

Grading Rationale

25 April 2023

Brickworks Analytics assigns “Solar Power (SP) Grading[#] for Decentralised Solar PV Applications” - System Integrator of “SP1B” to Emerald Energy Solutions Private Limited (the company). The Grading indicates ‘Highest Technical Capability’ and ‘High Financial Strength’

System Integrator	SP 1B
-------------------	-------

Brickworks Analytics (BWA) has principally relied upon the audited financials of FY20, FY21 & FY22 of the company, publicly available information and information/ clarifications provided by the company.

The grading reflects the business experience of the directors in the solar energy industry, experience of key managerial personnel in the renewable energy sector, their ability to manage solar projects, experienced technical team, favourable demand outlook for solar energy, increase in revenue, low debt –equity ratio with year-on-year increased net worth of the company. The grading is, however, constrained by the inherent execution risks associated with solar projects, and intense competition from other players with higher capabilities & with established name in the vicinity.

Background

Emeral Energy Solutions Private Limited (EESPL) was incorporated on 29th June 2010. It is located in Ahmedabad, Gujarat. The directors of the company are Mr.Milove Harshkantbhai Kothari and Ms. Abhilasha Jain.

The company undertakes on-grid and off-grid EPC (Engineering, Procurement and Construction) services and undertakes contracts for providing installation and commissioning service, in solar energy intergraded projects such as assembling of solar power generation system. The company is also undertaking R& D activity to launch EV 2-wheeled vehicles.

Technical Capability

Promoter's Track Record

Directors of the company have more than 10 years of business experience in solar energy industry.

Technical Expertise and Adequacy of Manpower

The Company has completed Grid/Non-Grid solar projects with an aggregate capacity of 600 Kw to 11 MW. The company has an in-house experienced technical team of ~ 16 members to carry out the project specific requirements. The team is professionally qualified and has more than 2 years of work experience in solar related activities.

Quality of Suppliers and Tie-ups

The Company procures materials such as Solar Modules, Cables, SPV Panels & Devices, Switchgears, transformers, Electrical appliances, Solar Modules and Solar Inverters from reputed vendors like Raajratna Ventures Ltd, Ahmedabad; Topsun, Mehsana and PowerOne Microsystems, Bengaluru.

Customers and O&M Network

Clientele of the Company includes Central Public Works Department, Jodhpur; Mazagon Dock Limited, Mumbai; Indian Oil Corporation Ltd, Vadodara; Military Engineer Services, Thane, Jamnagar and Pune. There are 20 persons for O&M to provide service to existing installations.

The **Technical Capability** of the company is considered to be **Highest**.

Financial Strength

Sales: The revenue of the Company has increased from INR 2.61 Crs in FY21 to INR 4.35Crs in FY22 due to increased volume of contracts.

Debt Equity Ratio: The company is Less leveraged with debt –equity ratio of 0.95 times in FY22.

Net Worth: Tangible Net-worth of the Company is increasing Y-o-Y, it has increased INR 1.84 Crs in FY20 to INR 2.82 Crs in FY22, due to retention of profits and increase in paid up capital.

Conduct of Bank Account: As per the Branch Manager, of Bank of Baroda, S P Colony, Ahmedabad the company is holding OD facilities since 2015 and the conduct of account with bank is Satisfactory

The overall **Financial Strength** of the company is assessed to be **High**.

Analyst Contact	Media Contact
analyst@brickworksanalytics.com	media@brickworksanalytics.com
Phone	Relationship Contact
+91 80 4040 9940	bd@brickworksanalytics.com

Disclaimer: A BWA SI/RESCO rating reflects BWA's opinion on the ability of the rated system integration company to undertake solar power projects. Brickwork Analytics (BWA) has assigned the Rating based on the information obtained from the entity and other reliable sources which are deemed to be accurate. BWA has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWA does not make any representation in respect to the truth or accuracy of any such information. The Rating assigned by BWA should be treated as an opinion on the rated company. A BWA SI/RESCO rating is not a recommendation to use the services of the SI/RESCO, or to invest in any project undertaken by the SI/RESCO, or to lend to the SI/RESCO or invest in any financial instrument issued by the SI/RESCO. BWA shall not be liable for any losses incurred by users from any use of this Rating. BWA has the right to change, suspend or withdraw the Rating at any time, for any reason and as and when circumstances so warrant. This rating does not constitute an audit by BWA of the SI/RESCO. Further, no aspect or conclusion of this report is meant to be construed as legal advice. The assessment exercise of the entity concerned has been done for the limited purpose for which it has been intended and not for any other purpose.