

Insolare Energy Limited

Ratings reaffirmed at 'Crisil BBB+ / Stable / Crisil A2 '; rated amount enhanced for Bank Debt

Rating Action

Total Bank Loan Facilities Rated	Rs.310.5 Crore (Enhanced from Rs.100 Crore)
Long Term Rating	Crisil BBB+/Stable (Reaffirmed)
Short Term Rating	Crisil A2 (Reaffirmed)

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has reaffirmed its '**Crisil BBB+/Stable/Crisil A2**' ratings on the bank facilities of Insolare Energy Limited (IEL, part of the Insolare group).

The ratings factor in sustained improvement in IEL's operating performance, supported by its execution capabilities and comfortable order book visibility in the renewable energy EPC (engineering, procurement, and construction) business, especially solar. These factors have enabled the company to execute large orders within stipulated. IEL's has plans to set up a solar module assembly manufacturing facility, which would entail capital expenditure (capex) of over Rs 80 crore in fiscal 2026 and would be towards the captive consumption only. Capex is to be funded through the debt of Rs 60 crores and money raised from new investors of Rs 155 crores in the past 2 years leading to comfortable financial risk profile.

The ratings reflect the extensive experience of the promoters in the solar EPC sector, supported by the established network, clientele and order book, and geographically diversified revenue profile. These strengths are partially offset by sustenance of the operating margin, considering risks related to timely execution of contracts and exposure to intense competition.

Analytical Approach

Crisil Ratings has evaluated the consolidated business and financial risk profile along with its subsidiaries (referred as Insolare Group) due to operational and financial linkages.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers - Strengths

Established network and extensive experience of the promoters in the solar EPC sector, supported by strong clientele and orderbook: IEL has a strong presence in the solar EPC and solar park development segment, backed by technical and operational expertise of its promoters. Since inception, the company has commissioned 1.2 giga watts of solar ground mounted, rooftop, car port, floating roof projects across different geographies. Confirmed unexecuted orders worth Rs 920 crore as of December 31 2025, which is to be executed between the next 6 to 12 months leading to comfortable revenue visibility over the medium term. IEL has also maintained healthy relationships with reputable clients in the renewable-energy sector, backed by a track record of continued repeated order flow on-year. Timely execution of orders, leading to sustained growth in revenue, **remains monitorable**.

Diversified revenue profile: IEL caters to diversified clients across India and has the revenue composition of multiple orders related to battery energy storage solution, EPC, solar park development for various client. This reduces the risk for revenue concentration from one business segment. Post fiscal 2026 IEL expects the revenue concentration from EPC and solar park development at the rate to 50-50%.

Comfortable financial risk profile: Networth of IEL remain comfortable at Rs 190.56 crores as on March 31, 2025 backed by successful track record of raising Rs 155 crores in the past 2 years. This has led to comfortable capital structure with gearing of 0.5 times as on March 31, 2025 and same is expected to remain below 0.7 times over the medium term due to ongoing capex. Debt protection metrics also remain comfortable with interest coverage ration above 5 times expected over the medium term. However, any major debt-funded capex, or investment in joint ventures, along with a rise in working capital requirement, remains monitorable.

Key Rating Drivers - Weaknesses

Sustenance of operating margin and timely execution of contracts: The operating margin has grown from 4.16% in fiscal 2023, to 7.83% in fiscal 2025, due to the higher execution of contracts. In the near term, considering the longer tenor of the contracts in the pipeline and the inherent risks of execution slowness due to unforeseen delays on account of differing land, evacuation, local-clearance, and governmental approvals across states, structural execution risk and other procedural bottlenecks, the sustenance of the margins in the medium term with timely execution of contracts to achieve the expected scale of operations remains a key monitorable. Sustenance of healthy operating margins going forward on the back of increased flow of orders in various geographical locations navigating the regulatory landscape shall remain a key monitorable. Solar project margins are directly tied to module, raw material and logistics prices — sudden commodity inflation compresses margins quickly; hedging options are limited. This is an industry-level hard constraint.

Exposure to intense competition in the solar EPC segment: Although IEL has a strong competitive edge, considering its confirmed orderbook position, it derives currently over 90% of revenue from EPC contracts, which is a highly competitive segment. Moreover, peers in the solar EPC industry have also started venturing into solar-park development contracts in recent years. Connectivity approvals getting converted into confirmed orders, backed by investor commitment, is a key monitorable.

Liquidity Adequate

The fund based and non-fund-based limit utilisation for the past 12 months ended December 2025 has remained around 69% and 70%. With the increasing working capital requirement efficient working capital management will remain monitorable. Net cash accruals are expected to be over Rs 40 crores over the medium term against Rs 18.69 crore in fiscal 2025. Cash and bank balance stood at Rs 86 crores as on March 31, 2025, which is majorly encumbered towards security deposits and margin money. Current ratio remains healthy at 1.65 times as on March 31, 2025.

Outlook Stable

Crisil Ratings believes IEL will continue to benefit from the extensive experience of its promoters and the strong orderbook inhand offers revenue visibility over the medium term.

