

September 08, 2014

Facilities	Amount (Rs. Crore)	Rating
Term Loan	25.00	SMERA D (downgraded from SMERA BB/Stable)
Proposed Term Loan	11.00	SMERA D (downgraded from SMERA BB/Stable)

SMERA has downgraded the bank loan rating of Maris Power Supply Company Private Limited (MPSCPL) to '**SMERA D** (read as **SMERA D**)' from 'SMERA BB/Stable'. The downgrade reflects delays in debt servicing by the company. The rating is constrained by the company's weak financial risk profile. The rating is also constrained by the sharp decline in the company's net profit margin.

MPSCPL operates wind energy plants with total capacity of 13.25 MW in Karnataka. The company caters to Bangalore Electricity Supply Company Limited (BESCOM) and Hubli Electricity Supply Company Limited (HESCOM). MPSCPL's bank statements reflect delays in debt servicing. The company faces liquidity pressure on account of delays in receipt of payments from HESCOM.

MPSCPL's weak financial risk profile is marked by high gearing (debt-equity ratio) of 3.09 times as on March 31, 2013 and 10.19 times (provisional) as on March 31, 2014. The company's net profit margin has declined from 31.21 per cent in FY2011-12 (refers to financial year, April 01 to March 31) to 3.75 per cent (provisional) in FY2013-14.

About the company

MPSCPL, incorporated in 2005, is a Chennai-based company promoted by Mr. Anand Rengaswamy. MPSCPL operates wind energy plants with total capacity of 13.25 MW in Karnataka. The company's group entities are engaged in tea plantation business, hotel operations and wind power generation.

For FY2012-13, MPSCPL reported profit after tax (PAT) of Rs.0.95 crore on net sales of Rs.3.71 crore, as compared with PAT of Rs.1.61 crore on net sales of Rs.5.15 crore in FY2011-12. Further, the company registered PAT of Rs.0.14 (provisional) on net sales of Rs.3.69 crore (provisional) in FY2013-14. MPSCPL's net worth stood at Rs.4.34 crore (provisional) as on March 31, 2014, as compared with Rs.4.20 crore a year earlier.

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