

Grading Rationale

M/s Green Energy Food Tech Enterprises

14 June 2021

Brickworks Analytics assigns “Solar Power (SP) Grading[#] for Decentralised Solar PV Applications” - System Integrator of “SP4D” to M/s Green Energy Food Tech Enterprises (the Firm). The Grading indicates ‘Weak Technical Capability’ and ‘Weak Financial Strength’

System Integrator

SP 4D

Brickworks Analytics (BWA) has principally relied upon the Self Certified financials of FY19, FY20 & FY21 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 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 Indore District of Madhya Pradesh, only three years of operations & the firm is yet to see complete business cycle and intense competition from organized and unorganized players in a highly fragmented nature of the industry.

Background

M/s Green Energy Food Tech Enterprises was established in the year June 2018 as a proprietorship concern. Mr. Deepak Kaushal is the proprietor of the firm, who has an experience of more than five years in the line of business.

The firm is engaged in sales and services of solar panels, battery, chargers. It also provides turnkey solutions from concept to commissioning of rooftop solar projects. It has installed projects with a capacity of 37 Kwp.

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

As per CA certified net worth certificate, the net worth of Mr. Deepak Kaushal stood at INR. 2.36 Lakhs as on 17.3.2021.

Technical Capability

Promoter's Track Record

Proprietor of the firm has around five years of business experience in solar business.

Technical Expertise and Adequacy of Manpower

The firm has completed off Grid solar rooftop projects with an aggregate capacity of 37 Kwp so far. The firm has an in-house experienced technical team of ~ 5 members to carry out the project specific requirements. The team is professionally qualified and has more than 3 years of work experience in solar related activities.

Quality of Suppliers and Tie-ups

The firm procures materials such as Solar panels, Solar PV Models, Solar cabinets, assembling and Solar Inverters from reputed vendors like Banga Solar Pvt Ltd, Delta Power Solution Pvt Ltd, Jakson Ltd and other local vendors.

Customers and O&M Network

Clientele of the firm includes Darshan Godbole, Mandakini Puri, Girnar Cold Storage and other local customers. It has 2 persons for O&M to provide service to existing installations.

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

Financial Strength

Sales: As per self-certified financials, the revenue of the firm has improved from Rs.0.08 Cr in FY20 to Rs. 0.09 Crs in FY21.

Debt Equity Ratio: The firm has no external borrowings so far - Low financial Risk.

Net Worth: Tangible Net-worth of the firm is low at INR. 0.03 Cr in FY21.

Return on Capital Employed: The firm has ROCE of 47.99% as on 31st March 2021.

Conduct of Bank Account: As per the manager of IDFC First Bank, Bijalpur Branch, Indore. The firm has a current account with the branch and overall conduct of the account is good.

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

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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.

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.