

June 17, 2014

Facility	Amount (Rs. Crore)	Rating
Secured Overdraft	6.00	SMERA B/Stable (Assigned)

SMERA has assigned a rating of '**SMERA B**' (read as SMERA single B) to the Rs.6.00 crore long-term (fund based) bank facility of Hi-trac Manpower Services Private Limited (Hi-trac). The outlook is '**Stable**'. The rating is constrained by the company's small scale of operations amidst intense competition in the facility management services industry. The rating is further constrained by delays in payment of statutory dues by the company. The rating factors in risks related to the company's stretched liquidity position. However, the rating is supported by the company's moderate financial risk profile and experienced management.

Hi-trac, incorporated in 2004, is a Gurgaon-based company engaged in providing facility management services. Hi-trac has a small-scale operations reflected in revenues of Rs.31.48 crore in FY2012-13 (refers to financial year, April 01 to March 31). The company faces intense competition in the facility management services industry. Hi-trac has delayed payment of statutory dues in FY2012-13. The company's stretched liquidity position is evidenced by high utilisation (98 per cent) of cash credit limit during January 2014 to March 2014.

Hi-trac has a moderate financial risk profile marked by leverage (debt-equity ratio) of 1.04 times as on March 31, 2013 and interest coverage ratio of 3.02 times in FY2012-13. The company benefits from its experienced management. Mr. Satpal Singh, director of Hi-trac, has around ten years of experience in the company's line of business.

### **Outlook: Stable**

SMERA believes Hi-trac will maintain a moderate business risk profile in the medium term on the back of its experienced management. The outlook may be revised to 'Positive' in case the company achieves better working capital management. Conversely, the outlook may be revised to 'Negative' in case of stretch in the company's working capital cycle, or in case of further delays in payment of statutory dues.

### **About the company**

Hi-trac, incorporated in 2004, is a Gurgaon-based company promoted by Mr. Satpal Singh and Ms. Sarita Singh. Hi-trac provides facility management services.

For FY2012-13, Hi-trac reported profit after tax (PAT) of Rs.0.39 crore on operating income of Rs.31.48 crore, as compared with PAT of Rs.0.38 crore on operating income of Rs.23.30 crore for FY2011-12. The company's net worth stood at Rs.2.68 crore as on March 31, 2013, as compared

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with Rs.1.19 crore a year earlier. Hi-trac reported revenues of Rs.49.66 crore (provisional) in FY2013-14.

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