

Grading Rationale

12 July 2022

Brickworks Analytics assigns “Solar Power (SP) Grading# for Decentralised Solar PV Applications” - System Integrator of “SP2C” to M/s Raja Enterprises (the Firm). The Grading indicates ‘High Technical Capability’ and ‘Moderate Financial Strength’

System Integrator

SP 2C

Brickworks Analytics (BWA) has principally relied upon the certified financials of FY19, FY20 & audited financials of 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, moderate debt-equity ratio, increased revenue & net worth of the firm in FY21 and favourable demand outlook for solar energy. The grading is, however, constrained by the inherent execution risks associated with solar projects, high customer and geographical concentration risk and intense competition from organized and unorganized players in a highly fragmented nature of the industry.

Background

M/s Raja Enterprises was established in August 2008 as a proprietorship concern. Mr. Rajan Khullar is the proprietor of the firm, who has around a decade of experience in solar business.

The firm undertakes contracts for providing installation and commissioning service of solar energy intergraded projects such as manufacturing and assembling of solar power generation systems. It has installed so far projects with aggregate capacity of 30 M Wt.

The firm provides on-grid and off-grid EPC (Engineering, Procurement and Construction) services.

The firm is registered as a Class ‘S’ (Super tender limit INR 15.00 Crs) with Chief engineer, central command, Lucknow. The registration is valid till 31st December 2025. The firm can participate to PAN India tenders

Technical Capability

Promoter's Track Record

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

Technical Expertise and Adequacy of Manpower

The firm has installed solar projects with aggregate capacity of 30 M Wt so far. The firm has an in-house experienced technical team of 4 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 raw materials such as Solar panels, Solar PV Models, Solar cabinets, Solar Inverters, etc from vendors like Universal Switch Gear, Novasys Greenergy Pvt Ltd, etc.

Customers and O&M Network

Clientele of the firm includes GE Dronachal (MES) Military Engineering Service and other local customers. It has 4 persons for O&M to provide service to existing installations.

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

Financial Strength

Sales: The revenue of the firm has improved from INR. 0.45 Crs in FY20 to INR. 2.52 Crs in 21 due to improved orders.

Debt Equity Ratio: Moderately leveraged with debt –equity ratio of 0.32 times.

Net Worth: Tangible Net-worth of the firm is Moderate at INR. 2.02 Crs in FY21.

Return on Capital Employed: The firm has ROCE of 11.04 % in FY21 indicating efficient use of available resources.

Conduct of the Bank Account: As per the manager of State Bank of India, Kohefiza, Bhopal branch, the firm is enjoying an overdraft facility of INR 2.00 Crs and overall conduct of the account is satisfactory.

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

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