

August 18, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	8.00	SMERA BB/Stable (Upgraded from SMERA BB-/Stable)
Term Loan I	1.50	SMERA BB/Stable (Upgraded from SMERA BB-/Stable)
Term Loan II	1.50	SMERA BB/Stable (Upgraded from SMERA BB-/Stable)
Letter of Credit	4.40	SMERA A4+ (Reaffirmed)
Bank Guarantee	10.00	SMERA A4+ (Reaffirmed)

SMERA has upgraded the rating of the above Rs.11.00 crore long-term (fund based) bank facilities to '**SMERA BB**' (**read as SMERA double B**) from '**SMERA BB-**' (**read as SMERA double B minus**) and reaffirmed the rating of the Rs.14.40 crore short term (non-fund based) bank facilities as '**SMERA A4+**' (**read as SMERA A four plus**) of Alcob India Private Limited (AIPL). The outlook is '**Stable**'. The rating upgrade reflects improvement in the company's profit margins and healthy debt protection metrics. The above mentioned ratings continue to draw comfort from the company's experienced management and reputed clientele. However, the ratings are constrained by the moderate scale of operations, working capital-intensive business and exposure to the inherent cyclical in the real estate sector.

Update

AIPL reported operating margin of 11.89 per cent (provisional) in FY2014–15 (refers to financial year, April 01 to March 31), as compared with 9.92 per cent in the previous year. The company's net profit margins improved to 3.57 percent in FY2014-15 from 2.52 per cent in FY2013-14 while the gearing level has been low at 0.62 times in FY2014-15 as compared to 0.69 times in FY2013-14. The interest coverage of the company stood moderate at 2.20 times in FY2014-15 as compared to 2.04 times in FY2013-14. The company has no plans for any debt funded capex in the near future.

The company reported PAT of Rs.1.22 crore (provisional) on operating income of Rs.34.25 crore (provisional) in FY2014–15 as compared with PAT of Rs.0.96 crore on operating income of Rs.38.27 crore in the previous year.

Outlook: Stable

SMERA believes the outlook on AIPL's rated facilities will remain stable over the medium term. The outlook may be revised to 'Positive' in case the company registers strong growth in revenues and

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profitability with significant improvement in the liquidity position. The outlook may be revised to 'Negative' in case of sharp deterioration in the company's liquidity position and receivables quality.

About the Company

AIPL (the erstwhile Alcob Systems Private Limited) was established as a proprietorship firm in 2003 and reconstituted as a private limited company in 2004. The company, promoted and managed by Mr. R. Badrinarayan, is an exterior facade contractor and undertakes projects for designing, engineering, manufacturing and installation of various facade systems such as aluminum glazing, composite cladding, and glass exteriors among others. The company's factory unit is located in Pune, Maharashtra.

AIPL's net worth stood at Rs.15.57 crore (provisional) as on March 31, 2015, as compared with Rs.14.42 crore a year earlier.

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