

# Rating Report

**S. P. Chips Potato Private Limited**

**NSIC-CRISIL Rating: SE 1C**

**'Highest Performance Capability  
and Low Financial Strength'**

Indicates the level of creditworthiness,  
adjudged in relation to other SSIs



**Report Date**

**July 12, 2012**

**Valid Till**

**July 11, 2013**

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## NSIC-CRISIL PERFORMANCE AND CREDIT RATING

<p><b>SE 1C</b> indicates 'Highest Performance Capability and Low Financial Strength' adjudged in relation to other SSIs</p>	<b>Financial Strength</b>				
		High	Moderate	Low	
	<b>Performance Capability</b>	Highest	SE 1A	SE 1B	<b>SE 1C</b>
		High	SE 2A	SE 2B	SE 2C
		Moderate	SE 3A	SE 3B	SE 3C
		Weak	SE 4A	SE 4B	SE 4C
Poor		SE 5A	SE 5B	SE 5C	

## RATING HISTORY

Rating	Assigned on	Valid till	Rating acceptance	Type
SE 1C	June 29, 2011	June 28, 2012	Rating accepted	Renewal
SE 1C	November 4, 2010	June 28, 2011	Rating accepted	Renewal
SE 2B	November 6, 2009	November 3, 2010	Rating accepted	New



## KEY RATING DRIVERS

### STRENGTHS

- Established track record of eight years indicates the company's ability to survive business cycles.
- Promoters with 38 years of experience in the same line of business.
- Well-defined organisation structure supported by qualified and experienced second-tier management having decision-making powers.
- Group synergy – the company is likely to benefit from the activities of the group entity.
- Established relationships with key customers lead to stable demand and suppliers leads to smooth supply of raw material.
- Well spread geographical reach reduces geographical concentration risk.
- Healthy near-term business certainty: The company recorded revenue of Rs.1,600.00 lakh for the period ended June 30, 2012 (refers to period from April 1 to June 30, 2012) and processes daily order book.
- Adequate working capital management as reflected in days payable and receivables which are in line with credit terms provided by the management for the past three years -2011-12 (refers to financial year, April 1 to March 31), 2010-11, and 2009-10.

### RISK FACTORS

- Customer concentration risk: Balaji Wafers Private Limited accounts for about 75.00-80.00 per cent of the total sales of the company.
- Raw material price volatility and intense competition may constrain margins in future.
- Lack of hedging makes the company vulnerable to fluctuations in the prices of commodities.
- Weak profitability as reflected in the operating profit before depreciation, interest, and tax (OPBDIT) margin of 3.61 per cent, profit after tax (PAT) margin of 0.51 per cent, and return on capital employed (RoCE) of 6.95 per cent during 2011-12.
- Weak credit protection measures as reflected in the total outside liability at 5.27 times of tangible net worth as on March 31, 2012, interest coverage of 1.75 times, and net cash accruals at 3.89 per cent of total debt for 2011-12.



## FACT SHEET

<b>Name of the company</b>	S. P. Chips Potato Private Limited
<b>Year of incorporation</b>	2004
<b>Legal status</b>	Private limited company
<b>Legal history</b>	<ul style="list-style-type: none"> <li>• There was a merger of 10 group entities in the same line of business with S. P. Chips Potato Private Limited during 2006-07.</li> <li>• In the merger, S. P. Chips Potato Private Limited took over the asset and liabilities of the group entities. However, the details regarding the merger are not provided to CRISIL.</li> <li>• However, there has been no change in the business, constitution, and management of the company since inception.</li> </ul>
<b>Registered with</b>	Registrar of Companies, Gujarat, Dadra & Nagar Haveli
<b>Registration number</b>	U51909GJ2004PTC449978
<b>SSI Registration number</b>	12296
<b>Managing Director</b>	Mr. Sureshkumar P Patel
<b>Category of entrepreneur</b>	General
<b>Listed at</b>	Not applicable
<b>Registered/administrative office and trading facility</b>	86/87, APMC Market Yard, Near Vasna Octroi Naka, Sharkhej Road, Ahmedabad – 380 055, Gujarat Tel: +91 79 26810677 / 26825805 / 9978813906 Fax: +91 79 26825309 Email: <a href="mailto:manish2061980@yahoo.co.in">manish2061980@yahoo.co.in</a> Website: <a href="http://www.spchipspotato.com">www.spchipspotato.com</a>
<b>Number of employees</b>	Permanent: 35 Contractual: None <b>Total: 35</b>
<b>Certifications and awards</b>	None
<b>Brands</b>	None
<b>Statutory compliance</b>	<ul style="list-style-type: none"> <li>• Income tax filing: Regular and timely</li> <li>• Excise duty filing: Not applicable</li> <li>• Sales tax filing: Not applicable<sup>1</sup></li> <li>• Wealth tax filing: Not applicable</li> <li>• ESIC and EPF dues: Regular and timely</li> </ul> <p><i>(As provided by the management, not independently verified)</i></p>

<sup>1</sup> Food processing units are exempted from sales tax for 10 years



## KEY DEVELOPMENTS DURING 2011-12 and 2012-13:

### Projections:

As per the previous rating exercise, the company had projected sales of Rs.11,000.00 lakh for the year ended March 31, 2012. However, the company has registered sales of Rs.7,617.05 lakh for the year ended March 31, 2012. The company was not able to achieve the projected sales due to decline in sales realisation resulting from decline in potato prices.

### Plans:

- The company plans to set-up a cold storage (unit III) at Anand in Gujarat with storage capacity of 3,300 tonnes.
- The estimated cost for setting up of the same will be about Rs.325.00 lakh, of which, Rs.250.00 lakh will be funded through term loan from banks and remaining Rs.75.00 lakh will be funded through internal accruals.
- The cold storage will be operational in 2012-13.

