



**Press Release**  
**ONIX-TECH RENEWABLE PRIVATE LIMITED**  
**October 26, 2023**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	35.00	ACUITE BB   Stable   Assigned	-
Total Outstanding Quantum (Rs. Cr)	35.00	-	-

**Rating Rationale**

ACUITE has assigned its long term rating of "**ACUITE BB**" (read as **ACUITE double B**) on the Rs 35.00 Cr bank facilities of Onix-Tech Renewable Private Limited (OTRPL). The outlook is '**Stable**'.

**Rationale for Rating**

The rating assigned reflects the experience of the promoters of the group in the diversified business through group companies. Also, the promoters of the company extended their support to run the business operations of OTRPL. The rating also factors in the track record in similar line of business through group company- Onix Renewable Pvt Ltd. However, the above mentioned strengths are partly off-set as the group have a limited experience in the manufacturing of Solar Modules. The rating is also constrained by the ability of timely completion of order book of Rs.2936.23 Crore, and exposure to volatility in raw material prices.

**About Company**

Gujarat – Based, Onix-Tech Renewable Private Limited is incorporated in 2021. It is a manufacturing facility of Solar PV Module. Here Are Five Type of Module: 1. Polycrystalline PV Module 335, 2. Polycrystalline PV Module 340, 3. Polycrystalline PV Module 330, 4. Polycrystalline DCR PV Module 330, 5. Polycrystalline DCR PV Module 335. and they are currently manufacturing Polycrystalline PV Module 335 and rest is under planning to manufacture all kind PV Module. The Directors of Onix-Tech Renewable Private Limited are Mr.Nikhil Hareshbhai Savaliya and Mr. Khilan Hareshbhai Savaliya.

**About the Group**

Onix Renewable Private Limited (formerly known as Onix Structure Private Limited) was established in 2008 in Rajkot. Engaged in delivering end to end solar, wind & Green Hydrogen energy services for design, engineering procurement, installation, testing and commissioning of electric projects 66kv to 400kv substations (AIS/GIS/HIS), Transmission lines, underground cables, pipeline works, roads & Building, construction, operation and maintenance work, Industrial solar & open access project across major sectors in India.

**Standalone (Unsupported) Rating**

None

**Analytical Approach**

**Extent of Consolidation**

- Full Consolidation

## **Rationale for Consolidation or Parent / Group / Govt. Support**

Acuité has consolidated the business and financial risk profiles of Onix-Tech Renewables

Private Limited and Onix Renewable Private Limited (formerly known as Onix Structure Private Limited) known as Onix Group, to arrive at this rating. The consolidation is on account of common management, similar line of business, and operational linkages.

## **Key Rating Drivers**

### **Strengths**

#### **Experience management and support given by promoters**

The group have been promoted by Mr.Nihkil Hareshbhai Savaliya and Mr. Khilan Hareshbhai Savaliya who have an experience of more than a decade in the diversified business. Currently, Onix Renewable Private Limited (Formerly known as Onix Structure Private Limited) has holding of 99% in Onix-Tech Renewable Private Limited and has given corporate guarantee for the debt taken by the Onix-Tech Renewable Private Limited. The promoters of the company have extended their support to start the operations of the company. Acuite believes that OTRPL will continue to benefit over medium term with experience and support from its promoters.

#### **Growth in the scale of operations**

The group have achieved a turnover of Rs.146.46 crore in FY23 against Rs.99.86 Crore in FY22. The increase in the revenue is on an account of execution of orders and diversified business, which helped group to fetch higher margins on y-o-y basis. Also, the EBITDA Margins of the group stood at 8.65% in FY23 as compared to 3.28% in FY22 wherein PAT margins stood at 5.96% in FY23 against 2.25% in FY22. With the order pipeline remaining adequate, the revenues are expected to witness healthy growth in the near term. Going forward, the group is expected to generate better top-line along with better margins on the back of healthy order book position.

