



Press Release
INSOLARE ENERGY LIMITED (ERSTWHILE INSOLARE ENERGY PRIVATE LIMITED)
April 15, 2025
Rating Assigned and Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	40.15	ACUITE BBB Stable Assigned	-
Bank Loan Ratings	72.90	ACUITE BBB Stable Upgraded	-
Bank Loan Ratings	59.85	-	ACUITE A3+ Assigned
Bank Loan Ratings	82.10	-	ACUITE A3+ Upgraded
Total Outstanding Quantum (Rs. Cr)	255.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating at ‘**ACUITE BBB**’ (read as **ACUITE Triple B**) from ‘**ACUITE BBB-**’ (read as **ACUITE Triple B minus**) and short-term rating at ‘**ACUITE A3+**’ (read as **ACUITE A three plus**) from ‘**ACUITE A3**’ (read as **ACUITE A three**) on the Rs.155.00 crore bank facilities of Insolare Energy Limited (Erstwhile Insolare Energy Private Limited)(IEL). The outlook is ‘**Stable**’.

Further, Acuite has also assigned its long-term rating at ‘**ACUITE BBB**’ (read as **ACUITE Triple Ba**) and short-term rating of ‘**ACUITE A3+**’ (read as **ACUITE A three plus**) on the Rs.100.00 crore bank facilities of Insolare Energy Limited (Erstwhile Insolare Energy Private Limited)(IEL). The outlook is ‘**Stable**’.

Rationale for rating upgrade

The rating upgrade factors in the improvement in the operating performance of the company in FY25 backed by strong orderbook from reputed clientele which stood at Rs.1,077 crore as on March 20, 2025. The upgrade also factors the fresh equity infusion of Rs. 88.43 crore in the month of January 2025 leading to improvement in the capital structure. Further, the rating factors in the established track record of operations along with the experience of the management in the industry for nearly two decades and positive industry outlook due to growing demand and timely support from the government. However, these strengths are partially offset by the intensive working capital operations of the company as marked by high gross current asset days (GCA). The company further faces stiff competition from various established players which may affect its margins.

About the Company

Established in June 2008 at Ahmedabad, Gujarat, IEL is an Engineering, Procurement and Construction (EPC) company that specializes in delivering comprehensive turnkey solutions for renewable projects. The company offers a wide range of services associated with renewable energy power plants (majorly solar) including EPC contracting, turnkey project execution and support services such as design, engineering, and construction of power plants as well as operations and maintenance (O&M) for the same. The company has

completed projects of more than 600 MW till the end of March 2025 with operations expanded across 21 states having major presence in Karnataka, Maharashtra, Gujarat, and Telangana.

The current directors of the company are Mr. Sunit Tyagi, Mr. Hemanshu Bhatt, Mr. Navashil Sharma, Mr. Kaikhushru Taraporevala, Mr. Gajanan Gandhe, Ms. Pooja Bahry and Mr. Bhavesh Agal.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of Insolare Energy Limited (IEL) to arrive at the rating

Key Rating Drivers

Strengths

Experienced management and established track record of operations

Founded in June 2008, IEL is a EPC company that specializes in delivering turnkey solutions for solar projects. The company is managed by an experienced team having significant industry experience of more than 2 decades contributing to company's expanding operations. The company generates its income from two primary sources, one being the revenue from EPC services and other is through sale of materials. These materials include solar modules which are procured basis customers preferences and then passed through to them on cost basis. Acuite believes that IEPL will continue to benefit from its qualified management and established track record of operations.

Improving operating performance backed by strong growth in order book from reputed clientele

The company recorded a revenue of Rs 132.3 crore in FY24 (including Rs.21.55 crore from pass through sales) which is estimated to have improved to ~Rs.367 crore in FY25 (including pass through sales) backed by growth in orderbook and timely executions. Further, this revenue growth momentum is expected to continue in the medium term on account of healthy orderbook of Rs.1,077 crore as on March 20, 2025. The order book is also supported by strong clientele like United Phosphorus Limited (UPL), Satluj Jal Vidyut Nigam (SJVN), Maruti and Aditya Birla group etc. Further, the overall operating margins of the company (including pass through items) is expected to be in the range of ~9 to 10 percent over medium term. Moreover, the growth in renewable energy market due to tightening of sustainable development targets across global economies along with supportive government policies, norms and mandates to meet ambitious global decarbonization shall aid in growing operations of the company.