*The above plan has been factored in the rating and the revised gearing is likely to be above five times.*



## BUSINESS PROFILE

### BUSINESS DESCRIPTION

<b>Nature of business</b>	:	Trading/Services
<b>Industry</b>	:	Food and food products
<b>Industry prospects</b>	:	Strong
<b>Business description</b>	:	<ul style="list-style-type: none"> <li>• The company is involved in trading of potatoes (used in making potato chips) as well as providing cold storage facility.</li> <li>• The potatoes are procured from Madhya Pradesh, Gujarat, Punjab, Maharashtra, and Karnataka.</li> <li>• The company procures potatoes throughout the year from local farmers (during harvest season) and traders.</li> <li>• The peak season for sales is July to September.</li> <li>• The company has two cold storage facilities at Anand and Nadiad, Gujarat. The cold storage has a total stocking capacity of 9,840 tonnes. The company has increased the stocking capacity by installing five chambers in one of the storage facility to 11,100 tonnes through capital expenditure during 2010-11.</li> <li>• The company utilises 100.00 per cent of its installed capacity.</li> </ul>
<b>Experience in the business</b>	:	8 years
<b>Product and service range</b>	:	Limited
<b>Degree of competition</b>	:	High; entry barriers are low
<b>Customer profile</b>	:	Direct customers

#### Details regarding owned cold storage:

Name	Capacity (in tonnes)	Address
Shree Jay Gurudev Cold Storage Unit-I	5,100	Boriyavi, NH-8, Anand, Gujarat
Shree Jay Gurudev Cold Storage Unit-II	6,000	Kanajari, NH-8, Anand, Gujarat





## PRODUCT PROFILE

Product / service name	Share in net sales (%)
Trading of potatoes (used in making potato chips)	98.00
Rent from leasing of cold storage	2.00
<b>Total</b>	<b>100.00</b>

## CUSTOMER PROFILE AND DEMAND-SIDE ANALYSIS

Customer name	Product	Length of relationship	% share in sales
Balaji Wafers Private Limited	Potatoes	28 years <sup>2</sup>	About 75-80
Samrat Namkin Private Limited		33 years	About 10
Laxmi Snacks Private Limited		33 years	Varies annually

**Note:** The company caters to about 25 customers located across India.

Terms of credit	:	Credit up to 30 days
Process of getting orders	:	Regular orders from customers
Exports	:	Nil
Marketing network	:	<ul style="list-style-type: none"> <li>The company does not have a formal marketing set-up.</li> <li>Existing relationships with the customers help procure repeat orders.</li> <li>References and word-of-mouth publicity helps in sourcing new and repeat orders from existing customers.</li> <li>The company's website <a href="http://www.spchipspotato.com">www.spchipspotato.com</a> serves as a medium to receive orders.</li> </ul>
Geographical reach	:	Wide-spread

<sup>2</sup> Through group entity



## SUPPLIER PROFILE AND SUPPLY-SIDE ANALYSIS

Supplier's / Wholesaler's name	Product	Length of relationship <sup>3</sup>
Patidar Manoharlal Mulchand	Potatoes	15 years
Jankilal Nothamal		9 years
Tejal Traders		9 years

Terms of purchase	:	Credit for 15 days
Raw material availability	:	Ample
Raw material price volatility	:	High
Ability to pass on raw material price increases	:	No
Imports	:	Nil

## TRADING FACILITIES

Labour oriented operations	:	Yes
Labour union	:	No
Labour relationships	:	Cordial
Automation	:	Yes (semi-automated)
In-house R&D, designing facilities	:	No
Trading facility layout	:	Spacious and well-organised

<sup>3</sup> Through group entity



## OWNERSHIP AND MANAGEMENT

### PROMOTERS' PROFILE

<b>Director's name</b>	:	Mr. Sureshkumar P Patel
<b>Age</b>	:	58 years
<b>Qualification</b>	:	Undergraduate
<b>Designation / responsibilities</b>	:	Managing Director /Finance
<b>Relevant experience</b>	:	<b>38 years:</b> <ul style="list-style-type: none"> <li>• <b>Since 1974:</b> Through proprietorship firm - Popatlal Keshavlal</li> <li>• <b>Since 2004:</b> Through the rated entity</li> </ul>
<b>Personal net worth</b>	:	Rs.245.32 lakh (The details regarding liquid net worth is not provided to CRISIL)
<b>Promoter's residence address</b>	:	17 Shyam Kunj Society, Near Nehru Nagar, Ambawadi, Ahmedabad – 380 007, Gujarat
<b>Ownership of residence</b>	:	Self-owned
<b>Vehicles used</b>	:	Skoda Superb and Honda Accord

<b>Director's name</b>	:	Mr. Dilipkumar P Patel
<b>Age</b>	:	61 years
<b>Qualification</b>	:	Undergraduate
<b>Designation / responsibilities</b>	:	Director/Sales and purchases
<b>Relevant experience</b>	:	<b>38 years:</b> <ul style="list-style-type: none"> <li>• <b>Since 1974:</b> Through proprietorship firm - Popatlal Keshavlal</li> <li>• <b>Since 2004:</b> Through the rated entity</li> </ul>
<b>Personal net worth</b>	:	Rs.91.16 lakh (The details regarding liquid net worth is not provided to CRISIL)



<b>Director's name</b>	:	Mr. Himanshu D Patel
<b>Age</b>	:	35 years
<b>Qualification</b>	:	BCom
<b>Designation / responsibilities</b>	:	Director/ Sales and purchases
<b>Relevant experience</b>	:	<b>17 years:</b> <ul style="list-style-type: none"> <li>• <b>1995-2004:</b> Through proprietorship firm Popatlal Keshavlal</li> <li>• <b>Since 2004:</b> Through the rated entity</li> </ul>
<b>Personal net worth</b>	:	Rs.54.20 lakh (The details regarding liquid net worth is not provided to CRISIL)

