

**December 12, 2013**

| Facilities | Amount (Rs. Crore) | Rating |
|------------------|--------------------|--------------------|
| Cash Credit | 5.00 | SMERA D (Assigned) |
| Term Loan | 1.25* | SMERA D (Assigned) |
| Bank Guarantee | 1.00 | SMERA D (Assigned) |
| Letter of Credit | 3.00 | SMERA D (Assigned) |

**Includes sublimit of Rs.0.74 crore for Import Letter of Credit for purchase of machinery*

SMERA has assigned a rating of '**SMERA D**' (read as **SMERA D**) to the Rs.10.25 crore bank facilities of Deity Fuel Energy Private Limited (DFEPL). The rating reflects the company's ongoing delays in servicing debt obligations. The rating also reflects the company's stretched liquidity position arising due to delays in receipt of payments from customers. DFEPL has an experienced management.

DFEPL, incorporated in 2010, is a Pune-based company engaged in system integration of off-grid and decentralised solar applications including street lights, submersible pumps and lanterns.

DFEPL's bank statements reflect delays in debt servicing. The company mainly caters to local government bodies in Maharashtra. DFEPL has a stretched liquidity position arising due to substantial delays in receipt of payments from customers. The company's collection period is stretched at 234 days in FY2012-13 (refers to financial year, April 01 to March 31). Further, DFEPL has approached its banker for loan restructuring of the working capital (cash credit) facility, wherein a portion of the cash credit limit would be converted into a working capital demand loan.

Mr. Hrishikesh Gore, Director of DFEPL, has over five years of experience in the solar applications industry. DFEPL has recently bagged a contract worth Rs.8.48 crore (from a corporate entity) for setting up 1 MW solar power plant in Beed, Maharashtra.

About the company

DFEPL, incorporated in 2010, is a Pune-based company engaged in system integration of off-grid and decentralised solar applications. DFEPL is a subsidiary of Volt-Age Infra Private Limited (VAIPL) — a company engaged in undertaking engineering, procurement and construction (EPC) contracts for power plants and transmission lines installation. DFEPL has a solar photovoltaic polycrystalline modules manufacturing facility in Chakan, Pune, with an installed capacity of 20 MW per annum.

DFEPL is promoted by Mr. Unmesh Jagtap, Mrs. Ujjwala Nikam, Mr. Hrishikesh Gore and Mr. Sanjay Deshmukh.

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SMERA RATINGS LIMITED

Deity Fuel Energy Private Limited (DFEPL)**Rating
Rationale**

For FY2012-13, DFEPL reported net profit of Rs.0.20 crore on total income of Rs.9.66 crore, as compared with net profit of Rs.0.07 crore on total income of Rs.5.21 crore for FY2011-12. The company's net worth stood at Rs.2.02 crore as on March 31, 2013, as compared with Rs.1.79 crore a year earlier.

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