

March 01, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	2.55	SMERA BB-/Stable (Assigned)
Term Loan*	4.06	SMERA BB-/Stable (Assigned)
Proposed Bank Facility	2.55	SMERA BB-/Stable (Assigned)

*Rs. 1.80 crore of L.C is the sub limit of term loan of Rs. 4.06 crore

SMERA has assigned a long-term rating of '**SMERA BB-**' (read as **SMERA double B minus**) to the Rs.9.16 crore bank facilities of Almed Laboratories Private Limited (ALPL). The outlook is '**Stable**'.

The ratings draw support from an experienced management, moderate financial risk profile, healthy work order and comfortable liquidity profile (63 per cent bank limit utilised for the period April 2015 to November 2015). However, the ratings are constrained by the small scale of operations and tender-based nature of business. The ratings are also constrained by the intense competition in the fragmented packaging industry.

Outlook: Stable

SMERA believes ALPL will maintain its moderate business risk profile in the medium term owing to the established operations and extensive experience of the promoters. The outlook may be revised to 'Positive' in case of improvement in revenue and profitability margin. Conversely, the outlook may be revised to 'Negative' with further deterioration in revenue and profitability.

Rating Sensitivity Factors

- Improvement in revenue and profitability
- Efficient management of working capital cycle

About the Company

ALPL was incorporated in 2005 and commenced operation in 2006 by Mr. Mukand Swarup and Mr. Dinesh Kumar Swarup. The company is engaged in the manufacture of plastic packaging containers for the dairy industry. The manufacturing unit is located in Opp. Himachal Dental College, Kunja Matraliya, Paonta Sahib, Dist. Sirmour, Himachal Pradesh. The company has an installed capacity of 50 lakh cups/month for FY2014-15.

For FY2014-15, the company reported profit after tax (PAT) of Rs.0.25 crore on operating income of Rs.12.32 crore, as compared with PAT of Rs.0.32 crore on operating income of Rs.10.94 crore in FY2013-14. The net worth stood at Rs.2.24 crore as on March 31, 2015 against Rs.2.03 crore a year earlier.

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