

June 12, 2025

Fimer India Private Limited: Ratings downgraded; outlook revised to Negative from Stable

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Short term – Fund-based - Working capital facility	75.0	75.0	[ICRA]A4+; downgraded from [ICRA]A3+
Short term – Non-fund based working capital	5.00	5.00	[ICRA]A4+; downgraded from [ICRA]A3+
Long term/Short term – Non-fund based working capital	25.0	25.0	[ICRA]BB+/[ICRA]A4+ downgraded from [ICRA]BBB/[ICRA]A3+; outlook revised to Negative from Stable
Long term/Short term – Fund-based/Non-fund based - Working capital facility	50.00	50.00	[ICRA]BB+/[ICRA]A4+ downgraded from [ICRA]BBB/[ICRA]A3+; outlook revised to Negative from Stable
Short term – Unallocated	45.00	45.00	[ICRA]A4+; downgraded from [ICRA]A3+
Total	200.00	200.00	

*Instrument details are provided in Annexure I

Rationale

The downgrade of the ratings assigned to the bank lines of Fimer India Private Limited (FIPL/the company) factors in a significant moderation in its profitability in CY2024 owing to negative gross profit on a few inverter contracts in the domestic market in the fourth quarter, which resulted in an operating loss of Rs. 28.4 crore in CY2024. The operating loss was compounded by shifting of the delivery of a few profitable orders to Q1 CY2025, reflected in an operating profit of Rs. 12.2 crore in 4M CY2025, as per the provisional financials. Going forward, the company's performance will remain vulnerable, given the continued pricing pressure and the dominance of Chinese inverter manufacturers in the domestic market, which have a much more competitive cost structure vis-à-vis FIPL. Hence, the outlook on the long-term rating has also been revised to Negative from Stable.

As FIPL's major order for the near to medium term will be from the domestic markets, its profitability is not expected to improve materially in CY2025, thereby keeping the financial and credit risk profile moderate. The operating loss posted in CY2024 and the working capital-intensive operations are expected to keep FIPL's liquidity position stretched with the current bank limits and the vendor bill discounting limits being utilised up to ~95% by the end of April 2025.

The ratings continue to factor in the established track record and market leadership position of the company in the domestic solar inverter market. FIPL has been among the top three suppliers of central inverters in India over the last couple of years. The operations under FIPL were acquired by FIMER SpA, Italy, from ABB India Limited in CY2020 with the associated technical knowhow. However, the company has a track record of more than a decade in the domestic market, having started operations in CY2011.

The ratings also factor in the positive demand outlook for solar inverters in the country, given the sizeable solar power additions planned over the course of the next few years. ICRA expects India to add around 28.0 GW of solar capacity in FY2026 and more than double its installed solar power capacity by 2030. As a result, the demand for solar inverters is expected to remain strong. Additionally, there will be replacement demand for solar inverters as solar power plants outlive the life of the inverters. Going forward, there will be a healthy growth in exports too with the global focus on meeting sustainability targets

supporting solar power additions. However, the share of FIPL's revenue from the export markets moderated to around 18% in CY2024 and is expected to remain on similar lines in CY2025.

The ratings are constrained by the intensely competitive inverter market which is dominated by Chinese manufacturers who have a significant presence in India as well. FIPL's profitability remained subdued owing to the competitive cost structure of the Chinese players and witnessed significant headwinds in CY2025. The ratings are also constrained by the company's working capital-intensive operations as it has to maintain large inventories to service the warranties provided on various models of inverters. The working capital-intensive operations and muted profitability have kept the overall credit profile modest, significantly weakening in CY2025. The company uses letters of credit (LC) to procure raw material along with open credit provided by a few suppliers. It uses bill discounting and export packing credit to fund its working capital requirements as well.

The company's total outside liabilities/tangible net worth (TOL/TNW) increased to 6.56x as on December 31, 2024, against 3.84x as on December 31, 2023, because of the net loss posted in CY2024. Going forward, too, the company's TOL/TNW is expected to remain elevated because of the modest profitability and high creditor funding. The interest coverage ratio turned negative i.e. -1.61x in CY2024 as the company posted operating loss; it has been modest in CY2023 as well at 1.93x. Going forward, too, the credit profile is likely to remain subdued as the company is expected to largely serve the domestic market in CY2025, and the export orders are seen to fructify in CY2026. Nevertheless, given the sizeable domestic revenue in the near to medium term, the profitability will remain exposed to intense competition from Chinese players.