Rating sensitivity factors

Upward Factor:

- Improvement in scale of operation by 20% and sustenance of operating above 12% leading to higher net cash accruals.
- Completion of project within specified timeline with no major cost overrun and timely realization from the new plant.
- Sustenance of the financial risk and liquidity profile.

Downward Factor:

- Decline in operating revenue below Rs 500 crores or operating margin below 7% leading to low than expected NCA
- Major cost overrun or delay in ramping up from the new plant.
- Higher than expected debt funded capex leading to weakening of financial risk profile

About the Company

IEL along with its subsidiaries is engaged in the supply, erection, procurement, and construction (EPC) and installation of solar projects, and energy storage solutions.

Key Financial Indicators

Consolidated Numbers

As on / for the period ended March 31	Unit	2025	2024
Operating income	Rs crore	438.42	162.91
Reported profit after tax	Rs crore	17.42	3.20
PAT margin	%	3.97	1.96
Adjusted debt/Adjusted networkth	Times	0.50	0.58
Interest coverage	Times	3.28	3.37

Status of non cooperation with previous CRA: Not applicable

Any other information: Not applicable

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
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NA	Bank Guarantee	NA	NA	NA	197.00	NA	Crisil A2
NA	Cash Credit	NA	NA	NA	98.50	NA	Crisil BBB+/Stable
NA	Proposed Non Fund based limits	NA	NA	NA	1.50	NA	Crisil A2
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	1.50	NA	Crisil BBB+/Stable
NA	Rupee Term Loan	NA	NA	NA	12.00	NA	Crisil BBB+/Stable

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Insolare Energy Limited	Full	Parent
Ashwamedha Kar Solar Private Limited	Full	Operational and financial linkages
Solberry Energy Private Limited	Full	Operational and financial linkages
GNH3 Solutions 1 Private Limited	Full	Operational and financial linkages
GNH3 Solutions 2 Private Limited	Full	Operational and financial linkages
GNH3 Solutions 3 Private Limited	Full	Operational and financial linkages
Suryaashish TN 1 Re Park Private Limited	Full	Operational and financial linkages
Suryaashish GJ2 Solar Park Private Limited	Full	Operational and financial linkages
Suryaashish MH1 Solar Park Private Limited	Full	Operational and financial linkages
Suryaashish RJ1 Solar Park Private Limited	Full	Operational and financial linkages
Suryadeep GJ1 Project Private Limited	Full	Operational and financial linkages

Suryadeep Limited	GJ2	Project	Private	Full	Operational and financial linkages
Suryadeep Limited	GJ3	Project	Private	Full	Operational and financial linkages
Suryadeep Limited	GJ4	Project	Private	Full	Operational and financial linkages
Suryadeep Limited	MH1	Project	Private	Full	Operational and financial linkages
Suryadeep Limited	KA2	Project	Private	Full	Operational and financial linkages
Suryadeep Limited	KA3	Project	Private	Full	Operational and financial linkages
Regenesis Limited	Renewable	Private		Full	Operational and financial linkages
Suryaashish Limited	RE Park	GJ3	Private	Full	Operational and financial linkages
Suryadeep Limited	GJ5	Project	Private	Full	Operational and financial linkages
Suryaashish Limited	KA1	Solar Park	Private	Full	Operational and financial linkages
Suryadeep Limited	UP	Kusum	Private	Full	Operational and financial linkages

Annexure - Rating History for last 3 Years

Instrument	Current			2026 (History)		2025		2024		2023		Start of 2023
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	
Fund Based Facilities	LT	112.0	Crisil BBB+/Stable	02-03-26	Crisil BBB+/Stable		--		--		--	--
Non-Fund Based Facilities	ST	198.5	Crisil A2	02-03-26	Crisil A2		--		--		--	--

All amounts are in Rs.Cr.

Annexure – Details of Bank Lenders/Facilities

Facility	Amount (Rs. Crore)	Name of Lender	Rating
Bank Guarantee	14	YES Bank Limited	Crisil A2
Bank Guarantee	25	Axis Bank Limited	Crisil A2
Bank Guarantee	20	Bank of Maharashtra	Crisil A2
Bank Guarantee	40	State Bank of India	Crisil A2
Bank Guarantee	98	Union Bank of India	Crisil A2
Cash Credit	11	YES Bank Limited	Crisil BBB+/Stable
Cash Credit	25	State Bank of India	Crisil BBB+/Stable
Cash Credit	22.5	Union Bank of India	Crisil BBB+/Stable
Cash Credit	10	Axis Bank Limited	Crisil BBB+/Stable
Cash Credit	30	Bank of Maharashtra	Crisil BBB+/Stable
Proposed Long Term Bank Loan Facility	1.5	Not Applicable	Crisil BBB+/Stable
Proposed Non Fund based limits	1.5	Axis Bank Limited	Crisil A2
Rupee Term Loan	12	Vivriti Capital Limited	Crisil BBB+/Stable

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