
B2K Analytics assigns “Solar Power (SP) Grading# for Decentralised Solar PV Applications” - System Integrator of “SP3C” to Power Tools and Engineering (The firm). The Grading indicates ‘Moderate Technical Capability’ and ‘Moderate Financial Strength’.

System Integrator	SP3C
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B2K Analytics (B2K) has principally relied upon the audited financials of FY22, FY23, FY24, FY25 (Provisional financials) of the firm, publicly available information and information/ clarifications provided by the firm.

The grading reflects favourable demand outlook for solar energy, orders in hand amounting to INR 2462.11 Lakhs, moderate coverage metrics, moderate return on capital employed and comfortable current ratio. The grading is, however, constrained by absence of revenue in solar segment in last 3 years, huge dependence on tenders, limited experience in execution of solar projects, inherent execution risks associated with solar projects and intense competition from other players with higher capabilities & with established names in the vicinity.

Background

Power Tools and Engineering was established on 16th June 1988 in Guwahati, Assam. Mr. Bhawani Shankar Jalan is the proprietor of the firm having more than a decade of business experience.

The firm is a class 1 contractor and supplier for Indian Railways, Power Utilities in Northeastern Region, Central and State Government since 1980's. The firm has executed technical project works in the field of Power, Telecom, Civil Infrastructure and road/bridge works, Cable laying works. The firm also offers Turn-Key Solutions and Services to manage multiple sub-contracts for Clients.

As confirmed by the management, there is no revenue in Solar segment of the firm in FY23, 24 and FY25.

There are around 40 employees working for the firm.

The firm's GST registration No is 18ABSPJ6782F2Z1 dated 01/07/2017 and Udyam Registration Certificate no. is AS-03-0001656 dated 10/12/2020.

Technical Capability Analysis

Promoter's Track Record

The proprietor of the firm has over decade of business experience in the industry.

Technical Expertise and Adequacy of Manpower

The technical team of the firm is an experienced and qualified team. The firm has an in-house experienced technical team of 3 members to carry out the project specific requirements.

Quality of Suppliers and Tie-ups

The firm procures materials such as Solar Panels from vendors like HR Solar, Sova Solar Limited, Solex Energy Limited and PAHAL Solar based in West Bengal and Gujarat.

Customers and O&M Network

The clientele of the firm includes Nalbari District of Assam and Western Railways.

The **Technical Capability** of the firm is assessed to be **Moderate**.

Financial Strength Analysis

Sales

The total revenue of the firm has increased from INR 3435.96 Lakhs in FY23 to INR 4264.03 Lakhs in FY24 and further increased to INR 5441.99 Lakhs in FY25 as reported in Provisional financials. The firm has generated its business from construction related activities.

Coverage Metrics

The firm has moderate coverage metrics with Debt Service Coverage Ratio (DSCR) of 1.54 times and Interest Service Coverage Ratio (ISCR) of 2.45 times in FY24.

Total Debt/Tangible Net Worth:

The firm is moderately leveraged with debt –equity ratio of 2.34 times in FY24.

Return on Capital Employed

Moderate return on capital employed of 13.59 % in FY24 indicating adequate use of available resources.

Conduct of Bank Account

As per the Chief Manager of State Bank of India, SME AT Road Branch, firm is holding an CC Limit and BG Limit. The conduct of account is Satisfactory with rating SB-7.

Feedback from Indian Bank was not made available.

The overall **Financial Strength** of the firm is assessed to be **Moderate**.

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