<b>Director's name</b>	:	Mr. Vishal D Patel
<b>Age</b>	:	32 years
<b>Qualification</b>	:	BTech
<b>Designation / responsibilities</b>	:	Director/Overall management
<b>Relevant experience</b>	:	<b>10 years:</b> <ul style="list-style-type: none"> <li>• <b>2002-2004:</b> Through proprietorship firm - Popatlal Keshavlal</li> <li>• <b>Since 2004:</b> Through the rated entity</li> </ul>
<b>Personal net worth</b>	:	Rs.53.33 lakh (The details regarding liquid net worth is not provided to CRISIL)

<b>Director's name</b>	:	Mrs. Krishanben S Patel
<b>Age</b>	:	30 years
<b>Qualification</b>	:	BCom
<b>Designation / responsibilities</b>	:	Director/Accounts and Finance
<b>Relevant experience</b>	:	8 years in the same line of business through this company
<b>Personal net worth</b>	:	Rs.24.42 lakh (The details regarding liquid net worth is not provided to CRISIL)

<b>Director's name</b>	:	Mrs. Bhavinaben H Patel
<b>Age</b>	:	36 years
<b>Qualification</b>	:	BCom
<b>Designation / responsibilities</b>	:	Director/ Accounts and Finance
<b>Relevant experience</b>	:	8 years in the same line of business through this company
<b>Personal net worth</b>	:	Rs.33.00 lakh (The details regarding



		liquid net worth is not provided to CRISIL)
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<b>Director's name</b>	:	Mrs. Nipaben V Patel
<b>Age</b>	:	33 years
<b>Qualification</b>	:	BCom
<b>Designation / responsibilities</b>	:	Director/ Accounts and Finance
<b>Relevant experience</b>	:	8 years in the same line of business through this company
<b>Personal net worth</b>	:	Rs.37.68 lakh (The details regarding liquid net worth is not provided to CRISIL)

*The Personal net worth of the promoters is as disclosed by the management and not certified.*

## KEY MANAGEMENT PERSONNEL

<b>Name</b>	:	Mr. Manish M Shrimali
<b>Age</b>	:	30 years
<b>Qualification</b>	:	Post graduate
<b>Designation / responsibilities</b>	:	Accounts/Manager
<b>Previous experience</b>	:	7 years

## ORGANISATION STRUCTURE, CONTROLS, AND SYSTEMS

<b>Managing Director</b>	:	Mr. Sureshkumar P Patel
<b>Constitution</b>	:	Private limited company
<b>Second tier management</b>	:	Qualified and experienced
<b>Decision making powers</b>	:	Decentralised decision making
<b>Reporting system or MIS</b>	:	Yes
<b>Type of reporting system</b>	:	Computerised
<b>Frequency of MIS / reporting</b>	:	Daily
<b>Litigations against the SSI</b>	:	None
<b>Litigations against the promoters</b>	:	None
<b>Severity of litigations</b>	:	Not applicable
<b>Susceptibility to foreign exchange fluctuations</b>	:	Not applicable
<b>Hedging against foreign exchange risks</b>	:	Not applicable
<b>Susceptibility to commodity price fluctuations</b>	:	High
<b>Hedging against commodity prices</b>	:	No
<b>Asset insurance</b>	:	Adequate



## OWNERSHIP PATTERN

Shareholding pattern as on:	March 31, 2012
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Name of the shareholder	Relationship with promoter	Share in capital (%)
Mr. Sureshkumar P Patel	Promoter	45.50
Mr. Dilipkumar P Patel	Brother	24.00
Mr. Himanshu D Patel	Nephew	8.50
Mr. Vishal D Patel	Nephew	8.50
Mrs. Krishanben S Patel	Wife	4.50
Mrs. Bhavinaben H Patel	Nephew's wife	4.50
Mrs. Nipaben V Patel	Nephew's wife	4.50
	<b>Total</b>	<b>100.00</b>

## GROUP COMPANIES AND FIRMS

Name of the group company / firm	Business	Year ended	Net sales	PAT	Net worth/ Capital	Total debt
<i>Amounts in Rs. Lakh</i>						
Popatlal Keshavlal (established in 1974)	Trading of potatoes	March 31, 2012	1,100.72	6.08	33.33	62.00
S. P. Potato Traders Private Limited (incorporated in 2002)			Data not provided to CRISIL			

PAT: Profit after tax

### Notes:

- Popatlal Keshavlal is a proprietorship firm with Mr. Vishal D Patel as proprietor.
- S. P. Potato Traders Private Limited is a private limited company with Mr. Sureshkumar P Patel, Mr. Dilipkumar P Patel, Mr. Himanshu D Patel, Mrs. Manjulaben D Patel, and Mrs. Jayshreeben S Patel as directors.
- The management plans to merge S. P. Potato Traders Private Limited into S. P. Chips Potato Private Limited in 2012-13.
- There is no intra-group transaction.
- The customers and suppliers are same for all the group companies.
- The group companies are profitable for the year ended March 31, 2012.



