

Press Release

Deity Fuel Energy Private Limited (DFEPL)

13 October, 2017



Rating Reaffirmed

| | |
|-------------------------------------|-------------------------|
| Total Bank Facilities Rated* | Rs.10.25 Cr |
| Long Term Rating | SMERA D (Reaffirmed) |
| Short Term Rating | SMERA D (Reaffirmed) |

*Refer Annexure for details

Rating Rationale

SMERA has reaffirmed the long-term and short term rating of '**SMERA D**' (**read as SMERA D**) on the Rs. 10.25 crore bank facilities of Deity Fuel Energy Private Limited (DFEPL).

DFEPL, incorporated in 2010, is a Pune-based company engaged in the system integration of off-grid and decentralised solar applications. The company, promoted by Mr. Suresh Nikam and Mrs. Ujjwala Nikam, has a solar photovoltaic polycrystalline modules manufacturing facility at Chakan, Pune.

Key Rating Drivers

Strengths

Experienced management: The promoters, Mr. Suresh Nikam and Mrs. Ujjwala Nikam have around a decade of experience in the said line of business.

Weaknesses

Delays in debt servicing: The rating continues to reflect delays in servicing of debt obligations by the company as mentioned in the CIBIL report dated 9th August 2017.

Analytical Approach

SMERA has considered the standalone business and financial risk profiles of DFEPL.

About the Rated Entity - Key Financials

For FY2013-14, the company reported net loss of Rs.1.65 crore on operating income of Rs.5.94 crore, compared to net profit of Rs.0.21 crore on operating income of Rs.9.65 crore in FY2012-13. The net worth stood at Rs.0.38 crore as on 31 March, 2014 as against Rs.2.02 crore in the previous year.

Status of non-cooperation with previous CRA- Not Applicable

Any other information: Not Applicable

Applicable Criteria:

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Financial Ratios and Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

| Date | Name of Instrument/Facilities | Term | Amount (Rs. Crore) | Ratings/Outlook |
|--------------|-------------------------------|------------|--------------------|----------------------|
| 16-May, 2016 | Cash Credit | Long Term | 2.50 | SMERA D (Reaffirmed) |
| | Term Loan | Long Term | 1.25^ | SMERA D (Reaffirmed) |
| | Working Capital Term Loan | Long Term | 2.50 | SMERA D (Reaffirmed) |
| | Letter of Credit | Short Term | 3.00 | SMERA D (Reaffirmed) |
| | Bank Guarantee | Short Term | 1.00 | SMERA D (Reaffirmed) |
| 12-Mar, 2015 | Cash Credit | Long Term | 2.50 | SMERA D (Reaffirmed) |
| | Term Loan | Long Term | 1.25^ | SMERA D (Reaffirmed) |
| | Working Capital Term Loan | Long Term | 2.50 | SMERA D (Assigned) |
| | Letter of Credit | Short Term | 3.00 | SMERA D (Reaffirmed) |
| | Bank Guarantee | Short Term | 1.00 | SMERA D (Reaffirmed) |
| 12-Dec, 2013 | Cash Credit | Long Term | 5.00 | SMERA D (Assigned) |
| | Term Loan | Long Term | 1.25^ | SMERA D (Assigned) |
| | Letter of Credit | Short Term | 3.00 | SMERA D (Assigned) |
| | Bank Guarantee | Short Term | 1.00 | SMERA D (Assigned) |

[^]Includes sublimit of Rs.0.74 crore for Import Letter of Credit for Purchase of Machinery

***Annexure - Details of instruments rated**

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings/Outlook |
|---------------------------|------------------|----------------|----------------|-------------------------------|----------------------|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 2.50 | SMERA D (Reaffirmed) |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 1.25^ | SMERA D (Reaffirmed) |
| Working Capital Term Loan | Not Applicable | Not Applicable | Not Applicable | 2.50 | SMERA D (Reaffirmed) |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 3.00 | SMERA D (Reaffirmed) |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 1.00 | SMERA D (Reaffirmed) |

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ABOUT SMERA

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