

Grading Rationale

21 Feb 2025

B2K Analytics assigns “Solar Power (SP) Grading# for Decentralised Solar PV Applications” - System Integrator of “SP2B” to Vandan Enterprises (the firm). The Grading indicates ‘High Technical Capability’ and ‘High Financial Strength’.

System Integrator

SP2B

B2K Analytics (B2K) has principally relied upon the audited financials of FY23 & FY24 of the firm, publicly available information and information/ clarifications provided by the firm.

The grading reflects favourable demand outlook for solar energy, increase in revenue, a moderate return on capital employed with year-on-year increase in net worth of the firm, moderate coverage metrics and comfortable current ratio. The grading is, however, constrained by the inherent execution risks associated with solar projects and intense competition from other players with higher capabilities & with established name in the vicinity.

Background

Vandan Enterprises was established on 14th June 2005. It is in Thane, Maharashtra. The Partners of the firm are Mr. Jaib Singh Dhanda Singh and Mrs. Mamtesh J Kaur.

The firm is established in the field of building constructions, Air Condition, Plant sewage, Water Supply, Road Work and Solar Plant as registered Government contractors with MES work

The firm has expertise in construction of RCC framed structures, repairs using polymer and Epoxy chemicals, Waterproofing work using specialized chemical treatment, Masonry and plastering work, Plumbing and sanitation and all types of flooring, cladding and painting works.

There are around 20 employees working for the firm and other employees as and when required.

Technical Capability

Promoter's Track Record

The partners of the firm have more than two decades of experience in solar related products business.

Technical Expertise and Adequacy of Manpower

The technical team of the firm is an experienced and professionally qualified team. The firm has an in-house experienced technical team of ~ 50 members appx to carry out the project specific requirements.

Quality of Suppliers and Tie-ups

The firm procures materials such as Solar Modules, Cables, wires, metres, solar panels and Solar Inverters etc from reputed vendors like Sun core Engineering Solutions Private Limited, Bhumika Steel Tube and Sanitaryware, Vedant Sales Corporation, Shree Ganesh Cables, Whole Solar Private Limited and Kamal Agency.

Customers and O&M Network

The clientele of the firm includes Chief Engineer Coast Guard, GE (CG) and GE (AF)

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

Financial Strength

Sales

The total revenue of the firm has increased from INR 143.15 Lakhs in FY23 to INR 256.55 Lakhs in FY24 as reported in Audited Financials.

Coverage Metrics

The company has low coverage metrics with Debt Service Coverage Ratio (DSCR) of 2.06 times and Interest Service Coverage Ratio (ISCR) of 2.98 times in FY24.

Total Debt/Tangible Net Worth:

- The firm has a moderate debt-to-equity ratio of 1.37 times in FY24.

Return on Capital Employed

The company has ROCE of 9.09% in FY24, indicating adequate use of available resources.

Conduct of Bank Account

As per the Branch manager of Saraswat Co Op Bank Limited, Ambarnath Branch, Maharashtra, the firm is holding an OD Limit. Conduct of account with bank is **Satisfactory**.

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

| Analyst Contact | Media Contact |
|--|--|
| analyst@b2kanalytics.com | media@b2kanalytics.com |
| Phone | Relationship Contact |
| +91 80 4040 9940 | bd@b2kanalytics.com |

Disclaimer: A B2K SI/RESCO Grading reflects B2K's opinion on the ability of the graded system integration company to undertake solar power projects. B2K Analytics (BWA) has assigned the Grading based on the information obtained from the entity and other reliable sources which are deemed to be accurate. B2K 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. B2K does not make any representation in respect to the truth or accuracy of any such information. The Grading assigned by B2K should be treated as an opinion on the graded company. A B2K SI/RESCO grading 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 grading. B2K has the right to change, suspend or withdraw the grading at any time, for any reason and as and when circumstances so warrant. This grading does not constitute an audit by B2K 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.