

Press Release

ALUMIL BUILDIMATE 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 BUILDIMATE 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 Ratings Limited

Registered Office: 102, Sumer Plaza, Marol Maroshi Road, Marol, Andheri (East), Mumbai - 400 059

CIN: U74999MH2005PLC155683 | SEBI Permanent Registration No.: IN / CRA / 006 / 2011

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 |

| | | | | | |
|---------------------------|----------------|------------|------------|------|----------|
| Proposed Letter of Credit | Not Applicable | Applicable | Applicable | 3.00 | SMERA A4 |
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Contacts

| Analytical | Rating Desk |
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| Suman Chowdhury President - SMERA Bond Ratings Tel: 022-67141107 suman.chowdhury@smera.in | Varsha Bist Manager - Rating Desk Tel: 022-67141160 varsha.bist@smera.in |
| Amogh Kharkar Analyst - Rating Operations Tel: 022-67141315 Amogh.Kharkar@smera.in | |

ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, D&B and leading public and private sector banks in India. SMERA is registered with SEBI, accredited by RBI as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. SMERA Bond Ratings is a division of SMERA Ratings Limited responsible for ratings of bank facilities, and capital market/money market debt instruments such as Bonds, Debentures, Commercial Papers, Fixed Deposits, Certificate of Deposits etc.. For more details, please visit www.smera.in.

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