

Rating Rationale

Brickwork Ratings assigns “Solar Power (SP) Rating# for Decentralised Solar PV Applications”- System Integrator- of “SP 3C” to Aditi Green Energy Solutions (AGES or ‘the Concern’). The Rating indicates ‘Moderate Technical Capability’ and ‘Moderate Financial Strength’.

System Integrator

SP 3C

BWR has principally relied upon the audited financials of the concern up to FY16, projected financials of the concern upto FY17 and information/clarifications provided by the management.

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 promoters' experience in renewable energy sector, qualified and experienced technical team to source and handle the solar projects and established relationship with reputed clientele. The rating is, however, constrained by the low scale of operations in solar business, intense competition and highly fragmented nature of the industry.

Background

Aditi Green Energy Solutions was established in 2010 at Indore as a sole proprietorship firm. The Concern is engaged in supply, installation, commissioning and maintenance of solar power systems and provides engineering and technical support services. The concern also designs solar control panels, mounting structures and junction boxes for the installation of solar power plants.

Technical Capability

Promoters Track Record

Mr. Ashish Dixit, Proprietor, B.E - Electronics has around 16 years of experience in the renewable energy sector. He had set up Sathyanshu electricals in 1992 for manufacturing of electrical components for supply to solar and other engineering sectors.

Technical Expertise and Adequacy of Manpower

The Concern has completed on-grid and off-grid solar projects with total capacity of ~168.19 kWp and has ongoing projects to the extent of 153 kWp to be executed during FY18. For solar related projects and activities, the Concern has qualified and experienced technical team of 4 personnel, who are engineers and ITI certified.

Quality of Suppliers and Tie-ups

The concern procures materials such as solar PV modules, inverters, solar charge controllers from reputed vendors namely ABB India Ltd, Vikram Solar, Tapan Solar Energy etc. The concern is associated with M/S Tapan Solar Energy Pvt Ltd as a dealer for supply of solar PV Modules across Madhya Pradesh.

SP Rating is not a Credit Rating of the entity.

Customers and O&M Network

The clientele include commercial, industrial and Government sector. The technical team maintains the existing intallations in Indore and nearby places.

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

Financial Strength

Sales: Net sales improved from Rs. 0.59 Cr. in FY15 to Rs. 0.63 Cr. in FY16. For 11MFY17, the concern reported Net sales of Rs. 0.65 Cr.

Return on Capital Employed: ROCE was adequate at 53.57% as on 31-Mar-2016 compared to 67.98% as on 31-Mar-2015.

Total Outside Liabilities/Tangible Networth: TOL/TNW was adequate at 0.09 times as on 31-Mar-2016.

Interest Coverage: The Concern does not have any borrowings as on date.

Net Worth: Tangible Net Worth of the Concern was Rs. 0.11 Cr. as on 31-Mar-2016 .

Conduct of Bank Account: The Concern operates a current account with HDFC Bank, Indore Main Branch, Indore. The banker has confirmed that conduct of the account is satisfactory.

Current Ratio: Liquidity position was adequate indicated by Current Ratio of 6.56 times as on March 31 2016.

The Financial Strength of the Concern is assessed to be **Moderate**.

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