

MAY 11, 2015

CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF ALETRONA ENERGY PRIVATE LIMITED

Ratings

| Facilities | Amount (Rs. crore) | Ratings ¹ | Remarks |
|----------------------------|----------------------------|-------------------------------------|------------|
| Long term Bank Facilities | 14.50 (reduced from 17) | CARE BB+ (Double B Plus) | Reaffirmed |
| Short term Bank Facilities | 8 (enhanced from 5.50) | CARE A4+ (A Four Plus) | Reaffirmed |
| Total Facilities | 22.50 | | |

Rating Rationale

The ratings assigned to the bank facilities of Alectrona Energy Private Limited (AEPL) continue to be constrained by AEPL's moderate scale of operations, high dependence on Government projects, working capital intensive nature of operations, highly leveraged capital structure and intense competition in the solar power sector.

The ratings, however, draw strength from the improved operational and financial performance of the company during FY15 (refers to the period April 1 to March 31), experience of the promoters in the energy sector, comfortable order book position as on March 31, 2015 and financial support from the promoters in the past.

Going forward, the ability of AEPL to increase its scale of operations, maintain profit margins, improve collection period, prudently manage its working capital and timely infusion of the capital to support the envisaged high growth levels are the key rating sensitivities.

Background

AEPL is a Chennai-based Engineering, Procurement and Construction (EPC) contractor engaged in the execution of turn-key projects in the solar power sector. AEPL was promoted by Mr Rohit Rabindranath in May 2010 and is part of the Zynergy group, which operates in the solar power segment. AEPL undertakes large turn-key projects for government entities like Tamil Nadu Energy Development Authority (TEDA), Agency for Non-conventional Energy and Rural Technology (ANERT) and large private sector players.

As per the audited results for 9 months in FY14 (refers to the period July 1 to March 31), the company registered a PAT of Rs.2.4 crore on a total income of Rs.54 crore. As per the provisional results for FY15 (refers to the period April 1 to March 31), the company registered a PAT of Rs.4.6 crore on a total income of Rs.81.5 crore.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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CIN - L67190MH1993PLC071691