## FINANCIAL PROFILE

### CURRENT FINANCIAL PERFORMANCE

Performance for the period ended		30-Jun-12*
Net sales	Rs. Lakh	1,600.00
Current order book	Rs. Lakh	Daily orders

\*refers to period from April 1 to June 30, 2012

Projected / estimated performance during		2012-13
Net sales	Rs. Lakh	10,000.00
PBT	Rs. Lakh	Data not provided to CRISIL
PBT margin	%	



## PAST FINANCIAL PERFORMANCE

### PROFIT AND LOSS ACCOUNT

For the year ended		2011-12	2010-11	2009-10
		Audited	Audited	Audited
Number of months		12	12	12
Net sales	Rs. Lakh	7,617.05	9,397.96	6,528.91
Operating income	Rs. Lakh	7,617.05	9,407.10	6,544.68
Cost of sales	Rs. Lakh	7,341.85	9,155.74	6,290.54
OPBDIT	Rs. Lakh	275.20	251.36	254.14
Interest and finance costs	Rs. Lakh	157.14	117.45	74.62
OPBDT	Rs. Lakh	118.06	133.90	179.52
Depreciation	Rs. Lakh	58.46	55.26	42.82
OPBT	Rs. Lakh	59.60	78.65	136.70
Non-operating income / (expense)	Rs. Lakh	-	-	-
PBT	Rs. Lakh	59.60	78.65	136.70
Extraordinary income / (expense)	Rs. Lakh	-0.25	-	-
Reported PBT	Rs. Lakh	59.35	78.65	136.70
Provision for taxes	Rs. Lakh	22.62	27.80	52.81
Deferred tax liability / (asset)	Rs. Lakh	-1.84	-0.13	-0.72
PAT	Rs. Lakh	38.57	50.97	84.61
Dividends	Rs. Lakh	-	-	-
Net cash accruals	Rs. Lakh	97.03	106.23	127.43

#### Notes:

- Performance for the period ended March 31, 2009, 2008, and 2007 is as follows:

		2008-09	2007-08	2006-07
		Audited	Audited	Audited
Number of months		12	12	12
Net sales	Rs. Lakh	4,901.16	5,437.91	561.34
OPBDIT	Rs. Lakh	146.88	221.12	62.21
<i>OPBDIT margin</i>	%	3.00	4.07	11.08
PAT	Rs. Lakh	39.46	119.26	29.03
<i>PAT margin</i>	%	0.81	2.19	5.17

- Sales of the company increased substantially for the year ended March 31, 2008 on account of the merger of the 15 group entities.
- Sales of the company declined for the years ended March 31, 2009 and March 31, 2012 on account of lower sales realisation resulting from decrease in potato prices. However, there was no decline in volume as confirmed by the management.
- Interest and finance costs for the year ended March 31, 2012 comprise interest on borrowings of Rs.139.78 lakh and bank charges of Rs.17.36 lakh.
- Interest and finance costs increased for the year ended March 31, 2012 due to higher intra-year utilisation of working capital facility from banks.
- Depreciation is provided as per the Company Act 1956.
- Extraordinary expense for the year ended March 31, 2012 refers to loss on sales of assets.





## BALANCE SHEET

		31-Mar-2012	31-Mar-2011	31-Mar-2010
		Audited	Audited	Audited
<b>Liabilities</b>				
Tangible net worth	Rs. Lakh	508.82	395.01	344.04
Deferred tax liabilities / (assets)	Rs. Lakh	4.54	5.10	5.23
Long-term debt	Rs. Lakh	110.15	218.54	484.90
<i>of which, current portion of long-term debt</i>	<i>Rs. Lakh</i>	-	-	-
Short-term debt	Rs. Lakh	2,386.23	2,597.56	1,594.89
<i>of which, working capital borrowing from banks</i>	<i>Rs. Lakh</i>	<i>2,386.23</i>	<i>2,597.56</i>	<i>1,594.89</i>
Other liabilities and provisions	Rs. Lakh	180.70	1,066.00	229.12
<b>Total liabilities</b>	<b>Rs. Lakh</b>	<b>3,190.44</b>	<b>4,282.21</b>	<b>2,658.18</b>
<b>Assets</b>				
Net fixed assets	Rs. Lakh	336.94	320.93	484.77
Investments	Rs. Lakh	188.76	187.38	44.37
Inventory	Rs. Lakh	2,179.64	3,099.74	2,073.68
Receivables (total)	Rs. Lakh	218.60	178.08	5.53
<i>of which, receivables greater than six months</i>	<i>Rs. Lakh</i>	-	-	-
Cash and bank balance	Rs. Lakh	226.96	453.13	15.09
Other current assets	Rs. Lakh	39.54	42.95	34.74
<b>Total assets</b>	<b>Rs. Lakh</b>	<b>3,190.44</b>	<b>4,282.21</b>	<b>2,658.18</b>

## Notes:

- Long-term debt as on March 31, 2012 comprises vehicle loan amounted to Rs.14.48 lakh from Kotak Mahindra Bank Limited, vehicle loan from HDFC Bank Limited of Rs.6.97 lakh, and 12.00 per cent unsecured loan from promoter's friends and families of Rs.88.70 lakh.
- Short-term debt as on March 31, 2012 comprises working capital limit from Kotak Mahindra Bank Limited amounted to Rs.1,439.53 lakh (further break-up of the same is not provided to CRISIL) and cash credit of Rs.946.70 lakh from Yes Bank Limited.
- Other liabilities and provisions as on March 31, 2012 comprise creditors for goods of Rs.117.97 lakh, creditors for expenses of Rs.31.82 lakh, and provisions of Rs.30.91 lakh.
- Schedule of investment as on March 31, 2012 is not provided to CRISIL.
- Schedule of fixed assets as on March 31, 2012 is not provided to CRISIL.
- Other current asset as on March 31, 2012 refers to loans and advances.



