

October 16, 2025

Isharays Energy Private Limited: Update on material event

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term fund based – Term loan	70.69	70.69	[ICRA]A-; placed on rating watch with developing implications
Total	70.69	70.69	

*Instrument details are provided in Annexure I

Rationale

Material Event

On October 9, 2025, SunSource Energy Private Limited (SSEPL) entered into a share purchase agreement (SPA) with Inox Neo Energies Private Limited (INEPL) for the proposed sale of its equity interest in certain special purpose vehicles (SPVs) housing the solar energy projects of the group totalling 290 MW. This sale transaction also includes complete transfer of SSEPL's equity stake in Isharays Energy Private Limited (IEPL) along with the other SPVs in the co-obligor structure, namely, Isharays Energy One Private Limited, Isharays Energy Two Private Limited, Isharays Energy Three Private Limited, Suryaurja Two Private Limited and Suryaurja Four Private Limited, to INEPL. The completion of the transaction is subject to the fulfilment of condition precedents, other terms outlined in the SPA, and the receipt of all necessary regulatory approvals as required under the applicable law.

INEPL is an independent renewable energy power producer with 157 MW of operational capacity and ~1.1 GW of under-construction capacity. The assets under INEPL are majorly spread across Gujarat and Maharashtra. INEPL is part of the INOXGFL Group with Inox Clean Energy Limited (ICEL) owning a majority stake in INEPL. ICEL is engaged in the business of developing and operating utility scale wind, solar, and hybrid power projects through INEPL as well as manufacturing solar cells and modules through Inox Solar Limited (ISL).

Impact of the Material Event

The ratings of IEPL are being placed under watch with developing implications, following SSEPL's announcement of the proposed sale of its entire equity stake in IEPL along with the other SPVs in the co-obligor pool. Subsequently, ICRA has taken note of the proposed divestment of IEPL to INEPL. ICRA will interact and understand from the new management their approach towards supporting the acquired assets, both operationally and financially, and will continue to monitor the developments and resolve the rating watch as more clarity emerges on the announced transaction.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, the liquidity position and rating sensitivities: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power – Solar and Wind
Parent/Group support	The rating assigned factors in the presence of cash surplus sharing and cross default linkages among the six SPVs of the group - Isharays Energy Private Limited, Isharays Energy One Private Limited, Isharays Energy Two Private Limited, Isharays Energy Three Private Limited, Suryaurja Two Private Limited and Suryaurja Four Private Limited The rating for IEPL has been arrived at by following the analytical steps: 1. An assessment of the standalone credit profile of IEPL 2. An assessment of the Group's credit profile by undertaking a consolidated assessment of the six SPVs in view of the linkages among them 3. The final rating of IEPL is arrived at by suitably notching up its standalone rating after duly considering the group's rating and the linkages between the standalone entity and the group
Consolidation/Standalone	The rating is based on the standalone financial profile of the rated entity.

About the company

IEPL was incorporated on September 5, 2020 and has installed a 21-MWp solar project at Ramnathapuram, Tamil Nadu. The power offtake has been contracted with multiple C&I customers. The project achieved COD in June 2024. SSEPL is the holding company of IEPL, with a 74% equity stake and the remaining stake is being held by the C&I customers.

Co-obligor Group

IEPL is funded by a common single lender under the co-obligor group with five other entities, namely, Isharays Energy One Pvt Ltd, Isharays Energy Two Private Limited, Isharays Energy Three Private Limited, Suryaurja Two Private Limited and Suryaurja Four Private Limited. The co-obligor group houses open access solar PV projects with an aggregate operational capacity of 120.9 MWp and under-construction capacity of 15 MWp. These solar projects operate under the group captive model. Under this model, the company develops solar power plants through an SPV with part equity being infused by the offtakers (min upto 26%). Upon commissioning, the SPV earns the tariff-based revenue for the power generated by the plant and supplies it to the captive C&I customers.