### **Weaknesses**

#### **Moderate Financial risk profile**

The financial risk profile of the group is moderate marked by moderate net-worth, high gearing and comfortable debt protection metrics. The tangible net worth of the group stood at Rs.18.42 Crore as on 31st March 2023 against Rs.10.20 Crore as on 31st March 2022. The increase in the net-worth is on an account of accumulation of profits in reserves. The total debt of the group stood at Rs.17.52 Crore as on 31st March 2023 against Rs.9.89 Crore as on 31st March 2022. The long term borrowings are term loans for plant and machinery and other loans are unsecured loans and short term debt. Further, the debt-equity ratio of the group stood at 0.95 times as on 31st march 2023 against 0.97 times as on 31st March 2022. The TOL/TNW ratio of the group stood at 4.07 times as on 31st March 2023 against 2.57 times as on 31st March 2022. The consistently increasing raw material price, reduced margin has led to lower than expected net cash accruals, which further led to marginal moderation in the debt protection metrics of the group with Interest Coverage ratio and debt service coverage ratio of the group stood at 8.40 times and 4.04 times respectively as on 31st March 2023 against 3.67 times and 3.58 times respectively as on 31st March 2022.

Acuite believes that going forward the financial risk profile of the group is likely to improve backed by improving accruals and no major debt funded capex plans.

#### **Nascent Stage of Operations and timely execution of order book**

The company have started its operations recently and have started executing the available order book which is on the name of parent company i.e., Onix Renewable Private Limited (Formerly known as Onix Structure Private Limited). The group is having an unexecuted order book of Rs.2936.23 Crore and has a limited experience in execution of such kind of projects. Hence, the timely completion of the order book will remain a key rating sensitivity factor.

#### **Working Capital Intensive Operations**

The working capital operations of the group are intensive marked by GCA days of 163 days as on 31st March 2023 against 91 days as on 31st March 2022. The GCA days are higher on an account of inventory days and debtor days which stood at 75 days and 40 days respectively as on 31st March 2023 against 45 days and 25 days respectively as on 31st March 2022. On

the other hand, the creditor days of the group stood at 183 days as on 31st March 2023 against 31 days as on 31st March 2022. Acuite believes that working capital operations of the group is likely to remain intensive in near to medium term considering the nature of operations.

### **Profits margins susceptible to volatility in raw material prices**

The profitability indicators remain exposed to the volatility in price movements of key raw materials (RM) like solar cells, glass, back sheet and aluminium, among others. Moreover, given the lack of backward integration and limited capacities in India, the majority of raw materials are imported. Hence, the group remains exposed to pricing and availability risks along with forex fluctuation risk.

### **Rating Sensitivities**

- Any delay in execution of order book
- Significant improvement in scale of operations while maintaining profitability margins

### **All Covenants**

None.

### **Liquidity Position**

#### **Adequate**

The liquidity profile of the group is adequate. The group have generated sufficient net cash accruals of Rs.8.88 Crore against the debt repayment obligation of Rs.1.05 Crore in the same period. Going forward, the group is also expected to generate sufficient net cash accruals against the maturing debt repayment obligation in near to medium term. Also, the current ratio of the group stood at 1.07 times as on 31st March 2023.

### **Outlook: Stable**

Acuité believes that OTRPL will maintain a 'stable' outlook over medium term on account of experienced promoter, minimal funding risk and extended support by the promoters of the company. The outlook may be revised to 'Positive' in case the group achieves higher than expected revenue with timely completion of project while improving its financial risk profile. Conversely, the outlook may be revised to 'Negative' in case of substantial reduction in its operating income, sharp decline in its operating margins and further stretch in its working capital cycle.

### **Other Factors affecting Rating**

Not applicable.

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	146.46	99.86
PAT	Rs. Cr.	8.72	2.24
PAT Margin	(%)	5.96	2.25
Total Debt/Tangible Net Worth	Times	0.95	0.97
PBDIT/Interest	Times	8.40	3.67

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

None

### Any Other Information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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. Acuité'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](http://www.acuite.in).

### Rating History :

None

### Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	35.00	ACUITE BB   Stable   Assigned

**\*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt Support)**

Onix Renewable Private Limited (Previously known as Onix Structure Private Limited).

## Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 <a href="mailto:mohit.jain@acuite.in">mohit.jain@acuite.in</a>  Depanshi Mittal Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:depanshi.mittal@acuite.in">depanshi.mittal@acuite.in</a>	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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