# Insolation Green Energy Private Limited

March 25, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Long Term Bank Facilities | 61.14 (Enhanced from 11.14) | CARE BBB+; Stable | Reaffirmed |
| Long Term / Short Term Bank Facilities | 315.00 (Enhanced from 135.00) | CARE BBB+; Stable / CARE A2 | Reaffirmed |
| Short Term Bank Facilities | 30.00 | CARE A2 | Assigned |

Details of instruments/facilities in Annexure-1.

## Rationale and key rating drivers

The ratings assigned to the bank facilities of Insolation Green Energy Private Limited (IGEPL) takes into account significant growth in its scale of operations while maintaining moderate profitability supported by strong domestic demand as well as ramp-up of solar module manufacturing capacity, and healthy order book on hand providing medium term revenue visibility.

The ratings continue to derive strength from established track record of more than eight years of the holding company i.e. Insolation Energy Limited (IEL) in the renewable power segment, positive demand outlook with government support to the solar energy sector, good clientele base of the company, comfortable financial risk profile and adequate liquidity. IGEPL remains strategically important for IEL, as a substantial portion of IEL's manufacturing capacity is housed under IGEPL. CARE Ratings Limited's (CareEdge Ratings) notes successful commissioning of 3.00 gigawatt (GW) solar PV module capacity in H1FY26 (refers to the period Apri 01 to September 30), increasing the overall capacity to 3.75 GW for solar modules. With the expected commissioning of an additional 1.5 GW module capacity in February 2026, the overall module capacity will increase to 5.25 GW. IGEPL has also been included in the Approved List of Models and Manufacturers (ALMM) for solar modules, enhancing its competitive positioning and market access.

The ratings, however, are constrained on account of IGEPL's limited track record of operations, susceptibility of profitability to fluctuation in raw material prices, technological obsolescence risk and stiff competition from organised players in the industry. The ratings also factor in implementation and stabilisation risk associated with its on-going large sized capex for manufacturing solar cell and aluminium frames. The capital outlay for the capex is envisaged at ₹,1512 crore, funded through a 75:25 debt-internal accruals mix, which is expected to result in some moderation in its financial risk profile going forward; however, the same is expected to remain moderate.

## Rating sensitivities: Factors likely to lead to rating actions

### Positive factors

- Increase in scale of operations with total operating income (TOI) exceeding ₹3000 crore while maintaining its comfortable PBILDT margin.
- Successful completion of its solar cell manufacturing capex within envisaged time and cost parameters resulting in PBILDT interest coverage of over 6x and total debt to PBILDT below 3 times on a sustained basis.

### Negative factors

- Lower than envisaged scale of operations with TOI below ₹2000 crore or any significant moderation in PBILDT margin
- Any significant delay in solar cell project implementation impacting the debt coverage indicators with total debt to PBILDT above 4 times.
- Any adverse regulatory outcome which reduces the competitiveness of domestic manufacturers as against international players

**Analytical approach:** Standalone, factoring in operational, managerial and financial linkages with its parent i.e. Insolation Energy Limited (IEL).

The analytical approach has been changed from Standalone due to significant linkages with parent, IEL with IEL raising funds required for IGEPL's capex.

**Outlook:** Stable

'Stable' outlook reflects CareEdge Ratings' view that IGEPL is likely to sustain growth in its operating performance with healthy demand, favourable government policies and established relationship with reputed clientele.

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

## Detailed description of key rating drivers:

## Key strengths

### Significant scaling up of operations and moderate profitability

IGEPL reported TOI of ₹1269.56 crore in FY25 as compared to ₹507.89 crore in FY24 on the back of healthy domestic demand and scaling up of its solar module capacity. Its operating profitability marked by PBILDT margin, also remained moderate at 12.61% in FY25. It however was lower as compared to FY24 level due to increased contribution from job-work contracts, which typically carry lower margin. Consequently, PAT margin stood at 9.60% in FY25, compared to 10.36% in FY24. Despite margin moderation, the company's gross cash accruals witnessed a two-fold increase to ₹129.88 crore (PY: ₹59.05 crore), supported by the growing scale of operations.

Furthermore, as per the provisional financials of H1FY26, IGEPL reported y-o-y growth of 39% in its TOI to ₹784.35 crore (PY: ₹. 563.41) crore with a PBILDT margin of 13.08% (PY: 14.18%).

IGEPL is currently operating on three models i.e. sales generated through 100+ dealer-distribution network across Rajasthan, Haryana & UP, direct sales to EPC contractors/clients and job work for manufacturing solar modules for reputed corporates.