Healthy financial risk profile

The financial risk profile of the company remained healthy marked by a healthy net worth, low gearing, and moderate debt protection metrics. While the net worth of the company stood healthy at Rs. 99.80 crore as on March 31, 2024, it is estimated to improve by more than 100% as on March 31, 2025 primarily due to fresh equity infusion done by the company of Rs. 88.43 crore and the accretion of profits to the reserves. Therefore, while the gearing stood at 0.53 times as on March 31, 2024 with debt service coverage ratio and interest coverage ratio at 1.72 times and 3.37 times respectively in FY24, this increment in net worth coupled with improvement in the cash accruals is estimated to have improved the financial metrics in FY25. Further, the management plans to file for an initial public offering in FY26. While this being at a preliminary stage is not factored in the rating, however, a successful fund raise shall further improve the capital structure.

Moreover, Acuite believes that the financial risk profile of the company shall continue to remain healthy with growing operations and steady cash accruals.

Weaknesses

Intensive working capital operations

The working capital operations were intensive in FY24 marked by high GCA days of 346 days. This was primarily because of high inventory and debtor days which was influenced by substantial year end purchase and sales. Moreover, from FY25 with reduced debtor and inventory days the working capital operations though eased but remained intensive with GCA days ranging between 150 to 180 days. The company currently provides a credit period of 45 days to its customers. Further, the company has also enhanced its working capital limits by ~ Rs.40 crore in FY25.

Acuite believes that working capital operations of the company is likely to remain intensive considering the nature of operations for the company.

Intense competition from established players

IEL faces stiff competition from various established EPC players in the industry which may limit its pricing thereby affecting the margins. Moreover, continuous improvement in the order book and timely execution of the same will be a key rating sensitivity.

Rating Sensitivities

- Continued growth in orderbook and timely execution of existing contracts leading to sustained growth in the operating performance
- Deterioration in the financial risk profile on the back of increase in debt levels or inadequate cash accruals
- Significant stretch in the working capital levels

Liquidity Position

Adequate

The liquidity of the company is marked adequate on back of the recent fund-raising of Rs. 88.43 crore in FY25 along with the sufficient generation of net cash accruals to service the outstanding debt obligations. The company generated a cash accrual of Rs. 7.34 crore in FY24 against the maturing repayment obligations of Rs. 2.55 crore during the same tenure. Further the company is estimated to have generated cash accrual of ~Rs.18 to 20 crore in FY25 against the repayment obligations of Rs. 5.75 crore. The company had a cash and bank balance of Rs.0.25 crore as of December 31, 2024. Further, the average working capital utilizations of the company stood at 72.82 percent for 6 months ended on February 28, 2025.

Acuite believes the liquidity position of the company shall continue to remain adequate with steady cash accruals against maturing debt obligation.

Outlook - Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	132.30	250.46
PAT	Rs. Cr.	6.39	6.23
PAT Margin	(%)	4.83	2.49
Total Debt/Tangible Net Worth	Times	0.53	0.93
PBDIT/Interest	Times	3.37	5.29

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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, Acuité 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
02 Jul 2024	Bank Guarantee (BLR)	Short Term	21.50	ACUITE A3 (Assigned)
	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A3 (Assigned)
	Proposed Bank Guarantee	Short Term	44.00	ACUITE A3 (Assigned)
	Term Loan	Long Term	4.45	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.15	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	15.00	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	5.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	2.90	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Assigned)
	Proposed Cash Credit	Long Term	25.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	21.50	Simple	ACUITE A3+ Upgraded (from ACUITE A3)
Bank of Maharashtra	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A3+ Upgraded (from ACUITE A3)
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.50	Simple	ACUITE A3+ Assigned
Axis Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A3+ Assigned
Central Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A3+ Assigned
Yes Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.00	Simple	ACUITE A3+ Assigned
Bank of Maharashtra	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB Stable Assigned
Central Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.50	Simple	ACUITE BBB Stable Assigned
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.00	Simple	ACUITE BBB Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	45.60	Simple	ACUITE A3+ Upgraded (from ACUITE A3)
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.35	Simple	ACUITE A3+ Assigned
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
TJSB Sahakari Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	29 Aug 2033	2.75	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Aug 2028	0.85	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2027	3.42	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)

ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2027	0.88	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Vivriti Capital Limited	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Vivriti Capital Limited	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Apr 2026	5.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Vivriti Capital Limited	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Apr 2026	9.65	Simple	ACUITE BBB Stable Assigned

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