

Rating Rationale

Brickwork Ratings assigns “Solar Power (SP) Rating# for Decentralised Solar PV Applications”- System Integrator of “SP 3C” to Ravi Enterprises(RE 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 upto FY17 of the concern and information/clarifications provided by the concern's management.

The rating has positively factored the promoters' technical experience and track record in the renewable energy sector, experienced and technically qualified technical team to handle solar projects & established customers. The rating is, however, constrained by the weak financial strength as indicated by operating losses for the past three financial years, moderate scale of operations and fragmented, intensely competitive industry.

Background

Ravi Enterprises was established in 2012 as a proprietorship firm at Jaipur, Rajasthan. The Concern is engaged in solar design, installation, commissioning & marketing of various solar products such as home lights, solar street lights, solar water pumps & solar modules etc. The Concern is an authorized dealer of various reputed companies such as Exide, Ritika Systems etc of solar products and is also registered with Government organizations like MSME, NSIC & TERI. It has a Group Concern, MK Solar Energy, which was established in 2015.

Technical Capability

Promoters Track Record

Mr Ravi Yadav, Proprietor, is an Engineer (Electrical) and has about 5 years of experience in renewable energy sector as a System Integrator.

Technical Expertise and Adequacy of Manpower

The Concern has completed Off-grid Solar projects with a total capacity of ~190 kWp, installed street lights, home lights & solar water pumps to the extent of ~1.75MW. The Concern has also installed solar water heaters with total capacity of 8400 Litres per day. It has 3 ongoing projects with Government organizations like TERI & ROCL(Rajasthan Olive Cultivation Ltd), involving solar installation to the extent of ~462 kWp. The total order value of ongoing projects is Rs. 1.58 Cr. For solar related projects and activities, the concern has qualified and experienced technical team of 5 personnel. The concern also employs temporary staff as per requirements.

Quality of Suppliers and Tie-ups

The concern procures raw materials mainly from local vendors in Jaipur. It sources batteries, solar modules, solar water pumps & PCU from reputed players namely Luminous Solar, Alpex Export, Shakti Pumps etc.and enjoys credit period upto 30 days with its vendors.

SP Rating is not a Credit Rating of the entity.

Customers and O&M Network

The clientele include government & commercial sector. The O & M team consists of 2 personnel.

BWR hence, considers the Technical capability of the Concern to be **Moderate**.

Financial Strength

Sales and profitability: Net Sales increased from Rs. 1.35 Cr in FY 16 to Rs.1.93 Cr in FY 17(A). The concern reported Operating Loss of Rs. 0.02 Cr. in FY 17 as against operating loss of Rs. 0.04 Cr. in FY16. However, Net profit was Rs. 0.06 Cr in FY17 as against Rs. 0.05 Cr. in FY16, due to Non operating income of Rs. 0.10 Cr and Rs. 0.11 Cr. respectively.

Net Worth: Proprietor's capital was Rs. 0.18 Cr as on March 31 2017.

Return on Capital Employed: ROCE was negative at (5.48)% as on 31 March 2017, due to operating losses.

Total Outside Liabilities/Tangible Networth: TOL increased from 2.24 times in FY16 to 4.45 times in FY 17.

Interest Coverage: Interest Coverage Ratio was negative as on March 31 2017.

Current Ratio: Current Ratio was adequate at 1.20 times as on March 31 2017.

Conduct of Bank Account: The Concern operates a current account with Bank of Baroda, Jaipur, Rajasthan. The banker has confirmed that the conduct of the account is satisfactory.

BWR assesses the Financial strength of the Concern to be **Moderate**.

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