



Press Release

Navitas Solar Private Limited

January 29, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	138.00	IVR BBB-/ Stable (IVR Triple B Minus with Stable outlook)	-	Assigned	Simple
Short Term Bank Facility	10.00	IVR A3 (IVR A Three)	-	Assigned	Simple
Total	148.00 (INR One Hundred and Forty-Eight Crore 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

For arriving at the ratings, Infomerics Ratings has considered the consolidated financials of Navitas Green Solutions Private Limited (NGSPL). NGSPL has two wholly owned subsidiary companies namely Navitas Planet Private Limited and Navitas Solar Private Limited (NSPL). The ratings assigned to the bank facilities of NSPL favourably factor in the promoters' established track record in the solar equipment industry. The ratings further take into account NSPL's strong order book position for supply of solar module of Rs. 1001 crore as on January 14, 2025, providing a healthy medium-term revenue visibility. On a consolidated basis, NGSPL has an order book position of ~Rs.1053 crore as on January 14, 2025. The ratings also consider NGSPL's stable business performance along with its satisfactory financial risk profile and positive demand outlook for domestic solar module manufacturers. Besides, the ratings also note expected improvement in NGSPL's business performance at consolidated level arising from recently concluded capex. NGSPL has added 1.13 GW capacity for manufacturing of solar modules through its subsidiary, Navitas Solar Private Limited and its operations have already started from January 2025. This enhanced capacity is expected to drive revenue and profitability growth going forward. However, these rating strengths remain constrained by NSPL's nascent stage of operations, exposure to volatility in solar cell prices, intense competition and technological risk.

The 'Stable' outlook reflects that NSPL will continue to benefit from the established operational track record of the promoters in the solar equipment industry along with a healthy orderbook



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position. Further, the renewable energy industry is also receiving favourable policy support from the Government of India.

Key Rating Sensitivities:

Upward Factors

- Substantial and sustained growth in scale of operations with improvement in profitability and cash accrual on a sustained basis and consequent improvement in liquidity
- Improvement in the capital structure with infusion of equity
- Improvement in the debt protection metrics marked by improvement in interest coverage ratio on a sustained basis

Downward Factors

- Moderation in operating income and/or profitability and cash accrual impacting the debt protection metrics on a sustained basis
- Any unplanned capex and /or deterioration in overall gearing to over 1.5x
- Any delay or no infusion of equity as envisaged

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced promoters**

The promoters have extensive experience of over a decade in the solar equipment industry. Long presence and extensive experience in the manufacturing of solar module has helped NGSPL in building strong supplier and customer network. Further, the promoters have raised capital at regular intervals to support NGSPL's business operations. The promoters raised capital of Rs.22.26 crore in FY23 [FY refers to the period from April 1 to March 31] and Rs.17.73 crore in FY24 through private placement.

- **Stable business performance and completed capex driven expected improvement in the business performance**

Driven by healthy demand, NGSPL sold solar modules totalling 112.72 MW in FY24 as compared to 41.56 MW in FY23 resulting improvement in total operating income from Rs. 201.30 crore in FY23 to Rs.289.48 crore in FY24. However, profitability was impacted on account of lower average sales realisation per MW and increase in employee cost. NGSPL has added 1.13 GW capacity for manufacturing of solar modules through its subsidiary,



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Navitas Solar Private Limited and its operations have already started from January 2025. This enhanced capacity is expected to drive revenue and profitability growth going forward.

- **Satisfactory financial risk profile**

The capital structure of NGSPL (consolidated) has improved supported by equity infusion. Backed by regular equity infusion, overall gearing ratio gradually improved from 2.48x as on March 31, 2022 to 0.81x as on March 31, 2024. Moreover, the total indebtedness of the company marked by TOL/ATNW also remained satisfactory at 1.53x as on March 31, 2024 [1.74x as on March 31, 2023]. The debt protection metrics of NGSPL (Consolidated) remained moderate as reflected by interest coverage ratio of 1.73x in FY24. In FY24, NGSPL has incurred net loss of Rs. 0.61 crore on account of lower EBITDA, higher depreciation and finance cost and loss in associate companies namely Navitas Alpha Renewables India Private Limited and Regain Energies Private Limited. However, there was no cash loss, and the company has achieved gross cash accruals (consolidated) of Rs.1.09 crore in FY24. Further, NGSPL is in the process of raising Rs.150 crore through equity which would further strengthen the capital structure. Leverage and coverage indicators are expected to improve from FY25 onwards supported by equity infusion along with expected improvement in scale of operations and profitability in view of recent capex towards capacity enhancement and technology upgradation.

- **Adequate order book position providing healthy near-term revenue visibility**

NSPL on a standalone basis has an orderbook of Rs.1001 crore as on January 14, 2025. Besides NGSPL on a consolidated basis has an order book of ~Rs.1053 crore as on January 14, 2025 for supply of solar modules which is expected to be executed in 12-18 months thus providing near-term revenue visibility.

