

Rating Rationale

Brickwork Ratings assigns “Solar Power (SP) Rating# for Decentralised Solar PV Applications”- System Integrator of “SP 3D” to 'Comgen Info System Private Limited' (COMGEN or ‘the Company’). The Rating indicates ‘Moderate Technical Capability’ and ‘Weak Financial Strength’

System Integrator

SP 3D

BWR has principally relied upon the audited financials of the concern upto FY16, and information/clarifications provided by the management.

The rating has positively factored the moderate experience and professional qualification of the promoters and technical team. The rating is, however, constrained by the short track record of the company in solar industry, small scale of operations, limited geographical presence and intense competition from organised and unorganised players in a highly fragmented industry.

Background

Comgen Info System Private Limited is a Jaipur based company. It was incorporated in June 2012 by Mr. Sumit Lamba and Mrs. Indira Lamba, mainly to provide information technology services. In November 2012, the company forayed into on-grid and off-grid solar PV system installations. The Company has installed solar PV systems for its residential and commercial clients based out of Rajasthan having an aggregate capacity of 60.92 Kwp.

Technical Capability

Promoters Track Record

The promoters of COMGEN, Mr. Sumit Lamba (B.Tech., Computer Science) and Mrs. Indira Lamba (Ph.D.) have overall work experience of 6 years and 22 years respectively. Mrs. Indira Lamba runs an educational institution for the last two decades and in addition to this, she handles the administrative activities of COMGEN. Mr. Sumit Lamba has 6 years of experience in COMGEN and both the promoters are managing the solar business of the company.

Technical Expertise and Adequacy of Manpower

For solar related projects and services, COMGEN has a technical team of 4 personnel led by Mr. Sumit Lamba. Three team members are graduates in computer, Civil and Mechanical engineering and one team member holds a Masters degree in Electrical Engineering.

Quality of Suppliers and Tie-ups

COMGEN procures materials from reputed suppliers located in Rajasthan, Pondicherry, Hyderabad, Delhi and Maharashtra.

SP Rating is not a Credit Rating of the entity.

Customers and O&M Network

So far, the company has completed installation of solar PV systems having aggregate capacity of 60.92 Kwp and it has ongoing projects of 49.62 Kwp. COMGEN's customers are based out of Rajasthan presently. COMGEN's current team of technicians provides maintenance services to its existing solar installations.

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

Financial Strength

Sales and profitability: Comgen Info System Pvt. Ltd. reported an operating income of Rs.0.13 Cr. in FY16 against Rs.0.10 Cr. in FY15. PAT for FY16 was Rs.0.01 Cr. On a provisional basis, the company has achieved a turnover of Rs.1.44Cr. during FY17. Of this, solar business constitutes Rs.0.68 Cr.

Return on Capital Employed: ROCE was moderate at 12.00% as on 31-Mar-2016.

Total Outside Liabilities/Tangible Networth: As on March 31, 2016, COMGEN's TOL/TNW is comfortable at 0.65x against 0.52x as on March 31, 2015.

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

Net Worth: Tangible Net Worth as on 31-Mar-2016 was low at Rs. 0.01 Cr.

Conduct of Bank Account: COMGEN has not availed any bank facility. It has current accounts with Corporation Bank, Vaishali Nagar, Jaipur branch and Kotak Mahindra Bank, Vaishali Nagar, Jaipur branch. As informed by the bankers, conduct of these accounts are satisfactory.

Current Ratio: Current ratio was low at 0.96 times as on March 31 2016 against 0.87 times as on March 31 2015.

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

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Disclaimer: A BWR SI/RESCO rating reflects BWR's opinion on the ability of the rated system integration company to undertake solar power projects.

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