

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.

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