



SMERA RATINGS LIMITED

Ensol Multiclean Equipments Private Limited (Ensol)

*Rating
Rationale*

March 22, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	3.50	SMERA B/Stable (Assigned)
Stand by line of Credit	0.53	SMERA B/Stable (Assigned)
Term Loan	0.70	SMERA B/Stable (Assigned)
Term Loan (Proposed)	0.30	SMERA B/Stable (Assigned)
Bank Guarantee*	4.00	SMERA A4 (Assigned)

*LC is sub limit of BG up to Rs. 1.00 crore.

SMERA has assigned long-term rating of '**SMERA B' (read as SMERA B)** and short-term rating of '**SMERA A4' (read as SMERA A four)** to the above mentioned bank facilities of Ensol Multiclean Equipments Private Limited (Ensol). The outlook is '**Stable**'. The ratings are constrained by the small scale of operations and average financial risk profile. However, the ratings draw comfort from the company's long track record of operations and experienced management.

Outlook: Stable

SMERA believes that Ensol will continue to benefit over the medium term from its experienced management. The outlook may be revised to 'Positive' in case the company registers improvement in scale of operations while achieving healthy profit margins. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the financial risk profile.

Rating Sensitivity Factors

- Improving scale of operations and profitability
- Effective working capital management
- Improvement in financial risk profile

About the Company

The Jaipur-based Ensol, was incorporated in 2002 by Mr. Arun Sharma, Director. The company manufactures and assembles customized waste-handling equipments such as garbage compactors and tippers mainly for state government projects.

For FY2014-15, Ensol reported net profit of Rs.0.16 crore on operating income of Rs.11.81 crore, as compared with net profit of Rs.0.12 crore on operating income of Rs.10.64 crore in FY2013-14.

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