



SMERA RATINGS LIMITED

Maks Energy Solutions India Private Limited (MESPL)

*Rating
Rationale***October 07, 2015**

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	4.50	SMERA B/Stable (Assigned)
Proposed Cash Credit	1.50	SMERA B/Stable (Assigned)
Bank Guarantee	3.00	SMERA A4 (Assigned)

SMERA has assigned a long term rating of '**SMERA B' (read as SMERA B)** and short term rating of '**SMERA A4' (read as SMERA A four)** to the above mentioned bank facilities of Maks Energy Solutions India Private Limited (MESPL). The outlook is '**Stable**'. The ratings are constrained by the company's modest scale of operations and working capital intensive nature of business. The aforementioned weaknesses are partially offset by an experienced management.

Outlook: Stable

SMERA believes that the outlook of the company will remain stable over the medium term due to the promoters experience in the generator business. The outlook may be revised to 'Positive' if the scale of operations increases substantially, while achieving higher profitability, increasing the net worth base. Conversely, the outlook may be revised to 'Negative' if the company fails to achieve the scalability amidst intensifying competition or if the financial risk profile deteriorates owing to deteriorating profitability and debt protection metrics along with higher-than-expected increase in debt-funded working capital requirements.

Rating Sensitivity Factors

- Increasing scale of operations while achieving higher profit margins
- Regular infusion of funds by promoters to support the operations
- Working capital management and bank limit utilization

About the Company

MESPL, incorporated in 2010 is a Pune-based company engaged in the manufacturing and trading of generator sets. Promoted by Mr Saurabh Shaw, the company is also into servicing and selling of spare parts.

For FY2013-14, the company reported profit after tax (PAT) of Rs.0.01 crore on operating income of Rs.0.90 crore as compared with PAT of Rs.0.01 crore on operating income of Rs.0.11 crore for FY2012-13.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.



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