

Rating Rationale

Brickwork Ratings assigns “Solar Power (SP) Rating# for Decentralised Solar PV Applications” – System Integrator of “SP 3C” to Sunwind Devices Private Limited (SDPL or ‘the company’). The Rating indicates ‘Moderate Technical Capability’ and ‘Moderate Financial Strength’.

System Integrator

SP 3C

BWR has principally relied upon the audited financial results upto FY16, provisional financials of FY17, projected financials upto FY19, publicly available information and clarifications provided by the management.

The rating has positively factored the extensive experience of the promoters and key managerial personnel in solar related activities, established relationship with Uttar Pradesh Housing & Development Board as well as private entities and the positive outlook for Solar Energy Industry. The rating is, however, constrained by the small scale of operations coupled with tender based nature of business, intense competition from organised and unorganised players in a highly fragmented industry and working capital intensive nature of operations.

Background

Sunwind Devices Private Limited (‘SDPL’ or ‘the company’) was incorporated on 7th June 1985, in Lucknow, Uttar Pradesh. It is promoted by Shri. Ashok Kumar Saksena and Smt. Anjula Saksena. The company is engaged in manufacturing of Non-Conventional Energy devices viz., Solar Water Heating Systems, Solar Street Lighting Systems, Solar Home Lighting Systems, Solar lanterns, Solar Traffic Blinkers, Solar Power Plants, Solar Water Pumps, etc., providing solutions for Residential, Commercial and Industrial clientele. The company executes Solar PV systems and Solar Thermal projects for Uttar Pradesh Awash Vikas Parishad under various schemes. SDPL’s clientele include East Central Railways, NTPC - Rihand Nagar, Shri Ram Chandra Mission Ashram, etc., for Solar PV System installations and North Eastern Railways, Air Force, NTPC (Singrauli, Unchahar, Rihand Nagar), etc., for Solar Water Heater Systems.

Technical Capability

Promoters Track Record

Mr. Ashok Kumar Saksena, Managing Director, has over three decades of experience in Solar Industry and Smt. Anjula Saksena, Director, has over a decade of experience in Solar Industry.

Technical Expertise and Adequacy of Manpower

SDPL has employed 2 Technical personnel, viz., Mr. Rajendra Kumar Sharma, B.E. - Electrical Engineering from Aligarh Muslim University, who has around 30 years of experience in the Solar industry and Mr. Ajai Kumar, an ITI Diploma holder who has around 25 years of experience in the industry. SDPL hires around 25 Technical personnel on a contract basis on need basis.

SP Rating assigned is not a Credit Rating of the entity

Quality of Suppliers and Tie-ups

SDPL associates with TATA Power Solar Systems Limited, Shivam Photovoltaics Systems Private Limited and Intersolar Systems Private Limited for its raw material procurement.

Customers and O&M Network

SDPL undertakes Operations & Maintenance services for all its installations.

Brickwork Ratings assesses the Technical Capability of the company to be ***Moderate***.

Financial Strength

Revenue and profitability: SDPL's revenue increased from Rs. 0.89 crore in FY15 to Rs. 2.62 crore in FY16. On a provisional basis, for FY17, the company's revenue has decreased to Rs. 2.26 crore. Net profit was Rs. 0.08 crore in FY16 as against Rs 0.01 crore in FY15.

Net Worth: SDPL's net worth stood at Rs. 0.11 crore as on 31st March 2016.

Return on Capital Employed: Return on Capital Employed was 9.86% in FY16 as against 1.56% in FY15.

Total Outside Liabilities to Tangible Net worth: Total Outside Liabilities to Tangible Net Worth was 3.85 times as on 31st March 2016 as against 8.77 times as on 31st March 2015.

Interest Service Coverage Ratio: Interest Service Coverage Ratio was satisfactory at 5.07 times as on 31st March 2016 as against 1.60 times as on 31st March 2015.

Conduct of Bank Account: SDPL has a Current Account and enjoys Working capital limits to the extent of Rs. 0.15 crore and Bank Guarantee of Rs. 0.15 crore from Punjab National Bank, Subhash Marg Branch, Lucknow, Uttar Pradesh. The conduct of the account is reported to be satisfactory.

Current Ratio: Liquidity position was adequate reflected in Current Ratio of 2.75 times as on 31st March 2016 as against 3.52 times as on 31st March 2015.

Brickwork Ratings assesses the Financial Strength of the company as ***Moderate***.

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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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