ICRA also notes that FIPL's parentage has changed from MA Solar Italy S.r.l. (erstwhile FIMER SpA, Italy) to MA Solar UK Limited, which is the holding company for the erstwhile FIMER Group. The change in ownership is a part of the acquisition of the business complex of Fimer S.p.A, Italy, by MA Solar Italy Limited, UK, which is a part of the McLaren Applied Group (MAG), with the support of Greybull Capital LLP under extraordinary administration. Under the new management, FIPL will be offsetting all the group payables against the group company receivables. The company expects a net cash outflow of around € 0.3 million post the settlement of the payables and the receivables, which it intends to fund through internal cash. The cash outflow on account of the settlement will remain a key monitorable.

The Negative outlook on the rating reflects ICRA's expectation that FIPL's financial and credit risk profile will remain subdued in the near to medium term as it will derive majority of the revenue from the domestic market, which remains susceptible to pricing pressure from the Chinese suppliers.

Key rating drivers and their description

Credit strengths

Leading player in domestic solar inverter market with an established track record – FIPL is one of the leading players in the domestic solar inverter market. The company maintained a market share of close to 25% in the central utility inverter segment in CY2024. It has been able to maintain its position as one of the top three suppliers of central inverters in India for the last several years owing to its strong technical capabilities.

Healthy demand outlook for company's products amid strong focus on solar power capacity addition in India as well as across the major markets - ICRA expects India to add around 28 GW of solar capacity in FY2026 and more than double the installed solar power capacity by 2030. As a result, the demand for the company's products remains favorable in the domestic market. The company also exports inverters. The outlook for solar inverter offtake remains healthy, given the push for solar capacity additions globally and less competition from Chinese players in a few geographies.

Credit challenges

Intensely competitive market, dominated by Chinese players, to keep margins muted - The domestic solar inverter market remains highly competitive with Chinese players dominating the supply of inverters to India's solar power ecosystem. The

Chinese players have retained the top 2 position in market share for the last several years and given their competitive pricing, the margins remained muted for FIPL.

Working capital-intensive operations; sizeable exposure to group companies – The company’s operations remain working capital-intensive with significant inventories to be maintained for servicing the inverters supplied in the past. Additionally, FIPL offers 120-180 days’ credit period to the group entities for the supply of export orders. Procurement from the group entities also has a similar payment cycle and a large part of the receivables is in the form of retention money. Most of FIPL’s sales are backed by letters of credit (~90 days period) which the company discounts to fund the working capital requirements. The company had outstanding receivables and payables of Rs. 139.1 crore and Rs. 151.0 crore, respectively, from group companies as of August 2024 and the company had a net payable position of Rs. 67.7 crore as of August 2024 towards the parent i.e. FIMER SpA Italy.

Modest capital structure – The company’s total outside liabilities/tangible net worth (TOL/TNW) increased to 6.56x as on December 31, 2024, from 3.84x as on December 31, 2023, because of the net loss posted by it in CY2024. Going forward, the company’s TOL/TNW is expected to remain elevated, given the modest profitability and high creditor funding. The interest coverage ratio turned negative i.e. -1.61x in CY2024 on account of the operating loss posted; it was modest in CY2023 as well at 1.93x. Going forward, the credit profile is expected to remain subdued as the company is expected to largely serve the domestic market in CY2025, and the export orders are likely to fructify in CY2026.

Liquidity position: Stretched

ICRA expects FIPL’s liquidity position to remain stretched in the near to medium term, given the working capital-intensive operations and subdued profitability. The company’s working capital limits of Rs. 155 crore from banks were utilised to the extent of ~Rs. 145 crore and the vendor bill discounting limits of Rs. 100.5 crore were utilised to the extent of Rs. 96 crore as of April 2025-end. The company had lien free cash balances of Rs. 5.1 crore as on April 30, 2025, which support the liquidity. The company does not have any term debt repayments as it does not have any long-term debt.

