

Grading Rationale

21 July 2020

Brickworks Analytics assigns “Solar Power (SP) Grading[#] for Centralised Decentralised Solar PV Applications” - Manufacturer & System Integrator of “SP2B” to Greensol Renewable Power Pvt Ltd. The Grading indicates ‘High Technical Capability’ and ‘High Financial Strength’

System Integrator	SP 2B
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Brickworks Analytics (BWA) has principally relied upon the audited financials of FY17, FY18, FY19, provisional financials of FY20, projected financials of FY21 & FY22 and publicly available information and information/ clarifications provided by the Company.

The grading reflects the business experience of the promoters 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 moderate scale of operations, the inherent execution risk associated with any solar project and intense competition from organized and unorganized players in a highly fragmented nature of the industry.

Background

Greensol Renewable Power Pvt. Ltd. (GRPPL) was incorporated on 10th September 2012. It is located in Bangalore, Karnataka. The directors of the Company are Mr. Prakash Shetty, Mr. Srinivasan Selvaraj Panchatcharam, Mr. Jagadishchandra Shetty and Mr. Swamy Nathan Ramalingam.

The company is engaged in manufacturing of solar inverter, mounting structure, electronic control panel and array junction boxes, etc. for solar home lighting system, solar street lighting systems and installation of Solar off grid & on grid systems. GRPPL also undertakes rooftop installation and EPC contracts for solar power projects.

The company presently caters to the clients across PAN India. The Company majorly executes the Govt. contracts which include Chhattisgarh State Renewable Energy Development Agency (CREDA), Gail India Ltd and Tata Power Solar Systems Limited. It procures its required solar equipment and raw material from West Bengal, Raipur, Pune, Solan etc. The Company has professionally qualified and experienced technical team of ~ 30 members and having more than 5 years of experience in solar related activities.

The company has completed Grid/Non-Grid solar projects in the capacity range of 1 MWp to 3 MWp and 100 KWp to 600 KWp.

The company has been assessed by AJA Registrars for the requirements of ISO 9001:2015 for designing, manufacturing, supply, installation, commencing, servicing and maintenance of renewable energy systems which is valid till 4th June 2021.

Technical Capability

Promoter's Track Record

Directors of the company are well qualified and have 3 decades of business experience in solar energy industry, executing of Solar Off grid projects and on grid projects and Solar Home Lighting Systems.

Technical Expertise and Adequacy of Manpower

The company has completed many solar projects till now. Further, it has 9 ongoing on-grid/off grid solar projects on hand. The Company has an in-house experienced technical team of ~ 30 members to carry out the project specific requirements. The team is professionally qualified and having more than 5 years of work experience in solar related activities.

Quality of Suppliers and Tie-ups

The company deals with various suppliers located in West Bengal, Bangalore, Raipur, Pune, etc. It procures solar related materials and equipment like Solar Modules, Cables, Switchgears, Terminal Blocks, Electrical appliances, ABS PC Enclosure, Solar Inverters etc from the above places.

Customers and O&M Network

Clientele of the company includes Tata Power Solar Systems Limited, Chhattisgarh State Renewable Energy Development Agency (CREDA) and GAIL (India) Limited. It has 8 persons in Chhattisgarh and 6 persons in Jharkhand for O&M to provide service for existing installations.

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

Financial Strength

Sales: The revenue of the company has increased from Rs.50.55 Cr in FY18 to Rs. 64.49 Cr in FY19 due to execution of more contracts. However, as per provisional financials, the revenue has declined to Rs. 57.81 Cr during FY20.

Total Debt/Tangible Net Worth: Company is moderately leveraged with D/E ratio of 1.74 times in FY19.

Interest Coverage: Company has adequate debt protection matrix with Interest Service Coverage Ratio (ISCR) of 2.26 times in FY19.

Net Worth: Tangible Net-worth of the company is increasing Y-o-Y. It has increased from Rs. 3.81 Cr in FY17 to Rs. 9.47 Cr in FY19 due to retention of profits.

Conduct of Bank Account: The Company has its borrowing facilities with Canara Bank, Trinity Circle Branch, M.G. Road, Bangalore. GRPPL has availed Cash credit, Letter of Credit, Bank Guarantee and Term Loan from the bank. As per the banker, the company is dealing with them for the last 6 years and the conduct of account is regular & satisfactory.

Current Ratio: Liquidity position was reasonable as indicated by Current Ratio of 1.21 times in FY19.

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

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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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