

Grading Rationale

23 March 2021

Brickworks Analytics assigns “Solar Power (SP) Grading[#] for Decentralised Solar PV Applications” - System Integrator of “SP3C” to M/s Farm Saver Solar Power Fencing System (the Firm). The Grading indicates ‘Moderate Technical Capability’ and ‘Moderate Financial Strength’

System Integrator	SP 3C
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Brickworks Analytics (BWA) has principally relied upon the CA Certified financials of FY18, FY19, FY20 of the Firm, publicly available information and information/ clarifications provided by the Firm.

The grading reflects the business experience of the proprietor in the solar energy industry, experience of key managerial personnel in the renewable energy sector, their ability to source & manage solar projects, experienced technical team, and favourable demand outlook for solar energy. The grading is, however, constrained by low scale of operations, the inherent execution risk associated with solar projects, geographical concentration of its projects limiting to Chandrapur District of Maharashtra and intense competition from organized and unorganized players in a highly fragmented nature of the industry.

Background

M/s Farm Saver Solar Power Fencing System was established in the year September 2016. Mr. Gajanan Shivram Deotale is proprietor of the firm, who has an experience of more than a decade in the same line of business.

The firm is engaged in manufacturing of solar fence energizer solar panels, solar fencing, farm saver solar system, rooftop solar on grid/off grid, Solar pump, and other solar products with capacity of 30 units per day and also providing turnkey solutions from concept to commissioning of solar fencing systems in farms and installing rooftop solar systems. The firm has 5 years of experience in solar projects and installed so far projects with total aggregate capacity of 120 Kwp. The firm is having in house structure manufacturing facility and also capacity to design as per the site requirements.

The firm also undertakes Engineering, Procurement and Construction (EPC) contracts for solar fencing systems and installing rooftop solar systems by partnering with suppliers who are technology leaders and provides total turnkey solution including design, construction, and commissioning in Chandrapur District of Maharashtra.

The firm has been assessed by KVQA Certification Services Pvt. Ltd. for the Quality Management System of the firm and found to be of the quality matching to the requirements of ISO 9001:2015, vide certificate no. KDACQ201909158 dated 25.9.2019 which is valid till 24.9.2022 for manufacturing of solar fence energizer solar panels, solar fencing, farm saver solar system rooftop solar on grid/off grid, Solar pump, and other solar products.

Technical Capability

Promoter's Track Record

Proprietor of the firm has around a decade of business experience in solar fencing business.

Technical Expertise and Adequacy of Manpower

The firm has so far completed off Grid solar fencing projects with an aggregate capacity of 120 Kwp. The firm has an in-house experienced technical team of ~ 3 members to carry out the project specific requirements. The team is professionally qualified and having more than 5 years of work experience in solar fencing related activities.

Quality of Suppliers and Tie-ups

The firm procures materials such as Solar panels, Electrical appliances, Solar cabinets, Assemblies, and Solar Inverters from reputed vendors like Raj Ratan Solar, Re-Solve Energy, A K Metal and other local vendors.

Customers and O&M Network

Clientele of the firm includes Gram Parishit Vikas Samiti Chandrapur, Namdeorao Joge, Vijay Balpande and Pintu Bhoier and other local farmers. It has 2 persons for O&M to provide service to existing installations.

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

Financial Strength

Sales: The revenue of the firm has increased from Rs.0.85 Cr in FY19 to Rs. 1.21 Crs in FY20.

Total Debt/Tangible Net Worth: The Firm's leverage is low with D/E ratio of 0.32 times in FY20.

Interest Coverage: Firm has satisfactory debt protection matrix with Interest Service Coverage Ratio (ISCR) of 30.70 times in FY20.

Net Worth: Tangible Net-worth of the firm is marginally increasing Y-o-Y. It has increased from Rs. 0.71 Cr in FY18 to Rs. 0.85 Cr in FY20 due to retention of profits.

Conduct of Bank Account: As per the Manager of State Bank of India, Warora Branch, Chandrapur, the firm is dealing with them for the last 3 years and the conduct of account is Satisfactory.

Current Ratio: The firm has satisfactory liquidity position as indicated by Current Ratio of 2.59 times in FY20.

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

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Disclaimer: A BWA SI/RESCO rating reflects BWA's opinion on the ability of the rated system integration company to undertake solar power projects.

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