

Rating Rationale

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

System Integrator

SP 3E

BWR has principally relied upon the audited financials of FY16, provisional financials of FY17 and projected financials of FY18, FY19 and FY20, publicly information/ clarifications provided by the company’s directors.

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 the adequate experience of the directors and key technical personnel in solar related activities, established relationships with reputed clientele from various industries and offers diversified products & services. The rating is, however, constrained by the limited track record of operations, as the company started its commercial operational activity from November 2016, intense competition from organised and unorganised players in a highly fragmented industry and working capital intensive nature of operations.

Background

Under the trademarked brand name E247 (www.e247.in), Altisma Labs Private Limited incorporated on 18-6-2015, main objective is to purchase, sell, import, export, manufacture, assemble, repair, maintain or otherwise deal in all types of renewable energy storage system solutions which include components but not limited to lithium ion, lead crystal or other material batteries, solar panels, inverter systems, computer hardware and software. The company is having its registered office at Castellino Socy, Flat No. B3, 967-970, Nana Peth, P R Marg, Pune- 411002 and corporate office is located at Room no-403, Duru House, second floor, Juhu Tara Road, Mumbai-400049. The other objectives of the company is to carry on the business with dealers, distributors agents of renewable energy storage system solutions; to be involved in the research, development and advancement of renewable energy storage systems including but not limited to cloud-based software platforms for virtual power plants, hardware design of power electronics, internet of things (IOT); to create, organize IT solutions and software for selling, inventory management, operations, manufacturing and related activities thereof.

Technical Capability

Promoters Track Record

Under the brand name of Heavens Power in Australia and E247 Networks Pty Ltd, the promoters have been, involved in design, commission and installation of Solar plants sizes from 5KW to 100KW, serving residential, commercial and industrial customers in the state of NSW, Australia.

SP Rating assigned is not a Credit Rating of the entity

Technical Expertise and Adequacy of Manpower

Company designs their own battery based storage solutions for renewable energy sector and market products in their own brand name. Their research team has strong background in IT & Power electronics. In fact their chief design engineer has experience in design of MW size solar farm as well as Power plants for the past 20 years. The company has employed technical and administrative team comprising of 5 personnel who source and handle all aspects of solar system integration projects.

Quality of Suppliers and Tie-ups

Company suppliers are reputed international companies with operations in many parts of the world. Company has their own solar panel supplier with Tier 1 rating and their battery suppliers have integrated manufacturing units from raw material to modules. Company has strong relationship with these supply partners and share common platform for both quality and technical strengths. The company procures raw materials from reputed vendors namely Pylon Tech, Leonics, Phono Solar, GCL, GoodWe and Eco Green Energy (EGE).

Customers and O&M Network

The clientele include residential, commercial and industrial sector. The Company is developing their own cloud based monitoring for SPV plants to proactively take actions on the issues with the systems and recommend corrective actions. Further, company will be developing their own O&M team for India and will train their partner network going forward.

Brickwork Ratings, assesses the Technical Capability of the Company to be ***Moderate***.

Financial Strength

- **Sales:** The Company started its commercial operation from November 2016 and has posted revenue from operations of Rs. 0.08 Cr in FY17 (provisional financials) and as per FY18 (projected financials), company is planning to achieve revenue from operations of Rs. 4.50 Crs.
- **Return on Capital Employed (ROCE):** The Company is projecting Return on Capital Employed (ROCE) of 116.67% in FY18.
- **Total outside Liabilities/Tangible Net worth:** The company has posted Total Outside Liabilities to Tangible Net Worth of -0.32 times in FY17 (provisional financials) and the company is projecting Total Outside Liabilities to Tangible Net Worth of 1.32 times in FY18 (projected financials).
- **Interest Service Coverage Ratio:** Absence of long term and short borrowings from banks in FY17 (provisional financials) and submitted projected financials as of 28-6-2017. The long term borrowings in FY17 (provisional financials) include unsecured loan from directors of Rs. 0.12 Cr which is Non-Interest bearing in nature.
- **Net Worth:** As per FY17 (provisional financials), the tangible net worth was Rs. -0.15 Cr. However as per the CA certified net worth certificate dated June 26, 2017, the net worth of the company stood at Rs. 0.019 Cr (Paid up capital: Rs. 311,110.00; Reserve & Surplus-Security premium: Rs. 1,688,880.00, Accumulated losses: Rs. -1,809,498.00).
- **Conduct of Bank Account:** As per the banker the conduct of account is satisfactory

and company has not availed any long term and short term borrowings from bank as on 4th July, 2017.

- **Current Ratio:** The company has posted current ratio of 0.34 times in FY17 (provisional financials) and its projecting current ratio of 1.76 times in FY18 (projected financials).

Brickwork Ratings, assesses the Financial Strength of the Company to be **Poor**.

Analyst Contact	Media Contact
analyst@brickworkratings.com	media@brickworkratings.com
Phone	Relationship Contact
1-860-425-2742	bd@brickworkratings.com

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