## KEY FINANCIAL RATIOS

For the year ended / as at		31-Mar-2012	31-Mar-2011	31-Mar-2010
		Audited	Audited	Audited
OPBDIT margin	%	3.61	2.67	3.88
PAT margin	%	0.51	0.54	1.29
Return on capital employed	%	6.95	6.95	11.35
Gross current assets	days	128	146	119
Days inventory (on COP)	days	108	124	120
Days receivable (on gross sales)	days	10	7	-
Days payable (on materials)	days	6	12	13
Current ratio	Times	1.04	1.03	1.17
PBDIT Interest cover	Times	1.75	2.14	3.41
Net cash accruals/Total debt	%	3.89	3.77	6.13
Debt service coverage ratio	Times	1.97	0.18	-0.03
Average cost of borrowing	%	5.92	4.80	4.80
Total outside liabilities/Tangible net worth	Times	5.27	9.84	6.73
Gearing - Total debt/Tangible net worth	Times	4.91	7.13	6.05
Gearing (not including promoter loans as debt)	Times	4.73	6.62	4.68

## Notes:

- OPBDIT margin has been fluctuating for the past three years due to relative fluctuation in traded goods prices:

	31-Mar-2012	31-Mar-2011	31-Mar-2010
	12	12	12
Operating income (Rs. lakh)	7,617.05	9,407.10	6,544.68
Traded goods price (Rs. lakh)	6,914.28	8,801.01	6,003.93
Traded goods price / Operating income (%)	90.77	93.56	91.74

- Days payables and receivables are in line with the credit terms provided by the management for the past three years.
- The average raw material inventory holding period is about 4-5 months.
- Average cash credit utilisation is about 100 per cent.
- Average cost of borrowings is low for the past three years due to higher year-end debt.



**FUND FLOW STATEMENT**

<b>For the year ended</b>		<b>31-Mar-2012</b>	<b>31-Mar-2011</b>
<b>Sources of funds</b>			
Net cash accruals	Rs. Lakh	97.03	106.23
Equity infusion / Share application money	Rs. Lakh	75.24	-
Long-term debt borrowed (net)	Rs. Lakh	-	-
Short-term debt borrowed (net)	Rs. Lakh	-	1,002.66
Decrease in net current assets	Rs. Lakh	223.84	-
Sale of investments / fixed assets	Rs. Lakh	-	-
Other sources	Rs. Lakh	-	-
<b>Total sources of funds</b>	<b>Rs. Lakh</b>	<b>396.11</b>	<b>1,108.89</b>
<b>Uses of funds</b>			
Investment and fixed assets purchased	Rs. Lakh	76.39	34.56
Decrease in tangible net worth	Rs. Lakh	-	-
Long-term debt repaid (net)	Rs. Lakh	108.39	266.36
Short-term debt repaid (net)	Rs. Lakh	211.33	-
Increase in net current assets	Rs. Lakh	-	807.97
Other uses	Rs. Lakh	-	-
<b>Total uses of funds</b>	<b>Rs. Lakh</b>	<b>396.11</b>	<b>1,108.89</b>

**Notes:**

- Decrease in net current assets for the year 2011-12 is majorly driven by decrease in inventory.
- Increase in net current assets for the year 2010-11 is majorly driven by increase in inventory.

**CONTINGENT LIABILITIES**

**Contingent liabilities as on March 31, 2012:** Nil

**AUDITORS**

B.J Patel and J.L Shah, Chartered Accountants,  
505, Sears Tower, Gulbai Tekra,  
Panchwati, Ahmedabad – 380 006,  
Gujarat