- **Positive demand outlook for domestic solar module manufacturers**

The demand outlook for the domestic solar module manufacturers remains favourable over the medium term. The government thrust on renewables with favourable policies in the form of basic customs duty (BCD) and production linked incentive (PLI) scheme will improve the cost competitiveness of domestic manufacturers against the imports to a large extent.

Key Rating Weaknesses

- **Nascent stage of operations**



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NSPL is in nascent stage of operations, thus exposing it to stabilisation risk. The company has started its operations from January 2025.

- **Exposure to volatility in solar cell prices**

In order to manufacture solar PV modules, the company require multiple raw materials and components, primarily solar PV cells. The price of solar PV cells is based on the price of wafers, the price of which can be volatile and unpredictable. Hence, the company's profitability remains exposed to volatility and linkage between price movement of solar cells and modules. Further, substantial part of raw materials, including solar cells, are imported from China and certain other countries, including Taiwan and Malaysia. Any restrictions, either from the central or state/provincial governments or from any other authorized bilateral or multilateral organizations, including any export duties by the exporting country, on such imports may adversely affect the profitability.

- **Exposure to intense competition**

The market for solar PV modules is intensely competitive and continuously evolving with presence of traditional global and local solar manufacturing companies. Moreover, the government thrust towards domestic solar module manufacturing are attracting new players and existing players to expand their capacities and thereby leading to increase competition within the domestic manufacturing set-up.

- **Exposure to technological risk**

Considering technological obsolescence risk, solar module manufacturers are required to undertake continuous upgrades and related investments to sustain the competitive advantage.

Analytical Approach: Consolidated. For arriving at the ratings, Infomerics has considered the consolidated financials of Navitas Green Solutions Private Limited (NGSPL). NGSPL has two wholly owned subsidiary companies namely Navitas Planet Private Limited and Navitas Solar Private Limited (NSPL). The consolidation is based on common promoters/ management, similar line of business, cash flow fungibility and strong financial linkages among these entities. List of companies considered for consolidated/ combined analysis is given at Annexure 4.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

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



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[Criteria for assigning Rating outlook.](#)

[Consolidation of Companies](#)

[Policy on Default Recognition](#)

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

Liquidity – Adequate

The liquidity position of NGSPL is expected to remain adequate marked by expected sufficient cash accruals against debt repayment obligations of Rs.9-12 crore over FY25-FY27. Moreover, the average fund based working capital utilization remained at ~87% during the past nine months ended November 30, 2024, indicating moderate liquidity buffer. Further, equity infusion of Rs.150 crore in the near term is also expected to support liquidity.

Further, the liquidity position of NSPL is also expected to remain adequate marked by sufficient cash accruals of Rs. 13-Rs. 73 crore against debt repayment obligations of Rs. 2-7 crore over FY25-FY27. Moreover, promoters are expected to provide fund support in the form of equity and unsecured loans to support the business.

About the Company

Incorporated in December 2022, NSPL is a wholly owned subsidiary of NGSPL. NSPL's manufacturing facility is located at Sisodara Taluka, Ankleshwar, Bharuch, Gujarat with an annual capacity for solar module manufacturing of 1.13 GW. Its operations have started from January 2025.

About NGSPL

Incorporated in 2013, NGSPL is engaged in manufacturing of solar photovoltaic modules and also provides solar EPC services. Its manufacturing facility is located in Surat, Gujarat with a capacity of 220 MW. NGSPL has two wholly owned subsidiary companies namely Navitas Planet Private Limited and Navitas Solar Private Limited (NSPL).

Financials (Consolidated):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	201.30	289.48
EBITDA	13.99	11.80
PAT	3.91	-0.61
Total Debt	50.79	50.75
Tangible Net Worth	49.54	62.72
EBITDA Margin (%)	6.95	4.08



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PAT Margin (%)	1.93	-0.21
Overall Gearing Ratio (x)	1.03	0.81
Interest Coverage (x)	2.42	1.73

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					-	-	-
1.	Term Loan	Long Term	88.00	IVR BBB-/ Stable	-	-	-
2.	Cash Credit	Long Term	50.00	IVR BBB-/ Stable	-	-	-
3.	Letter of Credit	Short Term	10.00	IVR A3	-	-	-

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) 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.



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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: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	Mar 2034	88.00	IVR BBB-/ Stable
Cash Credit	-	-	-	-	50.00	IVR BBB-/ Stable
Letter of Credit	-	-	-	-	10.00	IVR A3

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-NSPL-jan25.pdf>

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

Annexure 4: List of companies considered for consolidated analysis:

Name of the company/Entity	Consolidation Approach
Navitas Green Solutions Private Limited	Full Consolidation
Navitas Solar Private Limited	Full Consolidation
Navitas Planet Private Limited	Full Consolidation

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.