

August 17, 2015

Facilities	Amount (Rs. Crore)	Ratings
Bank Guarantee	4.95	SMERA A4+ (Assigned)
Proposed Bank Guarantee	15.05	SMERA A4+ (Assigned)
Proposed Cash Credit	5.00	SMERA BB+/Stable (Assigned)

SMERA has assigned a rating of '**SMERA BB+**' (read as **SMERA double B plus**) to the Rs.5.00 crore fund based bank facility and '**SMERA A4+**' (read as **SMERA A four plus**) to the Rs.20.00 crore non-fund based bank facilities of Abhilasha Enterprises (AE). The outlook is '**Stable**'. The ratings derive comfort from the firm's experienced management and diversified revenue streams. The ratings also draw support from the consistent revenue growth, comfortable financial risk profile and healthy order book position. However, the ratings are constrained by the firm's relatively limited operational track record and low net worth base amidst the proprietorship constitution. The ratings are also constrained due to the competitive and fragmented nature of the industry coupled with the tender based nature of business.

Outlook: Stable

SMERA believes AE will maintain a stable business risk profile in the medium term on account of its experienced management. The outlook may be revised to 'Positive' in case the firm registers higher-than-expected growth in revenues and net cash accruals while maintaining healthy debt protection metrics. Conversely, the outlook may be revised to 'Negative' in case the firm registers lower-than-expected growth in revenues and profitability, or in case of deterioration in the firm's financial risk profile or registers higher than expected working capital requirements.

About the Firm

AE, a proprietorship firm established in 2009 by Mrs. Abhilasha Singh is engaged as a class 'A' civil contractor for residential and commercial projects. The firm is an authorized distributor for Ester India Limited's ethyl acetate and also trades in core sand and cattle fodder. AE has set up a menthol plant with capacity of 5 MT per day. The firm is expected to commence operations from September 2015 and the day-to-day affairs are managed by Mrs. Abhilasha Singh and Mr. Brijesh Singh.

For FY2014-15, AE reported profit after tax (PAT) of Rs.4.32 crore (provisional) on operating income of Rs.97.91 crore as compared with PAT of Rs.3.43 crore on operating income of Rs.52.49 crore for FY2013-14. The firm's net worth stands at Rs.4.54 crore (provisional) as on March 31, 2015 as compared with Rs.2.36 crore a year earlier.

SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.



SMERA RATINGS LIMITED

Abhilasha Enterprises (AE)

*Rating
Rationale***Contact List:**

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in Web: www.smera.in	Pooja Ghosh Associate Vice President – Operations Tel: +91-33-6620 1203 Email: pooja.ghosh@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.