### Healthy order book position and good customer profile

IGEPL had a healthy unexecuted order book of 1,750 MW for solar modules aggregating to more than ₹2600 crore as on January 2026 end, which provides good revenue visibility over the medium term. The order book contains orders from leading developers such as National Thermal Power Corporation (NTPC), National Hydroelectric Power Corporation (NHPC), KPI Green Energy Private Limited, ACME Solar Holding Limited, etc.

With this order book on hand and ongoing solar module capacity addition of 4.5 GW (3 GW already commissioned), CareEdge Ratings expects the revenue to grow significantly over the medium term.

### Comfortable financial risk profile

IGEPL's financial risk profile reflects a strengthening capital base supported by equity infusion. With operations commenced in FY23, the company reported a moderate net worth of ₹247.12 crore as on March 31, 2025 (₹62.12 crore as on March 31, 2024), which increased to Rs.570.75 crore as on H1FY26 end driven primarily by equity infusion from the parent through QIP proceeds to support ongoing capex requirements.

Debt levels remained low at ₹97.43 crore as on March 31, 2025, resulting in comfortable gearing of 0.39x (improved from 1.33x in FY24). Debt-coverage metrics also remained healthy, with interest coverage of 21.55x and total debt/GCA of 0.75x in FY25 (vis-à-vis 10.05x and 1.40x, respectively, in the previous year).

As per the provisional financials for H1FY26, the debt metrics continues to stand healthy with interest coverage of 16.97 times and total debt /GCA of 1.43 times.

### Favourable demand for domestically manufactured solar modules amidst favourable regulatory environment

The demand prospect for domestic module manufacturers remains buoyant on account of various policy measures and schemes initiated by the Government of India (GoI) such as imposition of basic customs duty (BCD) of 40% and 25% on imported solar modules and solar cells, respectively, from April 01, 2022, and imposition of Approved List of Models and Manufacturers (ALMM-I) for domestic modules from April 01, 2024, which is expected to be a key growth driver for the domestic manufacturers by making them cost-competitive compared to Chinese players.

Furthermore, the Mandatory use of domestic content requirement (DCR) solar modules in solar installations under central government-aided schemes such as PM Surya Ghar Muft Bijli Yojana, and PM-KUSUM Yojana among others under which 40% raw material shall be domestically manufactured, strengthens the competitive position of homegrown players. Additionally, introduction of production-linked incentive (PLI) scheme to promote backward integrated plants is also expected to benefit domestic module manufacturers.

Going forward, CareEdge Ratings expects the demand prospects for IGEPL to remain strong in the domestic market, given the favourable policy support by the Government. The company is also expected to benefit from the growing preference for DCR modules given its operational 3.75 GW module capacity and 4.50 GW upcoming cell capacity, which is likely to support its competitiveness in the near-to-medium term.

## Key weaknesses

### Implementation and stabilisation risk associated with the solar cell capex

IGEPL is undertaking backward integration at Narmadapuram, Madhya Pradesh by setting up a 4.5 GW TOPCon cell and 18,000 MT of aluminium framing manufacturing capacity at a planned outlay of ₹1512 crore, which is envisaged to be funded in a debt:

internal accrual mix of 75: 25. The company has achieved financial closure for term loan of ₹1134 crore for this project. Commercial operations are expected to commence by December 2026, with production primarily geared toward in-house consumption**.**
Given the sizeable capital outlay, IGEPL remains exposed to execution risk which emanates from implementation of this project. The ability of the company to execute the planned capex without any major time and cost overrun would be critical from a credit standpoint. Furthermore, with availment of sizeable debt, CareEdge Ratings notes that the financial risk profile is expected to weaken over the medium term, although it is likely to remain moderate given the company's envisaged healthy accruals generation.

**Stiff competition with presence of organized and unorganized players**
Solar module manufacturing industry is highly competitive owing to presence of large number of organized and unorganized players. While the competition from imports is mitigated through policy measures like Approved List of Module Manufacturers (ALMM) and imposition of BCD, the company remains exposed to competition from other domestic manufacturers, especially with the announcement of large expansion plans by existing players and entry of new players.

**Exposure of profitability to movement in raw material prices**
The profitability of IGEPL remains exposed to volatility in price movements of key raw material i.e. solar cells. Moreover, given the lack of backward integration and limited capacity in India, the company remains dependent on imports, exposing it to pricing and availability risks. Furthermore, the company is also required to procure solar cells from the domestic market for production of DCR (Domestic Content Requirement) panels, the prices of which is significantly higher compared to cells imported from China. The business also remains exposed to risks pertaining to any devolvement of warranties provided on the solar modules in absence of any policy in place.

