

JUNE 21, 2016

## CARE ASSIGNS 'CARE BB-/CARE A4' RATINGS TO THE BANK FACILITIES OF EAGLE HUNTER SOLUTIONS LIMITED

### Ratings

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	14	<b>CARE BB- (Double B Minus)</b>	Assigned
Short-term Bank Facilities	2	<b>CARE A4 (A Four)</b>	Assigned
<b>Total Facilities</b>	<b>16 (Rupees Sixteen crore only)</b>		

### Rating Rationale

The ratings assigned to the bank facilities of Eagle Hunter Solutions Limited (EHSL) are primarily constrained by small scale of operations, low profitability margins and working capital intensive nature of operations. The ratings are further constrained by competition from organized and unorganized players.

The ratings, however, draw comfort from experienced management, long track record of operations, moderate capital structure and debt coverage indicators and pan-India presence with diversified & reputed clientele.

Going forward, the ability of the company to increase its scale of operations with improvement in profitability margins and efficient management of working capital requirements shall be the key rating sensitivities.

### Background

New Delhi-based EHSL is a closely-held public limited company originally incorporated as a private limited company in November 1986 as Eagle Hunter Detectives Private Limited by Mr B.R. Lohia and Mr Maharaj Singh Lohia. Thereafter, it changed its name to Eagle Hunters Private Limited in February 1998 and Eagle Hunter Solutions Private Limited in March 2001. The name and the constitution was revised to present one in May 2001.

The company is currently being managed by Mr B.R. Lohia, Mr Ajay Lohia, Mr B.P. Puri, Mrs Saroj Lohia, Mr Inder Pal and Mr Maharaj Singh Lohia. The company is one of the leading security solution providers in NCR. The company is engaged in providing security services to corporates, hospitals, banks and private players like Axis Bank, IP University, Medanta Hospital, Indigo, Channel V awards, Auto Expo show, ACC Limited, Ambuja Cement, IDBI Bank, etc. The services include security guarding, event management services and training to security guards. Besides its core business, the company is also engaged in selling of fabric items. The Company is an ISO 9001-2008 Certified services provider. The company has a pan India presence through its 25 branches and over 5,500 guards deployed across the country catering to around 410 clients. As on March 31, 2015, 5,500 security guards were on the payroll of EHSL.

Eagle Hunter MBM Facility Management Services Private Limited (EH-MBM) and Alert Commandos Private Limited (ACPL) are the subsidiaries of EHSL. It holds 66.79% and 76.67% stake respectively in these companies. EH-MBM is a leading international Facility Management Solutions provider engaged in providing various services as guarding service, in house uniform guarding, pest control, housekeeping services, etc, apart from India, EH-MBM has a presence in Dubai, Doha-Qatar and Kuwait. ACPL is engaged in providing security services and in house training facility which includes fire fighting, first aid and security-related activities.

<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

In FY15 (refers to the period April 1 to March 31), EHSL achieved a total operating income (TOI) of Rs.66.38 crore with PBILDT and PAT of Rs.2.79 crore and Rs.1.64 crore as against TOI of Rs.61.81 crore with operating loss of Rs.0.78 crore and net loss of Rs.0.16 crore in FY14. Furthermore, in 11MFY16 (refers to the period April 1 to February 29) the company achieved total sales of Rs.68 crore (as per unaudited results).

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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