

## Rating Rationale

**Brickwork Ratings assigns “Solar Power (SP) Rating# for Decentralised Solar PV Applications” - System Integrator - of “SP 3C” to A.P Technologies (APT or “the Concern”). The Rating indicates ‘Moderate Technical Capability’ and ‘Moderate Financial Strength’.**

**System Integrator**

**SP 3C**

BWR has principally relied upon the audited financials of the Concern upto FY16, management certified provisional financials for FY17 and information/clarifications provided by the management.

The rating has positively factored the proprietor's experience in solar related activities, established track record and professionally qualified and experienced technical team to source and handle solar projects. The rating is, however, constrained by the small scale of operations, intense competition and highly fragmented nature of the industry.

### **Background**

**A.P Technologies** was established in 2003 as a proprietorship concern at Patiala, Punjab. The Concern is mainly into solar power business, including engineering, erection, testing and supply of solar power distribution system and retail trading of batteries, inverters, panels etc. Products include geysers, solar water heaters & other solar products and APT also offers solutions for Grid connected Solar power systems, home and industrial inverter batteries etc.

### **Technical Capability**

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

Mr. Parminder Singh, Proprietor is a Diploma holder in Electronics and Communication and has more than two decades of business experience. He has 5 years of experience in the renewable energy sector.

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

The Concern has completed on-grid and off-grid solar projects with total capacity of ~127 kWp and has ongoing on-grid solar projects to the extent of 93 kWp, which are expected to be executed during FY18.

For solar related projects and activities, the Concern has a technical team of 4 personnel, who are professionally qualified like B.E (Electrical), ITI certified and other skilled workers. The Concern plans to recruit additional technical staff on need basis.

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

The Concern procures materials from Uttar Pradesh, Delhi, local suppliers in Punjab and maintains professional relationships with them.

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

Clientele are mainly from Punjab. The Concern has a region specific O&M network in Punjab for servicing its various solar installations in the state.

The overall Technical Capability of the Concern is considered **Moderate**.

# SP Rating is not a Credit Rating of the entity.

## **Financial Strength**

**Sales:** APT reported Net sales of Rs. 0.95 Cr as on 31-Mar-2016 compared to Rs.1.05 Cr as on 31-Mar-2015. On a provisional basis, for FY17, the Concern has achieved a turnover of Rs.1.09 Cr.

**Return on Capital Employed:** ROCE was adequate at 17.11% as on 31-Mar-2016 compared to 23.74% as on 31-Mar-2015.

**Total Outside Liabilities/Tangible Net Worth:** TOL/TNW was moderate at 1.53 times as on 31-Mar-2016 versus 1.63 times as on 31-Mar-2015.

**Interest Coverage:** Debt protection metrics were moderate reflected by ISCR of 5.88 times and DSCR of 2.64 times as on 31-Mar-2016.

**Net Worth:** Tangible Net Worth as on 31-Mar-2016 was Rs. 0.22 Cr.

**Conduct of Bank Account:** The Concern presently enjoys fund based facility (cash credit) to the extent of Rs.0.10 Cr from Oriental Bank of Commerce. The banker has confirmed that the conduct of account is satisfactory.

**Current Ratio:** Liquidity position was adequate reflected by Current Ratio of 2.09 times as on 31-Mar-2016.

BWR hence, considers the Financial Strength of the Concern to be **Moderate**.

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