Key financial indicators (audited)

IEPL (Standalone)	FY2024	FY2025
Operating income	-	7.7
PAT	-1.2	1.2
OPBDIT/OI	-	82.5%
PAT/OI	-	15.9%
Total outside liabilities/Tangible net worth (times)	5.6	5.2
Total debt/OPBDIT (times)	-2.5	13.5
Interest coverage (times)	-25.4	2.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; NM: Not material

Co-obligor Group (consolidated*)	FY2024	FY2025
Operating income	3.9	47.8
PAT	-4.9	-8.8
OPBDITA/OI	-68.6%	79.1%
PAT/OI	-127.4%	-18.4%
Total outside liabilities/Tangible net worth (times)	8.7	7.1
Total debt/OPBDITA (times)	-11.2	13.6
Interest coverage (times)	-2.3	1.6

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

*ICRA has arrived at the consolidated financials of the co-obligor group based on the consolidation of the standalone financial performance of the six SPVs

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three year

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs. crore)	Oct 16. 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	70.69	[ICRA]A-; rating watch with developing implications	Apr 02, 2025	[ICRA]A- (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term fund based – Term loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term – Fund based – Term loan	November 2024	8.7%	FY2030	70.69	[ICRA]A-; rating watch with developing implications

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis - Not applicable

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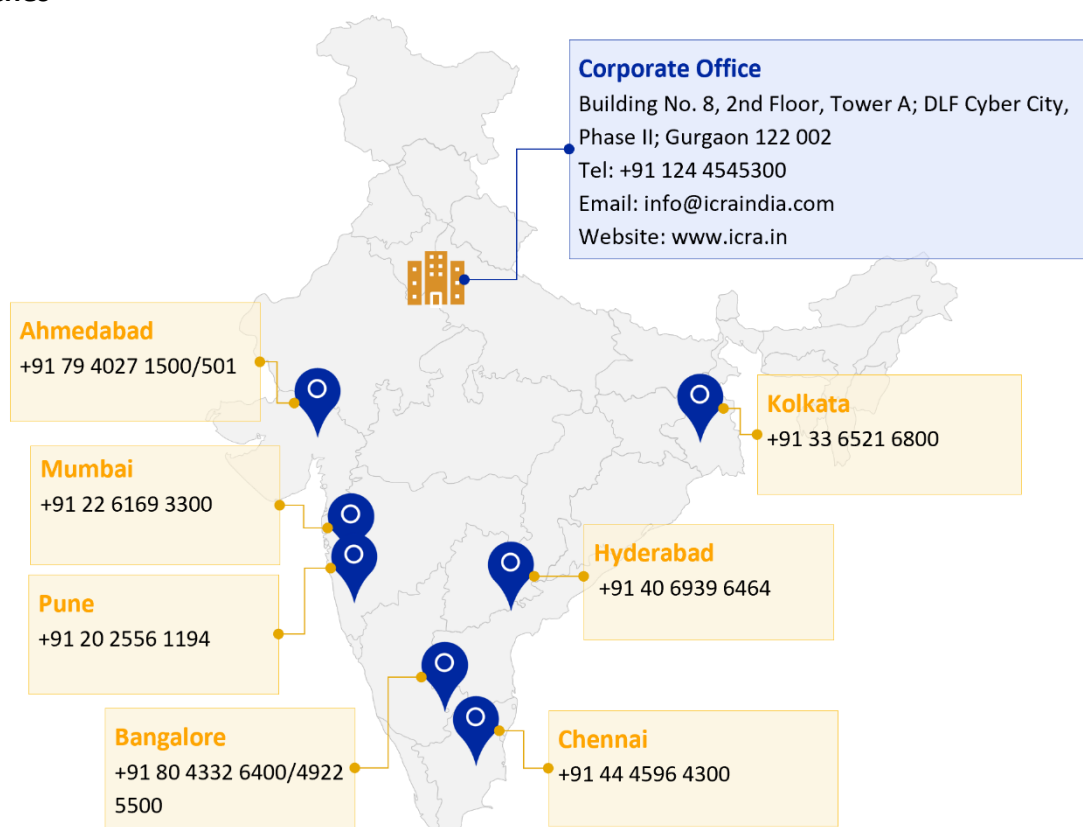
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