

**June 08, 2015**

Facilities	Amount (Rs. Crore)	Ratings
<b>Term Loan</b>	<b>0.375</b>	<b>SMERA B+/Stable (Assigned)</b>
<b>Term Loan</b>	<b>1.45</b>	<b>SMERA B+/Stable (Assigned)</b>
<b>Cash Credit</b>	<b>2.00</b>	<b>SMERA B+/Stable (Assigned)</b>
<b>Bank Guarantee</b>	<b>2.50</b>	<b>SMERA A4 (Assigned)</b>

SMERA has assigned ratings of '**SMERA B+**' (**read as SMERA single B plus**) and '**SMERA A4**' (**read as SMERA A four**) to the Rs.6.325 crore bank facilities of Kalco Alu Systems Private Limited (Kalco). The outlook is '**Stable**'. The ratings are constrained by the company's small-scale operations in an intensely competitive segment of the aluminium industry. However, the ratings are supported by the company's experienced management and moderate financial risk profile.

Kalco, established in 2007, is a Ghaziabad-based company engaged in manufacturing of Aluminium-doors, windows, ventilators and partition. The company has small-scale operations marked by operating income of Rs.14.87 crore in FY2013-14 (refers to financial year, April 01 to March 31). Kalco operates in an intensely competitive segment of the aluminium industry.

Kalco benefits from its experienced management. The directors of the company have around one decade of experience in the aluminium industry. The company's moderate financial risk profile is reflected in moderate leverage (debt-equity ratio) of 1.50 times as on March 31, 2014 and moderate interest coverage ratio of 2.86 times in FY2013-14.

### **Outlook: Stable**

SMERA believes Kalco will maintain a stable business risk profile over the medium term. The company will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the company registers sustained improvement in revenue and profitability. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the company's revenue and profitability.

### **About the company**

Kalco, established in 2007, is a Ghaziabad-based company promoted by Mr. Neeraj Singhal and Mrs. Preeti Singhal. Kalco is engaged in manufacturing of Aluminium doors, windows, ventilators and partition.

For FY2013-14, Kalco reported profit after tax (PAT) of Rs.0.17 crore on operating income of Rs.14.87 crore, as compared with PAT of Rs.0.14 crore on operating income of Rs.13.78 crore in FY2012-13. The company's net worth stood at Rs.3.32 crore as on March 31, 2014, as compared with Rs.2.91 crore a year earlier.

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