

## Rating Rationale

9 Sept 2019

**Brickwork Ratings assigns “Solar Power (SP) Rating# for Decentralised Solar PV Applications”- System Integrator - of “SP 3D” to Adistrot Renewables Private Limited (ARPL or ‘the Company’). The Rating indicates ‘Moderate Technical Capability’ and ‘Weak Financial Strength’.**

**System Integrator**

**SP 3D**

BWR has principally relied upon the audited financials of FY18, provisional financials of FY19 of Adistrot Renewables Pvt Ltd, publicly available information and information/clarifications provided by the management.

The rating reflects the promoters’ experience and relevant track record in renewable energy sector, qualified & experienced technical team and favourable demand outlook for solar energy. The rating is, however, constrained by the Company’s limited track record, small scale of operations, low net-worth, and its presence in a highly competitive and fragmented industry.

### **Background**

Adistrot Renewables Pvt Ltd was incorporated in the year 2017 with its registered office located at Bhopal, Madhya Pradesh. The Company provides solutions and services in the field of renewable energy, primarily for residential clients, for installation of rooftop solar power projects with capacity ranging from 1 KW to 10 KW. It provides entire mechanical, electrical and civil work of the solar power project including erection of solar panels and module mounting structures; installation of AC & DC works in transformers and inverters; and earth work like drilling, trenching and backfilling. Based out of Bhopal, Madhya Pradesh, the Company presently caters to rooftop solar projects in Rajasthan and Madhya Pradesh. Clientele of the Company mainly includes retail residential consumers. Mr. Lalit Asnani and Ms. Mala Asnani are the directors of the Company. The Company has a technical team of 3 employees having engineering background.

### **Technical Capability**

#### **Promoters Track Record:**

Mr. Lalit Asnani has 8 years of experience in the solar energy field, involving in designing of heat exchangers for CSP, designing of PV Systems, installation, O&M of rooftop solar PV Systems. He is a B.E. Mechanical and MNRE empanelled chartered engineer with a total experience of 23 years in designing of heat exchangers for thermal and nuclear power plants at BHEL. Ms. Mala Asnani has 2 years of experience in the solar energy sector.

#### **Technical Expertise and Adequacy of Manpower:**

The Company is involved in providing entire mechanical, electrical and civil work of solar power plant. It has completed on-grid solar projects of various capacities and has a technical team of 3 personnel to carry out the project specific requirements. The technical team is professionally qualified and has relevant industry experience.

### **Quality of Suppliers and Tie-ups:**

The Company procures PV modules, inverter, DC cables, ACDB, DCDB, earthing rods etc from its suppliers located in Vadodara. The company maintains professional relationships with them.

### **Customers and O&M Network:**

Clientele of the Company includes retail customers from Rajasthan and Madhya Pradesh. The technical team maintains the existing installations.

The overall Technical Capability of the concern is considered to be **Moderate**.

### **Financial Strength** (FY19 figures are provisional)

**Sales:** The Company has achieved net sales of Rs. 0.0418 Cr in FY18. As per the FY19 provisional, the Company has achieved a revenue of Rs. 0.0656 Cr.

**Return on Capital Employed:** ROCE of the Company has reduced from 23.44% in FY18 to 18.73% in FY19.

**Total Outside Liabilities/Tangible Net Worth:** TOL/TNW has increased from 0.93 times and remained high at 3.53 times as on 31st March 2019.

**Interest Coverage:** The Company does not have any borrowings and interest payments presently.

**Net Worth:** Tangible Net-worth of the Company stood at Rs. 0.0104 Cr as on 31st March 2018 and increased to Rs. 0.0124 in FY19.

**Conduct of Bank Account:** The Company has a current account with SBI Bank, Minal Mall, Bhopal and the conduct of the account is satisfactory.

**Current Ratio:** The Company has an adequate liquidity position as indicated by Current Ratio of 1.28 times in FY19.

BWR hence, considers the Financial Strength of the concern to be **Weak**.

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