Rating sensitivities

Positive factors – The rating could be upgraded if there is a material increase in the company’s profitability and liquidity position, resulting in a healthy improvement in the leverage and coverage indicators.

Negative factors – The ratings may be downgraded if there is a sustained moderation in the company’s revenue and profits, and/or if there is a materially large debt-funded capex that would weaken the leverage and coverage indicators.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

FIPL (earlier named Marici Solar India Private Limited) was incorporated in December 2019 to acquire the solar inverter business of ABB India on a going-concern basis by way of a slump sale for Rs 100.6 crore on behalf of its parent, Fimer S.p.A. Italy (Fimer). The acquisition of the assets was part of a global sale of solar inverter business to FIMER SpA Italy. FIPL is engaged in the manufacturing and assembly of central inverters as well as trading of string inverters and has a factory at Peenya,

Bengaluru. The solar factory started operations in Peenya with an installed capacity of 5 gigawatt (GW). It has marketing offices in eight cities in India. Apart from selling solar inverters in India, the company exports inverters to various other geographies with the sales and services offices located in several countries of the FIMER group entities. The product offering includes string inverters and central inverters of 1 kilowatt (KW) to 5 megawatts (MW) manufactured in India.

Key financial indicators (audited):

	CY2023	CY2024
Operating income	504.80	858.61
PAT	12.82	-18.37
OPBDIT/OI	3.2%	-3.3%
PAT/OI	2.5%	-2.1%
Total outside liabilities/Tangible net worth (times)	3.84	6.56
Total debt/OPBDIT (times)	4.14	-4.21
Interest coverage (times)	1.93	-1.61

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2026)				Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	June 12, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long term/Short term - Letter of credit – Fund-based/Non-fund based	Long term/Short term	50.00	[ICRA]BB+ (Negative)/[ICRA]A4+	-	-	28-NOV-2024	[ICRA]BBB (Stable)/[ICRA]A3+	-	-	-	-
				-	-	19-DEC-2024	[ICRA]BBB (Stable)/[ICRA]A3+	-	-	-	-
Long term/Short term - Letter of credit – Non-fund based	Long term/Short term	25.00	[ICRA]BB+ (Negative)/[ICRA]A4+	-	-	28-NOV-2024	[ICRA]BBB (Stable)/[ICRA]A3+	-	-	-	-
				-	-	19-DEC-2024	[ICRA]BBB (Stable)/[ICRA]A3+	-	-	-	-
Short term - Bank guarantee – Non-fund based	Short term	5.00	[ICRA]A4+	-	-	28-NOV-2024	[ICRA]A3+	-	-	-	-

Instrument	Current (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	June 12, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
				-	-	19-DEC-2024	[ICRA]A3+	-	-	-	-
Short term - Export packing credit – Fund-based	Short term	75.00	[ICRA]A4+	-	-	28-NOV-2024	[ICRA]A3+	-	-	-	-
				-	-	19-DEC-2024	[ICRA]A3+	-	-	-	-
Short term - Unallocated - Unallocated	Short term	45.00	[ICRA]A4+	-	-	28-NOV-2024	[ICRA]A3+	-	-	-	-
				-	-	19-DEC-2024	[ICRA]A3+	-	-	-	-
Short term - Export packing credit – Fund-based/non-fund based	Short term			-	-	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Short term –Fund-based - Working capital facility	Simple
Short term – Non-fund based working capital	Very Simple
Long term/Short term –Non-fund based working capital	Very Simple
Long term/Short term – Fund-based/Non-fund based - Working capital facility	Simple
Short term – Unallocated	NA

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	Short term – Fund-based - Working capital facility	NA	NA	NA	75.0	[ICRA]A4+
NA	Short term – Non-fund based working capital	NA	NA	NA	5.00	[ICRA]A4+
NA	Long term/Short term – Non-fund based working capital	NA	NA	NA	25.0	[ICRA]BB+ (Negative)/ [ICRA]A4+
NA	Long term/Short term – Fund-based/Non-fund based - Working capital facility	NA	NA	NA	50.00	[ICRA]BB+ (Negative)/ [ICRA]A4+
NA	Short term – Unallocated	NA	NA	NA	45.00	[ICRA]A4+

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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