

Grading Rationale

5th August 2025

B2K Analytics assigns “Solar Power (SP) Grading for Decentralized Solar PV Applications’ - System Integrator, Project Developer and Supplier of Solar Equipment of “SP2C” to Shridha Power Solutions Private Limited (the company). The Grading indicates ‘High Technical Capability’ and ‘Moderate Financial Strength’.

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| System Integrator, Project Developer, and Supplier of Solar Equipment | SP2C |
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B2K Analytics (B2K) has principally relied upon company’s order book, audited financial statements for FY22, FY23, FY24, FY25 provisional statements, publicly available information and information/ clarifications provided by the company.

The grading reflects the favourable demand outlook for solar energy, increase in net worth of the company, decades of experience of promoters in the solar industry backed by technically qualified in-house team and successful execution of ~776 KW Solar power projects. The company has established relationships with reputed clients like HPCL, SBI, and RBI. The company has demonstrated good revenue growth, accompanied by a significant improvement in its conversion cycle and healthy current ratio.

The grading is, however, constrained by the continued operating losses over the past three years, with declining profitability margins. Negative return on capital employed and reduced debt coverage ratios highlight financial vulnerability. The relatively small size of the technical team may limit capacity to scale projects rapidly, while competition from more established, larger players could restrict market penetration and growth.

Background

- Shridha Power Solutions Private Limited was incorporated in 2011. It is based in Lucknow, Uttar Pradesh. The directors of the company are Mr. Pradeep Chandra Vishwakarma and Ms. Neelam Vishwakarma.
- The company is engaged as a supplier, distributor, wholesaler, and service provider of comprehensive energy solutions across Uttar Pradesh. The company specializes in supplying and distributing solar panels, solar power plants, inverters, batteries, solar geysers, LED bulbs, and UPS installation services for both domestic and industrial clients, and offers both grid (on-grid) and off-grid solar power solutions including rooftop and hybrid systems demonstrating a robust presence in the renewable energy market through its durable, economical products and tailored energy services.
- The company’s GST registration no. is **09AAPCS6138R1Z9** dated 22/09/2017 and Udyam Registration Certificate no. is **UP-50-0004925** dated 07/04/2011.

Technical Capability

Promoter's Track Record

The directors of the company have decades of experience in the solar industry.

Technical Expertise and Adequacy of Manpower

The technical team of the company is an experienced and professionally qualified team. The company has an in-house experienced technical team of ~ 4 members to carry out the project specific requirements.

Quality of Suppliers and Tie-ups

The Company procures materials such as batteries, UPS, solar modules, solar inverters from reputed vendors such as Exide Industries Limited, IRIS Computer Limited, Rashi Peripherals, Ornate Solar, Ksolare and Power – One Systems Private Limited

Customers and O&M Capabilities

The clientele of the Company includes HPCL - Lucknow, Sahara India - Lucknow, SBI Lucknow, RBI - Lucknow, Baroda UP Bank – Faizabad. The company employs 13 staff members dedicated to commercial activities, while an additional 7 employees are engaged in operations and maintenance. These field employees play a crucial role in ensuring seamless installation, efficient operation, and reliable maintenance of solar projects at customer sites. This team structure supports the company's core business of installing, selling, and developing solar-related items and projects.

Completed Projects

The company has successfully executed approximately 776kW of solar power projects for prominent clients across India, showcasing strong technical expertise and project delivery capabilities.

The **Technical Capability** of the company is **High**.

Financial Strength

| Key Performance Indicators | Comments |
|---|---|
| Revenue From Operations (Sales of Product) | The company's revenue from operations (sales of product) have increased by ~ 61.35 percent to INR 314.39 Lakhs in FY24 from INR 194.84 Lakhs in FY23. However, this growth has been inconsistent as revenue in FY23 has declined as compared to FY22, and according to the provisional statement for FY 25, it has further decreased. |
| Margins | EBIDTA Margin has decreased from 4.09 times in FY23 to 2.39 times in FY24. Simultaneously, the Net profit margin has also decreased from 1.13 times in FY23 to 0.49 times in FY24, indicating pressure on profitability and reduced efficiency in converting revenue into profits. |
| OPBIT | The Operating Profit Before Interest and Tax (OPBIT) improved from INR - 3.05 lakhs in FY23 to INR -0.71 lakhs in FY24, indicating a reduction in operating losses. The company has reported net profit due to income from non-operating sources. |
| ROCE | Improved from -2.92% in FY23 to -0.68% in FY24, indicating a marginal improvement in capital efficiency and narrowing of operating losses. |
| Current Ratio | Increased from 1.46 times in FY23 to 1.78 times to FY24, indicating an improvement in the company's short-term liquidity position and its ability to meet current liabilities using current assets. |
| Conversion cycle | Reduced from 134 days in FY23 to 36 days in FY24, indicating improved control over working capital and faster conversion of operations into cash. |
| Interest Service Coverage Ratio (ISCR) | Decreased from 7.34 times in FY23 to 5.11 times in FY24, indicating a decrease in the company's ability to cover interest obligations from its operating earnings. |
| Debt Service Coverage Ratio (DSCR) | Declined from 1.53 times in FY23 to 1.46 times in FY24, reflecting a marginal decrease in the company's capacity to service its total debt obligations from EBIDTA |

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

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