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Reclassification

Onix Renewable Limited

July 21st, 2025

Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities	13.22	IVR BBB+/ Stable [IVR Triple B Plus with Stable Outlook]	IVR BBB+/ Stable [IVR Triple B Plus with Stable Outlook]	Rating Reaffirmed	Simple
Long term Bank Facilities	52.95	IVR BBB+/ Stable [IVR Triple B Plus with Stable Outlook]	IVR BBB+/ Stable [IVR Triple B Plus with Stable Outlook]	Rating Reaffirmed	Simple
Short term Bank Facilities	20.00	IVR A2 [IVR A Two]	IVR A2 [IVR A Two]	Rating Reaffirmed	Simple
Short term Bank Facilities	29.00	IVR A2 [IVR A Two]	IVR A2 [IVR A Two]	Rating Reaffirmed	Simple
Total	Rs.115.17 crore (Rupees One hundred and fifteen crore and seventeen lakhs Only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Onix Renewable Limited has requested us to reclassify their some existing facilities due to change in banker. Hence, the outstanding bank facilities rated by Infomerics have been reclassified.

Infomerics has reaffirmed the rating assigned to the bank facilities of Onix Renewable Limited (ORL). The rating reaffirmation reflects significant improvement in its operating as well as financial performance during FY24-25. Further rating upgrade also reflects strong order book along with comfortable debt protection metrics. The rating strengths are, however, constrained by as ORL has entered into IPP (Independent Power Producer) segment through five SPV



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and as per management ORL will provide corporate guarantee for the debt taken in these SPV. Infomerics notes that, this will result into moderation of credit profile over the medium term. The ratings are also constrained by significant loans and advances to group companies, moderate working capital cycle and intense competition in the industry.

The Stable Outlook reflects stable growth in revenue and profitability with expectations of comfortable capital structure and debt protection metrics over FY26-FY28.

Key Rating Sensitivities:

Upward Factors

- Sustained improvement in working capital cycle along with expected revenue growth while maintaining current profitability while maintaining current capital structure and generation of positive cash flow from operation.

Downward Factors

- Any significant increase in adjusted debt due to corporate guarantee to its SPV's debt and/or any significant further exposure in group companies through loans and advances and/or any sustained decline in revenue and profitability.
- Any further deterioration in the working capital cycle leading to deterioration in liquidity of the company.

List of Key Rating Drivers with Detailed Description

A. Key Rating Strengths

Improved Operating profile

ORL's operating profile has improved with total operating income improved to Rs.975.98 crore in FY25 (period refers from 01st April 2024 to 31st March 2025) (FY24: Rs.325.20 crore) due to timely order execution. EBITDA margins marginally declined though healthy and at 14.20% (FY24:15.42%) with control over cost. Infomerics expects, ORL Operating profile to remain strong given strong order book and expectations of stable operating profitability.

Strong, albeit concentrated order book position

As of March 31st, 2025, ORL has an unexecuted order book of Rs. 13,000 crores (13.31x of FY25 revenue), which provides strong revenue visibility. Order book comprises of EPC



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projects and newly diversified IPP segment. The order book concentrated with 30% of the from NOPL Pace Green Energy private limited, 29% from NOPL Solar Projects private limited, and 10% from the National Hydroelectric Power Corporation Limited.

Moderate working capital cycle

ORL's working capital cycle remains comfortable with the net operating cycle stood at 53 days at the end of FY25 (FY24: 31 days). ORL generally extends credit period of 45-60 days to its customers, debtor days stood at 70 however company has enough liquidity to manage the working capital gaps, and, on an average, it maintains 40-50 days of inventory levels. Working capital cycle is partially supported by credit from suppliers of around 45-60 days and partially through working capital debt. However, ORL has sufficient own funds in hands to manage working capital gaps.

Experienced management

Mr. Nikhil Hareshbhai Savaliya and Mr. Khilan Hareshbhai Savaliya who have an experience of more than a decade in the renewable industry. The long-standing experience of the management has also resulted in established relationship with customers resulting in repeat orders.

B. Key Rating Weaknesses.

Improvement in capital structure, albeit expected to moderate:

ORL's capital structure has improved with adjusted overall gearing and TOL/ATNW stood at 0.54x and 1.07x respectively as on March 31st, 2025 (31st March 2024: 0.30x and 1.98x respectively), on the back of improvement in net worth. Promoters have raised Rs.492.77 crore equity by diluting 35% of the stake in the company during FY25 and planning to raise another Rs.1,000 crore through an IPO. However, Infomerics expects, capital structure is likely to moderate as ORL is likely to provide support to its SPV's through corporate guarantee. These SPV's are having order of constructing close to 2,371 MW project and these SPV's are likely to raise debt in the range of Rs.3,500 crore- Rs.4,000 crore over FY26 and FY27. Hence, adjusted overall gearing is likely to be moderated over this period despite improvement in net worth.



