

Rating Rationale

Brickwork Ratings assigns “Solar Power (SP) Rating# for Decentralised Solar PV Applications” - System Integrator “SP 4C” to Ajtek Computers (AC or ‘the concern’).

System Integrator

SP 4C

BWR has principally relied upon the audited financials upto FY16, FY17 provisional financials, publicly available information and information/clarifications provided by the management.

The rating has positively factored the industry experience of the proprietor, professionally qualified and experienced management and technical team, improved revenues y-o-y, revenue visibility by the contracts on hand and the focus of the firm on solar products and services. The rating is, however, constrained by the intense competition from organised and unorganised players in a highly fragmented industry.

Background

Ajtek Computers (AC) is a proprietorship concern, established in 2002 at Allahabad, Uttar Pradesh. The firm is managed by Mr. Ajeet Kumar Jaiswal. The firm's registered office is located at Allahabad, Uttar Pradesh. Mr. Ajeet Kumar Jaiswal, is a distributor of all electronic goods, cell, batteries, Inverters, Batteries, UPS, Stabilizers and other power products. AC has executed close to 20 kWp of projects comprising off grid solar power installation of Rs. 0.19 Crs in June 2016. The firm has solar projects in discussion with certain end users for installations to the extent of 70 kWp (Value of Rs. 0.48 Crs) for setting up solar grid systems in Allahabad and Delhi.

Technical Capability

Proprietor Track Record

Mr. Ajeet Kumar Jaiswal – MSC Graduate, is the proprietor and has around 12 years of experience in electrical business. He is a distributor of all electronic goods, cell, batteries, Inverters, Batteries, UPS, Stabilizers and other electrical products in Allahabad, Uttar Pradesh since from the year 2002.

Technical Expertise and Adequacy of Manpower

The concern has completed off-grid solar projects with total capacity of ~20 kWp and has solar projects in discussions to the extent of 70 kWp for setting up solar grid systems in Allahabad, which is expected to be completed in Y18. The firm is also in advanced discussions for various solar projects with their clients. For solar related projects and services, the firm has a technical team of 6 personnel, who are professionally qualified like engineers, ITI trained and other skilled workers. The firm plans to hire more technical personnel as and when the order book increases and as per project specific requirements.

SP Rating is not a Credit Rating of the entity.

Quality of Suppliers and Tie-ups

The concern procures materials like solar batteries, modules, solar accessories, solar panels and structures from leading suppliers in Ahmedabad, New Delhi, Chennai, Noida and Kolkata. Concern has established relationships with them.

Customers and O&M Network

Clientele are mainly from Uttar Pradesh. The firm has a O&M network in Allahabad, Uttar Pradesh for servicing its various solar installations in the state.

BWR hence, considers Technical Capability of the Concern to be **Weak**.

Financial Strength

Sales: The Concern has registered Net sales of Rs. 12.09 Cr and profit of Rs. 0.28 Cr as on 31-Mar-2016 compared to Net Sales of Rs. 10.44 Cr and profit of Rs. 0.26 Cr as on 31-Mar-2015. On a provisional basis, the firm has reported Net sales of Rs.12.66 Cr as on 31 March 2017.

Return on Capital Employed: ROCE was (10.32) % as on 31-Mar-2016.

Total Outside Liabilities/Tangible Net Worth: TOL/TNW was adequate at 0.82 times as on 31-Mar-2016 as against 0.80 times as on 31 March 2015

Interest Coverage: Debt protection metrics were reflected by ISCR of (14.45) times and DSCR of 5.84 times as on 31-Mar-2016.

Net Worth: Tangible Net Worth as on 31-Mar-2016 is Rs. 2.09 Cr as against Rs. 1.71 Cr as on 31 March 2015

Conduct of Bank Account: The Concern has availed facilities CC of Rs. 0.50 Crs from Bank Of Baroda, Allahabad . The banker has confirmed that the conduct of account is satisfactory.

Current Ratio: Liquidity position was adequate reflected by Current Ratio of 1.93 times as on 31-Mar-2016 as against 1.96 times as on 31 March 2015.

BWR hence, considers Financial Strength of the Concern to be **Moderate**.

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