

SP Rating Rationale

14 Oct 2019

Arunabh Technotronics LLP

Brickwork Ratings assigns “Solar Power (SP) Rating[#] for Decentralized Solar PV Applications” –System Integrator of “SP3C” to Arunabh Technotronics LLP (“ATLLP” or “The Company”). The Rating indicates ‘Moderate Technical Capability’ and ‘Moderate Financial Strength’.

System Integrator Rating	SP3C
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BWR has principally relied upon the publicly available information and information/clarifications provided by the management.

In terms of the guidelines issued by MNRE vide its Notification dt. 02.02.2017, BWR has vetted the basic KYC documents and relevant details, based on which the assessment of Technical Capability and Financial Strength have been carried out.

The rating has positively factored in the business experience of the promoters, positive net worth of the company and its reputed client base that includes Tafe Motors and Force Motors for the company’s automation business.

The rating is, however, constrained by the nascent stage of the company’s operations in solar related activities, intense competition from organized and unorganized players in a highly fragmented industry weak financials and limited and restricted OEM network.

Background

Arunabh Technotronics LLP (ATLLP) was established on 10th April 2015 with its registered office at Plot No. F/05, Office no. 203, Tilak Nagar, Bawadiya Kalan, Bhopal. Satya Prakash Tiwari and Tanushree Tiwari are the promoters partners. ATLLP is engaged in executing projects related to automation and solar power installations.

Promoters Track Record

Promoters of the LLP firm have been in this line of business for the past 2 years. One of the promoters is a management graduate while the other is a science graduate.

Technical Expertise and Adequacy of Manpower

The promoters are ably assisted by a team of professionals who are engineering graduates with experience between 2 to 6 years.

Quality of Suppliers and Tie-ups

The Company procures required materials and inputs from suppliers located in Ahmedabad, Pune and Indore. With few of the suppliers, company is dealing for last three years.

Customers and O&M Network

ATLLP has completed orders totalling 2096.50KW worth Rs.41.59 lakhs and expects to bag fresh orders of 6500KW in the near term. Few of the customers are Tafe Motors., Force Motors, Saurya Jyoti Renewals, Madhav Infra Projects etc. BWR considers the Technical Capability of the Company to be **Moderate**.

Financial Strength

ATLLP was established in 2018. The assessment of financial strength has been made on the unaudited financials till FY19 as submitted by the company. It has achieved revenue of Rs. 36.17 lakhs in FY19 and reported operating profit margin of 10.87 % and net profit margin of 8.50 %, and had a net worth of Rs.8.49 Lakhs with gearing of 3.63x for the year ended March 31st, 2019. BWR, hence, considers the financial strength of the company to be **Moderate**.

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

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