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Additionally, ORL has strong debt protection metrics marked by interest coverage and DSCR of 20.88x 13.68x respectively at the end of FY25

Exposure to Group companies

ORL has significant exposure to its group companies and as on 31st March 2025, ORL has provided loans and advances of Rs.348.43 crore during FY25 and likely to support additional loans and advances over the medium term.

Presence in a highly fragmented industry

The industry is highly fragmented and competitive, which limits the pricing flexibility and bargaining power of the players. Fragmentation and competition in the solar power EPC segment restrain any pass-through mechanism, leading to a volatile operating margin.

Analytical Approach: Standalone

Applicable Criteria:

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for Infrastructure companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity: Adequate

ORL's liquidity position remain adequate with sufficient cash accruals against scheduled debt repayment over FY26-FY28. ORL's average working capital utilisation for twelve months ended March 2025, stood at 88.40%. The current ratio stood at 4.43x as on March 31st, 2025, supported by free cash and bank balances of ~Rs. 46 crore as on March 31, 2025, and cushion in the form of unutilised fund-based limits of approximately Rs. 4.06 crore (~88.40% average 12-month utilisation for the period that ended on March 31, 2025).

About the company

ORL is a Gujarat based company established in 2008 in Rajkot by Mr. Nihkil Hareshbhai Savaliya and Mr. Khilan Hareshbhai Savaliya who have an experience of more than a decade in the diversified business. ORL specializes in providing comprehensive services for solar, wind, and Green Hydrogen energy solutions, encompassing the entire spectrum from design



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and engineering to procurement, installation, testing as well as operation and maintenance tasks.

Financials (Standalone):

(Rs. crore)

For the year ended / As On*	31-03-2024 (Audited)	31-03-2025 (Audited)
Total Operating Income	325.20	975.98
EBITDA	50.16	138.58
PAT	36.39	105.23
Total Debt	31.51	145.15
Tangible Net Worth	94.02	692.39
EBITDA Margin (%)	15.42	14.20
PAT Margin (%)	11.15	10.66
Overall Gearing Ratio (x)	0.56	0.21
Interest Coverage (x)	31.43	20.88

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: None.

Any other information: Nil

Rating History for last three years:

Sr. No	Name of Instrument/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
1.	Long term Bank Facilities	Long term	13.22	IVR BBB+/ Stable	(Jun 27, 2025) IVR BBB+/ Stable	(Apr 03, 2024) IVR BBB/ Stable	--
2.	Long term Bank Facilities	Long term	52.95	IVR BBB+/ Stable	(Jun 27, 2025) IVR BBB+/ Stable	(Apr 03, 2024) IVR BBB/ Stable	--
3.	Long term Bank Facilities	Long term	0.00	--	Withdrawn	(Apr 03, 2024) IVR BBB/ Stable	--
4.	Short term Bank Facilities	Short term	20.00	IVR A2	(Jun 27, 2025) IVR A2	(Apr 03, 2024) IVR A3+	--
5.	Short term Bank Facilities	Short term	29.00	IVR A2	(Jun 27, 2025) IVR A2	(Apr 03, 2024) IVR A3+	--



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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Term Loan - I	--	--	September 2027	2.25	IVR BBB+/ Stable
Long Term Bank Facilities – Term Loan - II	--	--	December 2025	0.97	IVR BBB+/ Stable
Long Term Bank Facilities – Term Loan - III	--	--	March 2030	17.25	IVR BBB+/ Stable
Long Term Bank Facilities – Term Loan - IV	--	--	September 2027	9.00	IVR BBB+/ Stable
Long Term Bank Facilities – Cash Credit	--	--	Revolving	25.00	IVR BBB+/ Stable
Long Term Bank Facilities – Cash Credit	--	--	Revolving	10.00	IVR BBB+/ Stable
Long Term Bank Facilities – Overdraft	--	--	Revolving	1.00	IVR BBB+/ Stable
Long Term Bank Facilities – Overdraft	--	--	Revolving	0.70	IVR BBB+/ Stable
Short Term Bank Facilities – Bank Guarantee	--	--	--	20.00	IVR A2
Short Term Bank Facilities – Bank Guarantee	--	--	--	5.00	IVR A2
Short Term Bank Facilities – Bank Guarantee	--	--	--	24.00	IVR A2

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-Onix-Renewable-21july25.pdf>

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.