

Rating Rationale

Brickwork Ratings assigns “Solar Power (SP) Rating# for Decentralised Solar PV Applications”- System Integrator- of “SP 3D” to AP Solar Works (‘the Firm’). The Rating indicates ‘Moderate Technical Capability’ and ‘Weak Financial Strength’.

System Integrator

SP 3D

BWR has principally relied upon the CA certified financials for FY17 and information/clarifications provided by the management.

The rating has positively factored the promoters' extensive experience in handling solar related projects and professionally qualified and experienced technical team. The rating is, however, constrained by small scale of operations, weak financial strength for handling solar business, intense competition and highly fragmented nature of the industry.

Background

AP Solar Works was established on 12th May 2016 at Bhopal, Madhya Pradesh as a Partnership Firm. AP Solar Works is primarily engaged in providing EPC services for solar roof-top installations to industrial, commercial and domestic clients. In its first year of commencement, the firm has already completed 2 Off-Grid and 2 On-Grid solar projects with aggregating capacity of 79 kW.

Technical Capability

Promoters Track Record

Mr. Akshay Gupta and Mr. Pankaj Yadav are partners of the firm. They have completed B.E. in Electrical and Mechanical respectively. They have just started this firm on 12/05/2016. Both of them look after into the day-to-day activities of the firm. Mr. Akshay Gupta is also handling technical aspects in installing Solar Related Projects and Sales. Mr. Pankaj Yadav is handling Marketing business of the firm.

Technical Expertise and Adequacy of Manpower

The firm currently has only four employees on payroll i.e., Mr. Akshay Gupta and Mr. Pankaj Yadav as partners, and Mr. Ayush Gupta and Mr. Piyush Yadav as technical supervisor who also has completed B.E. In Electrical and Mechanical respectively. They all have together completed Solar projects with total aggregating capacity of 79 kWp (Off-Grid/On-Grid)

Quality of Suppliers and Tie-ups

The firm procures raw materials from Hyderabad and Pune, and maintains good relationship with them

Customers and O&M Network

At present the firm does not have separate Operations and Maintenance Network as they have not developed their business relationships. In future, the firm has stated that they will acquire the same.

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

Financial Strength

The assessment of financial strength has been made on the CA certified financial statements as on 31st March, 2017 submitted by the Firm. As of 31st March, 2017 the firm has reported a provisional turnover of around Rs. 0.16 cr which was from completing four solar projects. Tangible networth is reported to be Rs. 0.03 cr as on March 31 2017. The firm has not taken any term liabilities from bankers or any other financial institutions. They are maintaining current account with Axis Bank Limited and the account is standard.

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

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