**Risk of technological obsolescence necessitates continuous upgrade of machineries**
The PV module industry, including components such as cells is characterised by continuous product and process innovation, along with the rapid adoption of new technology. Given the risk of technological obsolescence, the industry players are required to undertake continuous upgrades and related investments to sustain the competitive advantage.

## **Liquidity**: Adequate
The company's liquidity is adequate, supported by healthy gross cash accruals generated with scaling up of operations and moderate utilisation of working capital limits. The company reported improvement in cash flow from operations of ₹32.80 crore in FY25 (PY: ₹12.21 crore), while average utilisation of fund-based limits remained moderate at around 65% for the 12 months ended August 31, 2025. Liquidity is further aided by a satisfactory operating cycle of 20 days, driven by a conservative inventory policy of maintaining stock for about one month and sales largely executed on an advance basis or backed by 30–60-day letters of credit. Gross cash accruals are projected at ₹280-₹440 crore in FY27–FY28 against maximum annual repayment obligation of ₹68 crore, indicating adequate debt-servicing capability over the medium term.

## **Assumptions/Covenants:** Not Applicable

## **Environment, social, and governance (ESG) risks:** Not Applicable

## Applicable criteria
Definition of Default
Factoring Linkages Parent Sub JV Group
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 |

Insolation Green Energy Private Limited (IGEPL), incorporated in 2021, operates a greenfield facility at Jaipur, Rajasthan, engaged in manufacturing half-cut mono PERC solar modules (520–560W). The plant, commissioned in January 2023, had an installed

capacity of 3.75 GW as on December 31, 2025, with an additional 1.5 GW expansion slated for commissioning by February 2026. IGEPL is a wholly owned subsidiary of Insolation Energy Limited (IEL), promoted by first-generation entrepreneurs Mr. Vikas Jain and Mr. Manish Gupta, with IEL engaged in manufacturing smaller-capacity solar modules (40–400W).
IGEPL is further undertaking a major capex to establish a 4.5 GW solar cell line and an 18,000 MTPA aluminium frame facility at Narmadapuram, Madhya Pradesh. The project outlay of ₹1,512 crore is expected to be funded through a ₹1,134 crore term loan and internal accruals, with financial closure achieved. Commercial operations are expected to commence by December 2026, with production primarily geared toward in-house consumption**.**

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (A) | H1FY26 (Prov) |
|---|---|---|---|
| Total operating income | 507.89 | 1,269.56 | 784.35 |
| PBILDT* | 76.58 | 160.12 | 102.64 |
| Profit after tax (PAT) | 52.61 | 121.88 | 73.61 |
| Overall gearing (x) | 1.33 | 0.39 | 0.41 |
| Interest coverage (x) | 10.05 | 21.55 | 16.97 |

A: Audited, Prov: Provisional; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA: Not** Applicable

**Any other information:** Nil

**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 - LT-Term Loan | | - | - | 01/08/2030 | 61.14 | CARE BBB+; Stable |
| Fund-based - LT/ ST-Cash Credit | | - | - | - | 315.00 | CARE BBB+; Stable / CARE A2 |
| Non-fund-based - ST-Credit Exposure Limit | | - | - | - | 5.00 | CARE A2 |
| Non-fund-based - ST-Letter of credit | | - | - | - | 25.00 | 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 | Fund-based - LT-Term Loan | LT | 61.14 | CARE BBB+; Stable | 1)CARE BBB+; Stable (30-Jan-26) | 1)CARE BBB; Stable (17-Mar-25) | 1)CARE BBB-; Stable (06-Mar-24) | - |
| 2 | Fund-based - LT/ ST-Cash Credit | LT/ST | 315.00 | CARE BBB+; Stable / CARE A2 | 1)CARE BBB+; Stable / CARE A2 (30-Jan-26) | 1)CARE BBB; Stable / CARE A3+ (17-Mar-25) | 1)CARE BBB-; Stable / CARE A3 (06-Mar-24) | - |
| 3 | Non-fund-based - ST-Letter of credit | ST | 25.00 | CARE A2 | | | | |
| 4 | Non-fund-based - ST-Credit Exposure Limit | ST | 5.00 | 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 - LT-Term Loan | Simple |
| 2 | Fund-based - LT/ ST-Cash Credit | Simple |
| 3 | Non-fund-based - ST-Credit Exposure Limit | Simple |
| 4 | Non-fund-based - ST-Letter of credit | Simple |

## Annexure-5: Lender details

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|---|
| 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.

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**About us:**
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com



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