**Auditors' comments and observations in their audit report for 2011-12, 2010-11, and 2009-10:**  
No adverse comments

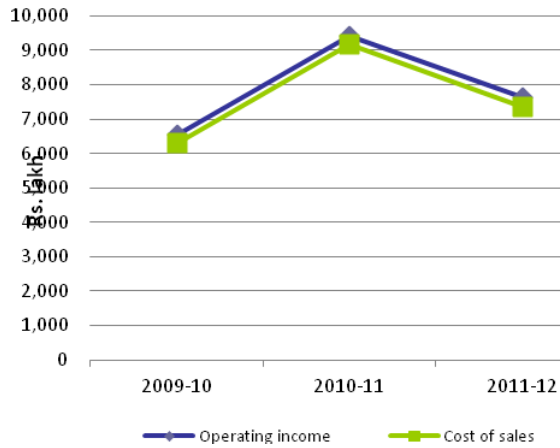
**Change in auditors, if any**

None

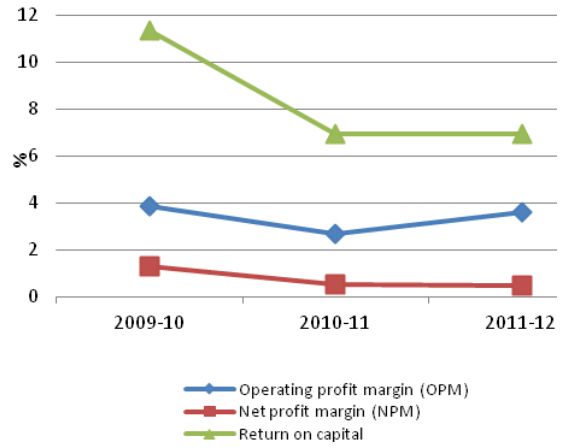


GRAPHS

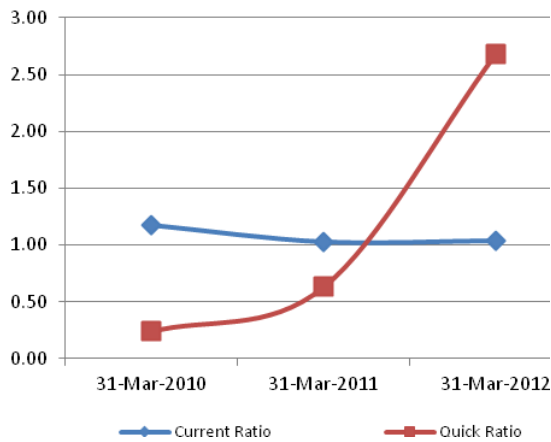
Turnover and business growth analysis



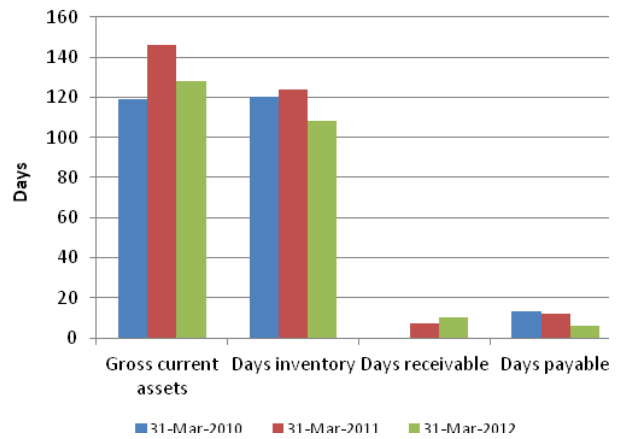
Profitability analysis



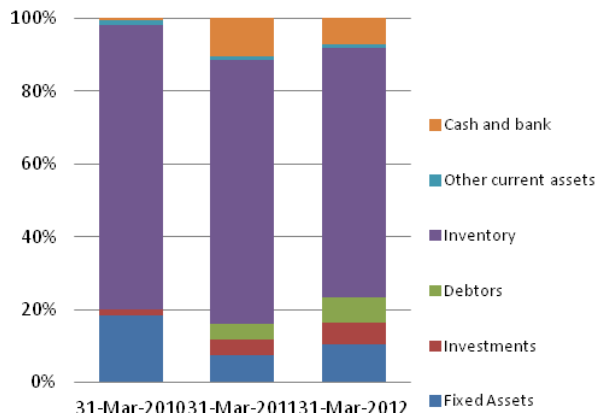
Liquidity analysis



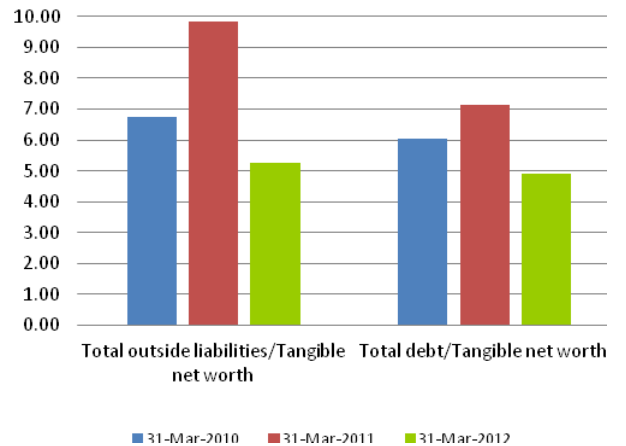
Working capital analysis



Asset Profile



Leverage analysis



**BANKING FACILITIES**

Name and location of the bank	Length of relationship	Facilities availed	Type of facility	Loan amount	Rate (%)
Yes Bank Limited, Ahmedabad, Gujarat	1 year	Cash credit	Fund-based limit	Rs.950.00 lakh	11.75
Kotak Mahindra Bank Limited, Gujarat	6 years	Cash credit	Fund-based limit	Rs.300.00 lakh	11.75
		Over draft	Fund-based limit	Rs.350.00 lakh	11.75
		Working capital demand loan	Fund-based limit	Rs.900.00 lakh	11.75
		Vehicle loan	Fund-based limit	Rs.14.48 lakh*	11.75
HDFC Bank Limited, Gujarat	2 years	Vehicle loan	Fund-based limit	Rs.6.97 lakh*	Data not provided to CRISIL

\*Outstanding as on March 31, 2012

<b>Feedback :</b>	The performance of the account is good. CRISIL has received information verbally from the bank.
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**Note:** The company had shifted its banking facility from Corporation Bank to Yes Bank Limited in 2011-12, due to better credit facilities provided by Yes Bank Limited.



## SITE VISIT

<b>Address of the site visited</b>	:	86/87, APMC Market Yard, Near Vasna Octroi Naka, Sharkhej Road, Ahmedabad – 380 055, Gujarat
<b>Date of site visit</b>	:	July 10, 2012
<b>No. of floors occupied</b>	:	1
<b>Size of premises</b>	:	Data not provided to CRISIL
<b>Number of employees at the location</b>	:	35
<b>Child labour at the site</b>	:	No
<b>Locality</b>	:	Commercial
<b>Location area</b>	:	Urban
<b>Site location</b>	:	Main road
<b>Site used as</b>	:	<ul style="list-style-type: none"> <li>• Administrative office</li> <li>• Sales office</li> </ul>
<b>Site layout</b>	:	Spacious and well organised
<b>Space around the building / structure</b>	:	<ul style="list-style-type: none"> <li>• Front porch</li> <li>• Backyard</li> <li>• Sidespace</li> </ul>
<b>Location advantages</b>	:	Good
<b>State of infrastructure</b>	:	<ul style="list-style-type: none"> <li>• Power: Stable</li> <li>• Back up power: Available</li> <li>• Water: Available</li> <li>• Labour unions: Do not exist</li> <li>• Transportation: Easily available</li> <li>• Overall infrastructure: Satisfactory</li> </ul>
<b>Electricity consumption</b>	:	Data not provided to CRISIL
<b>Building structure</b>	:	Permanent structure
<b>Ownership of premises</b>	:	Owned
<b>Sharing premises with group entities</b>	:	Yes
<b>Facilities available at the site</b>	:	<ul style="list-style-type: none"> <li>• Telephone</li> <li>• Internet</li> <li>• Fax</li> <li>• Generator</li> <li>• Pantry or canteen facilities</li> <li>• Fire extinguisher</li> <li>• Drinking water</li> <li>• Transport arrangement</li> <li>• Boundary wall</li> <li>• Drainage and sewerage</li> </ul>



