

May 12, 2010

**CARE ASSIGNS 'BBB' RATING TO THE BANK FACILITY OF  
MAA USHA URJA LTD.**

**Rating Assigned**

Facility	Amount (Rs. crore)	Rating <sup>1</sup>	Remarks
Long-term Bank Facility	9.68	<b>'CARE BBB' (Triple B)</b>	Assigned
<b>Total Facility</b>	<b>9.68</b>		

**Rating Rationale**

The aforesaid rating draw strength from experience of promoters, high PLF (Plant Load Factor), stable operation of the plant since inception, provision of power tariff revision every three years in line with raw material price variation and comfortable financial position. The rating is however constrained by the relatively small size of the company and short track record of operation. Steady power demand from JNIL and regular availability of rice husk remain the key rating sensitivities.

**Company Profile**

Maa Usha Urja Limited (MUUL), promoted by Shri Basant Lall Shaw, belongs to the Neco group of companies. Jayaswal Neco Industries Limited (JNIL) is the flagship company of the group engaged in the business of manufacturing iron & steel related products.

MUUL, incorporated in 1995, is engaged in generation of power since March, 2007 through a 7.5 MW bio-mass based power plant (by using rice husk and coal) at Siltara, in the Raipur district of Chattisgarh.

The company supplies its entire generation to JNIL as per the power purchase agreement. MUUL earned PBILD and PAT (after defd. tax) of Rs.12.4 crore and Rs.8.3 crore respectively on net sales of Rs.19.8 crore in FY09. Long term debt equity ratio as on Mar.31, 2009 was also comfortable.

**Analyst Contact**

Name: Arindam Saha/Sounak Nandi

Tel #: 033-22831800

Mobile 09230531485/09903994946

Email: [arindam.saha@careratings.com](mailto:arindam.saha@careratings.com)/[sounak.nandi@careratings.com](mailto:sounak.nandi@careratings.com)

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<sup>1</sup>Complete definition of the rating assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

**HEAD OFFICE: MUMBAI**

**Mr. D.R. Dogra**

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

**Mr. Rajesh Mokashi**

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

**Mr. Ankur Sachdeva**

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

**Website: www.careratings.com**

**OFFICES**

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Pralhadnagar Corporate Road, Satellite, <b>Ahmedabad - 380 015.</b> Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's Place No. 6, Raja Ram Mohan Roy Road, Richmond Circle, <b>Bangalore - 560 025.</b> Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr.Ashwini Jani Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, <b>Chennai 600 002</b> Tel: 044 2849 7812/2849 0811 Mobile – 91766 47599 E-mail : ashwini.jani@careratings.com</p>	<p>Mr. Rahul Patni Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar <b>Hyderabad - 500 029</b>  Tel – 040 _40102030 Mobile – 91600 04563 E-mail: rahul.patni@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3<sup>rd</sup> Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani <b>Kolkata - 700 071.</b> Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, <b>New Delhi - 110 001.</b> Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : swati.agrawal@careratings.com</p>