

MAY 11, 2016

## CARE REVISES RATINGS ASSIGNED TO BANK FACILITIES OF ALETRONA ENERGY PRIVATE LIMITED

**Ratings**

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long term Bank Facilities	21.75 (Enhanced from 14.50)	<b>CARE BBB- (Triple B Minus)</b>	<b>Revised from CARE BB+ (Double B Plus)</b>
Short term Bank Facilities	13.50 (Enhanced from 8.00)	<b>CARE A3 (A Three)</b>	<b>Revised from CARE A4+ (A Four Plus)</b>
<b>Total</b>	<b>35.25 (Rs Thirty five crore and twenty five lakh only)</b>		

**Rating Rationale**

The revision in the ratings assigned to Aletrona Energy Private Limited (AEPL) is on account of the improvement in its capital structure with the infusion of equity as well as the substantial increase in its order book providing revenue visibility in the medium term. The ratings continue to derive strength from the experience of the promoter in the energy sector.

The ratings, however, continue to remain constrained by the high working capital intensity in its business, moderate scale of operations and intense competition in the solar power sector.

The ability of AEPL to scale up operations effectively with its new manufacturing business and to efficiently manage its working capital requirements are the key rating sensitivities.

**Background**

AEPL is a Chennai-based Engineering, Procurement and Construction (EPC) contractor engaged in execution of turn-key projects in the Solar Power sector. AEPL was promoted by Mr. Rohit Rabindranath in May 2010 and is a part of the Zynergy group, which operates in the solar power segment. AEPL mainly undertakes turn-key projects for government entities like Tamil Nadu Energy Development Authority (TEDA), Agency for Non-conventional Energy and Rural Technology (ANERT) etc. From April 2016 onwards, AEPL has also commenced the manufacturing of solar products for the rural masses (especially farmers) such as solar water pump, solar chillers, solar powered sewage treatment plant and solar R.O plant.

During FY15 (refers to the period April 1 to March 31), AEPL registered a PAT of Rs.5.68 crore on a total operating income (TOI) of Rs.83.61 crore as against a PAT of Rs.2.39 crore on a TOI of Rs.50.40 crore in FY14. During FY16 (provisional), AEPL reported a PBT of Rs.8.18 crore on a TOI of Rs.84.06 crore.

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<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://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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