



Rating Rationale

Brickwork Ratings assigns “Solar Power (SP) Rating# for Decentralised Solar PV Applications”- System Integrator - of “SP 3E” to ARCC Solar Private Limited (SE or ‘the Company’). The Rating indicates ‘Moderate Technical Capability’ and ‘Poor Financial Strength’.

System Integrator

SP 3E

BWR has principally relied upon the projected financials of FY18, FY19 and FY20 of ARCC Solar Private Limited, publicly available information and information/clarifications provided by the Company's management.

The rating reflects the promoter's experience in renewable energy industry along with support from the associate concern engaged in solar energy activities, qualified technical team and reputed clientele base of the Company. The rating is, however, constrained by the stabilizatin risk associated with business operations of the newly formed Company, low network and its presence in highly competitive and fragmented industry.

Background

ARCC Solar Private Limited, incorporated in 2017, is located at Bhopal, Madhya Pradesh. The Company undertakes sub-contracts on job work basis from Companies (EPC Contractors) engaged in solar energy projects. Mr. Brijesh Limone and Mr. Asharam Limone are the directors of the Company. It is primarily involved in execution of mechanical, electrical and civil work at solar energy projects that includes mounting of solar panels, installation of transformers and invertors, ground work like drilling and trenching, cable works etc. Based out of Bhopal, the Company presently caters to solar power projects in Telangana and Andhra Pradesh. Clientele base of the Company includes companies like Suzlon Gujarat Wind Park Limited, Sterling & Wilson Limited, KEC International Limited etc. It procures orders from EPC contractors and provides solutions based on the requirement of the project.

Business operations of the Company are managed by Mr. Brijesh Limone. He is a Mechanical Engineer and has four years of experience in solar energy industry by virtue of his proprietary concern- A R Construction, established in 2013 and engaged in Solar Energy activities. Mr. Asharam Limone, father of Mr. Brijesh Limone, was a government employee before entering into the solar enery field. He provides his valuable support in handling the day to day operations of the Company. Company has a technical team of five employees with each having an engineering background.

Technical Capability

Promoter's Track Record

Mr. Brijesh Limone, a Mechanical Engineer, has four years of experience in solar energy industry. He established his proprietary concern – A R Construction, in 2013 and has executed several mechanical and electrical work at solar power projects as a sub contractor.

Technical Expertise and Adequacy of Manpower

The Company has completed contract works for solar power plants of various capacities within four months of its incorporation in February, 2017. Company has an experienced technical team of 5 personnel to carry out the designated work. All five employees has engineering background with a relevant experience in the industry.



Quality of Suppliers and Tie-ups

Raw material requirement for the designated work at solar power project are being met by the clients of the Company.

Customers and O&M Network

ARCC Solar Private Limited is catering to companies (EPC Contractors) engaged in Solar Energy Projects. The clientele base of the Company includes entities like Suzlon Gujarat Wind Power Limited, Sterling and Wilson Pvt Ltd, KEC International Limited etc. Company’s timely execution of the work and prompt service post completion of the work has led to the satisfactory feedback from customers. The O&M network of the firm has its spread across Madhya Pradesh, Telangana and Andhra Pradesh.

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

Financial Strength

Sales: The Company has projected to achieve a sale of Rs. 0.85 Cr for FY18.

Return on Capital Employed: ROCE of the Company has been estimated at 256% for FY18.

Total Outside Liabilities/Tangible Networth: The projected TOL/TNW ratio stands at 2.18 times for FY18.

Interest Coverage: The Company does not have any borrowings presently.

Net Worth: As per provisional FY17, the net-worth of the Company stood at Rs. 0.01 Cr

Conduct of Bank Account: The Company has a current account with HDFC Bank, Bhopal. The banker has confirmed that the conduct of the account is satisfactory.

Current Ratio: The Company has projected a current ratio of 1.26 times for FY18.

The Financial Strength of the Company is assessed to be **Poor**.

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