionally qualified and experienced management team. Given the technical complexity involved in designing and manufacturing power conditioning and energy storage systems, such experience provides operational strength. PISL has established a track record of 17+ years through successful execution of multiple UPS and other power solution projects across critical industries, such as healthcare, defence, and Banking Finance Services and Insurances (BFSI), reinforcing

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

its credentials and customer trust. PISL has three manufacturing facilities, 22 branch offices, and Pan India dealer network of 409 dealers.

Reputed customer base and diversified end-user industries

PISL has established relationships with reputed clients such as Tata Group, Adani Group, Reserve Bank of India, Indian Oil Corporation Limited, Defence research and development organisation, Larsen & Toubro, and RailTel, among others. Its customer base is diversified across multiple sectors, including Healthcare, BFSI, Renewable energy, and System Integrator among others, reducing sector-specific concentration risk.

The top 10 customers accounted for ~66% of total sales in FY25 (52% in FY24), reflecting moderate concentration risk. The established presence in critical industries and long-standing relationships with marquee clients provide comfort from credit rating perspective.

Healthy profitability and strong revenue visibility

PISL's profitability has remained stable with PBILDT ranging from 11.75% to 13.75% in the last three years. In FY25, PBILDT margin stood at 13.13% (13.75% in FY24), and return on capital employed (ROCE) stood healthy at ~30%. Margins are expected to remain stable with scaling-up of operations and execution of higher-value projects.

PISL is expected to maintain its growth momentum supported by an order book of ~₹1,100 crore as of September 2025, to be executed over the next 18–24 months, providing medium-term revenue visibility.

Comfortable financial risk profile

PISL's capital structure remained comfortable, with overall gearing at 0.66x as on March 31, 2025 (0.52x as on March 31, 2024). The moderation was primarily due to higher utilisation of working capital borrowings in line with growth in operations, against a moderate net worth base of ₹101.94 crore.

Debt coverage indicators are also comfortable, with PBILDT interest coverage of 8.50x, total debt/PBILDT of 1.46x, and total debt to gross cash accruals of 2.16x in FY25. These indicators are expected to sustain, supported by envisaged stable profitability.

PISL successfully raised net ₹144 crore through an IPO and was listed on BSE and NSE from June 2025, strengthening its net worth base. The gross proceeds from IPO were proposed to be utilised towards issue-related expenses, working capital requirements, repayment of borrowings and unidentified acquisitions, and general corporate purposes. As on date, IPO proceeds worth ~₹100 crore are parked in form of fixed deposits. Consequently, the company's capital structure has improved, with overall gearing expected to decline below 0.25x by March 31, 2026, from 0.66x as on March 31, 2025.

Key weaknesses

Modest scale of operations

PISL's TOI reported a compound annual growth rate (CAGR) of ~27% in the last five years and TOI of ₹350.90 crore in FY25 (₹257.94 crore in FY24). The growth was aided by steady execution of orders on hand. Manufactured products constituted ₹121.42 crore of the topline, third-party products ₹111.14 crore, solar engineering, procurement, and construction (EPC) ₹19.40 crore, and end-user computing (EUC) ₹94.06 crore. The balance comprises value-added services such as installation and maintenance. In FY25, the growth was fuelled by execution of ~₹94 crore project in the EUC segment for Commissionerate of Health Services, Maharashtra. This was PISL's first and largest project in the EUC segment, and sustainability of growth from this business line will remain critical.

Going forward, the scale of operations is envisaged to grow backed by PISL's entry into the BESS segment. As of September 2025, PISL has an order book of ~₹890 crore for BESS projects, revenue of which will be booked in form of rental income over 12 years with some portion (20-30%) of project value proposed to be received in advance to support the project commencement. Typically, BESS projects require significant upfront equity infusion, thus materialisation and execution of these projects will remain a key rating monitorable.

Presence in fragmented and competitive industry

The Indian UPS market is highly competitive with the presence of global players such as Schneider Electric Global, Vertiv and Delta Power Solutions. PISL faces intense competition from these players in terms of technology and execution capabilities. The industry is also fragmented with the presence of several unorganised players that offer power solutions at significantly lower

prices compared to PISL. PISL's continuous efforts to enhance its project execution capabilities and secure orders regularly will remain a key rating monitorable.

Working capital intensive nature of business

PISL's operations are inherently working capital-intensive, reflected in GCA days of 217 in FY25, driven by receivable days of 102 days and inventory holding of 70 days. While the working capital cycle is partly supported by creditor days of 72, cash flow from operations (CFO) remained negative at ₹3.79 crore in FY25. A significant portion of revenue in FY25 is derived from government/PSU orders, which was milestone-linked and subject to procedural delays. This contributes to receivable stretch and negative CFO, increasing reliance on working capital borrowings.

Going forward, stretch in receivables is expected given the high-value BESS and EUC projects awarded and significant portion of order book from PSU/Government clients, though counterparty risk remains low.

Liquidity: Adequate

PISL's liquidity remains adequate, supported by gross cash accruals of ~₹31 crore in FY25 against negligible debt repayment obligations. Average fund-based working capital limit utilisation remained moderate at ~52% in the 12 months ended September 2025, providing some cushion. The company also reported a current ratio of 1.46x as on March 31, 2025. Liquidity has further strengthened with net IPO proceeds of ~₹144 crore.

Applicable criteria

[Definition of Default](#)

[Issuer Rating](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Electrical Equipment	Other Electrical Equipment

Incorporated in 2008, PISL is engaged in designing, manufacturing, and selling energy storage and power conditioning equipment. Key products include uninterruptible power supply (UPS) systems, inverters, lift inverters, lithium-ion battery packs, voltage stabilisers, and transformers. PISL also trades in third-party batteries and power components and manages reverse logistics and disposal of old systems through buybacks. The company provides installation, maintenance, and rental services.

In 2018, PISL diversified into the solar EPC segment for rooftop solar photovoltaic (PV) projects. The company has a presence in 18 states and one Union Territory, with 22 branch offices and two storage facilities.

Consolidated financials:

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	257.94	350.90	55.74
PBILDT	35.47	46.07	4.73
PAT	22.83	28.85	1.83
Overall gearing (times)	0.52	0.66	NA
Interest coverage (times)	9.63	8.50	2.99x

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

Standalone financials (PISL):

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	256.06	346.14	50.98
PBILDT	36.25	47.87	3.66
PAT	23.96	30.51	1.53
Overall gearing (times)	0.50	0.57	NA
Interest coverage (times)	9.86	8.84	2.32

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

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

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based-Long Term		-	-	-	125.00	CARE A-; Stable
Fund-based-Short Term		-	-	-	10.00	CARE A2
Issuer Rating-Issuer Ratings		-	-	-	0.00	CARE A-; Stable
Non-fund-based-LT/ST		-	-	-	65.00	CARE A-; Stable / CARE A2

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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Issuer Rating-Issuer Ratings	LT	0.00	CARE A-; Stable	1)CARE A-; Stable (03-Oct-25)	-	-	-
2	Fund-based-Long Term	LT	125.00	CARE A-; Stable				
3	Fund-based-Short Term	ST	10.00	CARE A2				
4	Non-fund-based-LT/ST	LT/ST	65.00	CARE A-; Stable / CARE A2				

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: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based-Long Term	Simple
2	Fund-based-Short Term	Simple
4	Non-fund-based-LT/ST	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Prostarm Energy Systems Private Limited	Full	Financial and operational linkages

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.

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About us:

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