**Cold Storages:**

<b>Address of the site visited</b>	:	Shree Jay Gurudev Cold Storage Unit-I and Unit-II, N H No.-8, Boriyavi, NH-8, Anand, Gujarat
<b>Date of site visit</b>	:	August 14, 2012
<b>No. of floors occupied</b>	:	Five
<b>Size of premises</b>	:	Data not provided to CRISIL
<b>Number of employees at the location</b>	:	Nil (at the time of visit)
<b>Child labour at the site</b>	:	No
<b>Locality</b>	:	Commercial
<b>Location area</b>	:	Urban
<b>Site location</b>	:	Main road
<b>Site used as</b>	:	Warehouse
<b>Site layout</b>	:	Spacious and well organised
<b>Space around the building / structure</b>	:	<ul style="list-style-type: none"> <li>• Front porch</li> <li>• Backyard</li> <li>• Sidespace</li> </ul>
<b>State of infrastructure</b>	:	<ul style="list-style-type: none"> <li>• Power: Stable</li> <li>• Back up power: Available</li> <li>• Water: Available</li> <li>• Labour unions: Do not exist</li> <li>• Transportation: Easily available</li> <li>• Overall infrastructure: Satisfactory</li> </ul>
<b>Electricity consumption</b>	:	Data not provided to CRISIL
<b>Building structure</b>	:	Permanent structure
<b>Ownership of premises</b>	:	Owned
<b>Sharing premises with group entities</b>	:	No
<b>Facilities available at the site</b>	:	<ul style="list-style-type: none"> <li>• Generator</li> <li>• Fire extinguisher</li> <li>• Drinking water</li> <li>• Boundary wall</li> </ul>



## CRISIL SME Ratings Contacts

### Head Office

CRISIL House  
Central Avenue  
Hiranandani Business Park  
Powai, Mumbai 400 076  
Tel: +91 22 3342 3000 / 8400  
Fax: +91 22 3342 3757

### Contact:

Mr. Kashif Khan  
**E-mail:** [kashif.khan@crisil.com](mailto:kashif.khan@crisil.com)  
Mr. Avinash Gidwani  
**E-mail:** [avinash.gidwani@crisil.com](mailto:avinash.gidwani@crisil.com)  
Mr. Sujit Agrawal  
**E-mail:** [sujit.agrawal1@crisil.com](mailto:sujit.agrawal1@crisil.com)

### Pune

1187/17, Ghole Road  
Shivaji Nagar  
Pune 411 005  
Tel: +91 20 4018 1900  
Fax: +91 20 4018 1930

### Contact:

Mr. Prashant Borole  
**E-mail:** [prashant.borole@crisil.com](mailto:prashant.borole@crisil.com)  
Mr. Rahul Prasad  
**E-mail:** [rahul.prasad@crisil.com](mailto:rahul.prasad@crisil.com)  
Mr. Uday Revankar  
**E-mail:** [uday.revankar@crisil.com](mailto:uday.revankar@crisil.com)  
Mr. Rahul Nigam  
**E-mail:** [rahul.nigam@crisil.com](mailto:rahul.nigam@crisil.com)  
Mr. Shriganesh Pardhi  
**E-mail:** [shriganesh.pardhi@crisil.com](mailto:shriganesh.pardhi@crisil.com)

### Ahmedabad

706, 7th Floor, Venus Atlantis  
Vejalpur, Near Reliance Petrol Pump  
Anandnagar to Prahladnagar Road  
Satellite, Ahmedabad 380 015  
Tel: +91 79 4024 4500  
Fax: +91 79 4024 4520

### Contact:

Mr. Arunraj Rajmohan  
**E-mail:** [arunraj.rajmohan@crisil.com](mailto:arunraj.rajmohan@crisil.com)

### New Delhi

The Mira  
G-1, First Floor, Plot No 1& 2  
Ishwar Nagar, (Near Okhla Crossing)  
New Delhi 110 065  
Tel: +91 11 4250 5141 / 50  
Fax: +91 11 2684 2212

### Contact:

Mr. Abhik Sen  
**E-mail:** [abhik.sen@crisil.com](mailto:abhik.sen@crisil.com)  
Mr. Kunal Raman  
**E-mail:** [kunal.raman@crisil.com](mailto:kunal.raman@crisil.com)  
Mr. Tejendra Kushwaha  
**E-mail:** [tejendra.kushwaha@crisil.com](mailto:tejendra.kushwaha@crisil.com)

### Kolkata

HORIZON, 4th Floor, Block B  
57, Chowringhee Road  
Kolkata 700 071  
Tel: +91 33 2289 1949/4011 8200  
Fax: +91 33 2283 0597

### Contact:

Mr. Sambit Das  
**E-mail:** [sambit.das@crisil.com](mailto:sambit.das@crisil.com)  
Ms. Jhumur Chowdhury  
**E-mail:** [jhumur.chowdhury@crisil.com](mailto:jhumur.chowdhury@crisil.com)  
Mr. Abhipshit Datta  
**E-mail:** [abhipshit.datta@crisil.com](mailto:abhipshit.datta@crisil.com)

### Chennai

Thapar House, Mezzanine Floor  
43/44, Montieth Road, Egmore  
Chennai 600 008  
Tel : +91 44 6616 3100  
Fax: +91 44 2854 7531

### Contact:

Mr. B. Venugopal  
**E-mail:** [b.venugopal@crisil.com](mailto:b.venugopal@crisil.com)  
Mr. Varaprasad Godi  
**E-mail:** [varaprasad.g@crisil.com](mailto:varaprasad.g@crisil.com)  
Mr. Harikrishnan A  
**E-mail:** [harikrishnan.a@crisil.com](mailto:harikrishnan.a@crisil.com)

