

Press Release

ALUMIL BUILDMATE PRIVATE LIMITED

February 20, 2018

Rating Assigned



Total Bank Facilities Rated*	Rs. 11.86 Cr.
Long Term Rating	SMERA B / Outlook: Stable
Short Term Rating	SMERA A4

* Refer Annexure for details

Rating Rationale

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**) on the Rs. 11.86 crore bank facilities of ALUMIL BUILDMATE PRIVATE LIMITED. The outlook is 'Stable'.

Alumil Buildmate Private Limited (ABPL) was incorporated in 2016 by Mrs. Seema Anand and Mr Narsaiah Kadari. The company manufactures aluminium windows & doors and caters to real estate developers as well as the commercial segment. M/s Alumil Greece has appointed the company as its authorized fabricator for India. The company's manufacturing facility is located in Telangana with a capacity of 40310 sq mtrs per annum.

Key Rating Drivers

Strengths

- **Experienced management**

Mrs Seema Anand (Managing Director) has an experience of 25 years in the corporate interior designing industry. The directors are ably assisted by a second line of management with extensive experience in the same line of business.

Weaknesses

- **Nascent stage of operations**

The company has just initiated operations, ie since April 2017, and posted a revenue of Rs 36 lakhs during April to November 2017. The company has orders in hand worth Rs. 13.81 crore which are expected to be executed by the end of the financial year.

- **Project risk**

ABPL is expanding its capacity from 40,310 sq mts per annum to 1,00,297 sq mts per annum; the project work has commenced from 12 December, 2017. The total estimated cost of the project is Rs.4.27 crore which includes incurrences towards plant and machinery (Rs.1.57 crore) and building (Rs 2.70 crore). The company is funding the project through a term loan of Rs.3.00 crore, and promoters' capital of Rs. 1.27 crore. As informed by the management, the firm expects the additional facility to commence operations by April 2018; any delay would have an adverse impact on the debt servicing ability of the company.

- **Highly competitive and fragmented industry**

ABPL operates in a highly fragmented industry with limited entry barriers, wherein the presence of a large number of players in the unorganized sector limits the bargaining power with customers.

- **Susceptible to forex fluctuation risk**

The company procures all its raw materials from Greece, making it susceptible to forex fluctuation risk.

Analytical Approach

SMERA has considered the standalone business and financial risk profile of the company to arrive at the rating.

Outlook: Stable

SMERA believes that the company will be able to maintain its credit profile in the medium term and its stable outlook. The outlook may be revised to 'Positive' if the company achieves higher than expected revenue and profit margins. The outlook may be revised to 'Negative' in case of decline in profit margins and uncommensurate increase in debt funded working capital and capital expenditure.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	0.00	0.00	0.00
EBITDA	Rs. Cr.	0.00	0.00	0.00
PAT	Rs. Cr.	0.00	0.00	0.00
EBITDA Margin	(%)	0.00	0.00	0.00
PAT Margin	(%)	0.00	0.00	0.00
ROCE	(%)	0.00	0.00	0.00
Total Debt/Tangible Net Worth	Times	3.68	0.00	0.00
PBDIT/Interest	Times	0.00	0.00	0.00
Total Debt/PBDIT	Times	0.00	0.00	0.00
Gross Current Assets (Days)	Days	0	0	0

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	Not Applicable	1.86	SMERA B / Stable
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	3.00	SMERA B / Stable
Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.40	SMERA B / Stable
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.60	SMERA B / Stable
Letter of credit	Not Applicable	Not	Not	1.00	SMERA A4

		Applicable	Applicable		
Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	3.00	SMERA A4

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