



SMERA RATINGS LIMITED

Ionisation Filtration Industries Private Limited (IFIPL)

Rating Rationale

August 25, 2015

Facilities	Amount (Rs. Crore)	Ratings
Term Loan	2.50	SMERA B/Stable (Assigned)
Cash Credit	3.00	SMERA B/Stable (Assigned)
Bank Guarantee	6.00	SMERA A4 (Assigned)

SMERA has assigned ratings of '**SMERA B**' (read as **SMERA B**) and '**SMERA A4**' (read as **SMERA A four**) to the Rs.11.50 crore bank facilities of Ionisation Filtration Industries Private Limited (IFIPL). The outlook is '**Stable**'. The ratings are constrained by the company's small scale of operations, below average financial risk profile and working capital intensive nature of business. However, the ratings draw comfort from the company's experienced management and reputed clientele.

Outlook: Stable

SMERA believes the outlook on IFIPL's rated facilities will remain stable on account of its experienced management. The outlook may be revised to 'Positive' in case the company is able to achieve significant growth in revenue and improvement in profitability on a sustainable basis, with effective management of working capital cycle. The outlook may be revised to '**Negative**' in case IFIPL's financial risk profile and liquidity position deteriorates due to stretched working capital cycle and large debt-funded capital expenditure plan.

Rating Sensitivity Factors

- Scaling operations while improving profitability on sustainable basis
- Effective working capital management

About the Company

IFIPL, incorporated in 2001, is a Pune-based company engaged in the manufacturing and trading of air pollution control equipments and provides allied services i.e. application engineering, design, supervision of erection & commissioning and maintenance contracts for various equipments. The company is promoted by Mr. Vivek Sudhakar Joshi who possesses around three decades of experience in the air pollution control equipment industry.

IFIPL reported net profit before tax of Rs.0.22 crore (provisional) on operating income of Rs.12.31crore for FY2014-15 as compared to net profit before tax of Rs.0.55 crore on operating income of Rs.16.37 crore for FY2013-14. IFIPL's net worth stood at Rs.3.24 crore (provisional) as on March 31, 2015, as compared with Rs.3.06 crore as on March 31, 2014.

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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*Rating
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