Nava Ltd — 17 Feb 2026 Credit Rating Summary

Section	Details
Agency	CRISIL Ratings
Rating Change	**Reaffirmed**: Long Term: **CRISIL A**
Outlook (Current vs Prev)	**Stable** vs **Stable**
Key Drivers of Change	• **Profitability Surge:** EBITDA rose to **₹547 Cr** in FY25 (from ₹387 Cr) driven by export-led ferroalloy margins and optimized product mix. • **Cash Upstreaming:** Received **$89.05M (~₹740 Cr)** from Zambian subsidiary (MEL/ZESCO), drastically improving parent liquidity. • **Operational Efficiency:** Secured 50MW PPA with Tamil Nadu utility; coal procurement from Singareni Collieries lowered costs. • **Capital Structure:** Maintains a **Net-Debt Free** status with ₹629 Cr cash surplus as of March 2025.
Rated Instruments	• **Bank Guarantee:** ₹118 Cr
Key Observations	• **(+) De-leveraged Balance Sheet:** Adj. Debt/Networth at **0.0x**; Interest coverage at a robust **76.1x**. • **(+) High Margins:** Reported a high PAT margin of **23.1%** for FY25. • **(+) Integrated Model:** Captive power (90-MW) insulates ferroalloy production from energy price volatility. • **(-) Cyclical Risk:** High sensitivity to steel industry cycles and seasonal demand/supply for Silico Manganese. • **(-) Merchant Power Volatility:** Significant capacity sold via short-term PPAs/Exchanges, exposing revenue to tariff fluctuations. • **(-) Overseas Diversification:** Risk associated with new investments in Avocado/Sugar businesses in Africa; potential for Corporate Guarantees.
Investor Impact	• **Growth:** Diversifying into Solar and Agriculture to reduce reliance on cyclical ferroalloys. • **Margins:** Improving via cost-optimisation; Ebitda margin expansion provides a cushion against raw material inflation. • **Leverage:** Negligible; expansion is largely non-recourse or funded via dividend upstreaming from Singapore/Zambia. • **Dilution Risk:** Nil; internal accruals and cash balances (₹629 Cr) are sufficient for planned Capex.
Agency / Cross Analysis	**Same Agency:** CRISIL maintains status quo despite significantly improved financials (EBITDA +41%). The reaffirmation instead of an upgrade likely stems from the "Moderate Consolidation" approach—where CRISIL factors in potential support/guarantees to overseas subsidiaries (Sugar/Avocados) which may impact the near-debt-free status. Conclusion: **Improvement** in core operations, but rating capped by diversification risks.
Final Inference	**Real Improvement:** Financials are currently "AA" quality (Net Debt Free, 76x Interest Cover), but the "A" rating reflects the cyclicality of the core business and risks of cash deployment in Africa. For equity, this is a **Fortress Balance Sheet** play with high dividend-upstream potential.