### Bengaluru

W 101, Sunrise Chambers  
22, Ulsoor Road, Bengaluru 560 042  
Tel: +91 80 2558 0899  
Fax: +91 80 2559 4801

### Contact:

Mr. Sudhir Narayan  
**E-mail:** [sudhir.narayan@crisil.com](mailto:sudhir.narayan@crisil.com)  
Mr. Ravikiran Apte  
**E-mail:** [ravikiran.apte@crisil.com](mailto:ravikiran.apte@crisil.com)

### Hubli

Unit No. 53 and 54  
2nd floor, Eureka Junction  
Above Hubli Scan Centre,  
Opp. Revankar Comfort  
T.B. Road, Hubli 580 029  
Tel: +91 836 2256 777  
Mr. Kashiraya Kadaganchi  
**E-mail:** [kashiraya.kadaganchi@crisil.com](mailto:kashiraya.kadaganchi@crisil.com)

### Hyderabad

3<sup>rd</sup> Floor, Uma Chamber  
Plot no 9 & 10, Nagarjuna Hills,  
Punjagutta, X Road  
Hyderabad 500 082  
Tel: +91 40 2335 8103/05  
Fax: +91 40 2335 7507

### Contact:

Mr. Mansur Basha  
**E-mail:** [mansur.basha@crisil.com](mailto:mansur.basha@crisil.com)  
Mr. Rahul Deshpande  
**E-mail:** [rahul.deshpande@crisil.com](mailto:rahul.deshpande@crisil.com)

### Coimbatore

New No. 750-7, Old No. 1055-6  
1st Floor, Gowtham Centre  
Opp. Nilgiri Nest, Avinashi Road  
Coimbatore 641 018  
Tel: +91 422 224 4559

### Contact:

Mr. Abraham L  
**E-mail:** [abraham.l@crisil.com](mailto:abraham.l@crisil.com)

### Surat

811, 8th Floor, Rajhans Complex  
Opp. J K Tower, Ring Road  
Surat 395 002  
Tel: +91 261 400 2230

### Contact:

Mr. Devesh Kemkar  
**E-mail:** [devesh.kemkar@crisil.com](mailto:devesh.kemkar@crisil.com)

### Nashik

1, Deep Aarti Apartments  
Opp. Bohora Park, Gangapur Road  
Nasik 422 002

### Contact:

Mr. Pratik Shukla  
**E-mail:** [pratik.shukla@crisil.com](mailto:pratik.shukla@crisil.com)

### Jaipur

C/14/13, 1<sup>st</sup> Floor, Shopping Centre  
Swarn Path Mansarovar, Jaipur 302 020  
Phone: +91 141 302 1688/81

### Contact:

Mr. Vikas Banthia  
**E-mail:** [vikas.banthia@crisil.com](mailto:vikas.banthia@crisil.com)

### Jamshedpur

Office No 7  
Meghdeep Building, 2<sup>nd</sup> Floor  
"Q" Road, Bistupur, P.S. Bistupur  
Jamshedpur, Singhbhum (East)  
Jharkhand 831 001  
Phone: +91 657 654 5958

Mr. Abhishek Kumar

**E-mail:** [abhishek.kumar@crisil.com](mailto:abhishek.kumar@crisil.com)

### Raipur

323, 3<sup>rd</sup> Floor, Crystal Arcade  
Lodipara Chowk, Shankar Nagar Road  
Raipur 492 001  
Tel: +91 771 409 9997

### Contact:

Mr. Yash Naidu  
**E-mail:** [yash.naidu@crisil.com](mailto:yash.naidu@crisil.com)

### Indore

422, 4th Floor, Raffel Tower  
8/2, Old Palasia, Indore 452 001  
Tel: +91 731 402 0042

### Contact:

Mr. Amit Jajora  
**E-mail:** [amit.jajora@crisil.com](mailto:amit.jajora@crisil.com)

### Ludhiana

Sai Tower 202, Industrial Area  
Ludhiana 141 003  
Tel: +91 161 501 1575

### Contact:

Mr. Munish Dhawan  
**E-mail:** [munish.dhawan@crisil.com](mailto:munish.dhawan@crisil.com)  
Ms. Manisha Sharma  
**E-mail:** [manisha.sharma@crisil.com](mailto:manisha.sharma@crisil.com)  
Mr. Amit Maidh  
**E-mail:** [amit.maidh@crisil.com](mailto:amit.maidh@crisil.com)  
Mr. Abhinandan Sharda  
**E-mail:** [abhinandan.sharda@crisil.com](mailto:abhinandan.sharda@crisil.com)

### Kochi

40/2908, F-14, 4th Floor  
Penta Menaka, Marine Drive  
Kochi 682 031  
Phone +91 484 237 3337

### Contact:

Mr. Martin George  
**Email:** [martin.george@crisil.com](mailto:martin.george@crisil.com)

### Vadodara

509, Centre Point, R.C.Dutt Road  
Alkapuri, Vadodara 390 007  
Tel: +91 265 3025 946

### Contact:

Mr. Prashant Menon  
**E-mail:** [prashant.menon@crisil.com](mailto:prashant.menon@crisil.com)

### Visakhapatnam

Cabin No.S-5, Vishaka Business Centre,  
46-19-5, Manda Vari Street, Dondaparthu,  
Visakhapatnam 530 016  
Tel: +91 891 6661 770

### Contact:

Mr. Kanuparthu Vamsi  
**E-mail:** [vamsi.kanuparthu@crisil.com](mailto:vamsi.kanuparthu@crisil.com)



CRISIL