

**July 02, 2015**

Facility	Amount(Rs. Crore)	Rating
Bank Guarantees	7.50	SMERA A4+ (Assigned)

SMERA has assigned a short-term rating of '**SMERA A4+**' (read as **SMERA A four plus**) to the Rs.7.50 crore bank facilities of Abhishek Millennium Contracts Private Limited (AMCPL). The rating is supported by the company's experienced management, long track record of operations and healthy operating margins. The rating also draws support from the company's reputed clientele, low reliance on debt, healthy financial profile and strong order book position. However, the ratings are constrained by the small scale of operations and intense market competition.

Incorporated in the year 2004 by Mr. Ashok Gupta and Manju Gupta, AMCPL undertakes sanitary and fire fighting contracts for hotels, educational institutions, commercial buildings among others.

The promoters of the company - Mr. Ashok Gupta and Manju Gupta have 17 years of experience in the industry. AMCPL's healthy financial risk profile is reflected in the operating profit margin of 8.58 per cent in FY2013-14 as compared to 8.01 percent in FY2012-13. The company achieved return on capital employed (RoCE) of 9.40 per cent in FY2013-14 which improved to 13.66 per cent (provisional) in FY2014-15. The company has comfortable debt protection metrics with low leverage (debt-equity ratio) of 0.12 times as on March 31, 2014 as compared to 0.59 times in the previous year. The interest coverage ratio of the company stood at 4.57 times in FY2013-14 which improved to 22.27 times (provisional) in FY2014-15. The company caters to the needs of high profile clients including Grand Hyatt, The Park Hotel, Hilton Resorts, The Leela Group to name a few. AMCPL has a strong order book position with pending orders of Rs.150.685 crore.

### **About the Company**

Incorporated in the year 2004 by Mr. Ashok Gupta and Manju Gupta, AMCPL undertakes sanitary and fire fighting contracts for hotels, educational institutions, commercial buildings among others. AMCPL reported profit after tax (PAT) of Rs.0.89 crore on operating income of Rs.16.38 crore for FY2013-14, as compared with PAT of Rs.0.81 crore on operating income of Rs.20.76 crore in FY2012-13. The company registered operating income of Rs.30.44 crore (provisional) for the period April 2014 to March 2015. AMCPL's net worth stood at Rs.14.28 crore as on March 31, 2014, as compared with Rs.13.39 crore a year earlier.

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SMERA RATINGS LIMITED

# Abhishek Millennium Contracts Private Limited (AMCPL)

## Rating Rationale

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