



## **SMERA-D&B-NSIC MICRO & SMALL ENTERPRISES RATING**

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Rating and Site Inspection Report  
**Valgro India Limited**



To verify the rating, please scan the QR Code

**SMERA MSE 4**

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Financial Strength:  
**Above Average**

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Operating Performance:  
**Average**

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Date of Report:  
**March 16, 2018**

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Valid Till:  
**March 15, 2019**

**D-U-N-S® Number  
86-428-7055**

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# Rating of Valgro India Limited

Rating Symbol	Definition
SMERA MSE 1	Highest credit worthiness in relation to other MSEs
SMERA MSE 2	High credit worthiness in relation to other MSEs
SMERA MSE 3	Good credit worthiness in relation to other MSEs
<b>SMERA MSE 4</b>	<b>Above-average credit worthiness in relation to other MSEs</b>
SMERA MSE 5	Average credit worthiness in relation to other MSEs
SMERA MSE 6	Below-average credit worthiness in relation to other MSEs
SMERA MSE 7	Weak credit worthiness in relation to other MSEs
SMERA MSE 8	Poor credit worthiness in relation to other MSEs

## Operating Performance Categories

Highest
High
<b>Average</b>
Weak
Poor



To verify the rating, please scan the QR Code

# SWOT Analysis

## Strengths

- Experienced management having an experience of more than a decade in the company's line of business
- Long standing track record of operations from 2007
- Healthy short term liquidity position marked by current ratio of 3.12 times and quick ratio of 2.35 times as on March 31, 2017
- Comfortable working capital management marked by collection period of 83 days and payable period of 15 days for FY2016-17

## Weakness

- Thin profitability profile marked by operating profit margin of 3.14% and net profit margin of 0.43% for FY2016-17
- Inventory holding period of the company stood high at 133 days for FY2016-17
- Stretched debt protection matrix marked by debt equity ratio of 5.46 times and interest coverage ratio of 1.07 times for FY2016-17

## Opportunities

- Capital goods sector which contributes 12% to the manufacturing sector represents a vast multi-disciplinary field with numerous end use application areas.
- Potential of the capital goods sector in India is still largely untapped which will create more opportunities for capital goods sector.

## Threats

- Highly competitive and fragmented industry marked by presence of numerous organized as well as unorganized players in the market.
- Attempting to steal intellectual property pertaining to technical innovations, expertise, and processes, which help develop both state-owned firms and their indigenous construction and engineering industry, is a big threat to the capital goods industry

# Company Fact Sheet

Unit Name	Valgro India Limited
<b>Official Address of Enterprise</b>	
Address Line 1	Valgro House, 2 <sup>nd</sup> Floor, Sahilly,
Address Line 2	Near Bharat Petrol Pump, Viratnagar
City	Ahmedabad
State	Gujarat
PIN code	382450
Type of Organization	Private Limited Company
Year of Establishment	2007
Commencement of operations	June 08, 2007
Contact No	(91) 9825028847
Email Id	<a href="mailto:arvindpatel@valgroabrasives.com">arvindpatel@valgroabrasives.com</a>
UAM / EM No	Details not available with SMERA
<b>Number of employees</b>	
Permanent	09
Contractual	00
Website	Not Applicable
Statutory auditor	Kiritbhai Soni & Associates
Address Line 1	302, Shubh Complex, Opp. Fairdeal House,
Address Line 2	Swastik Cross Road, Navrangpura
City	Ahmedabad
State	Gujarat
PIN code	380009
Adverse comment, if any, of the statutory auditor	None
Comments on statutory compliance	The unit is compliant

Registration/Memberships/Certificates	Registration/Membership/Consent No.
VAT/ GST No.	24AACCV5191L1ZO
PAN No.	AACCV5191L
Aadhaar No.	-

# Business Profile

Business Description	
Line of Business	Engaged in manufacturing and exports of machinery
Products/Services Profile	Surface Preparation Machinery
Industry	Capital Goods
Industry Prospects	Good
Sub- Industry	Engineering – Industrial Equipment
Degree of Competition	High

## Future Project(s)

As informed by management, the company does not have immediate capital expenditure project.

## Customer Profile

Customer 1	
Name	Calico Metals
Address Line 1	-
Address Line 2	Rakhial
City	Ahmedabad
Office no*	(079) 2278 0000
Mobile Number*	Details not available with SMERA
Terms of credit *	Open Account for 15 Days
Length of relationship (years) *	07
Share of sales (percentage) *	Details not available with SMERA

Customer 2	
Name	New Copper India
Address Line 1	-
Address Line 2	-
City	Nashik
Office no*	Details not available with SMERA
Mobile Number*	Details not available with SMERA
Terms of credit *	Advance Payments
Length of relationship (years) *	07
Share of sales (percentage) *	Details not available with SMERA

Customer 3	
Name	Hamilton Houseware
Address Line 1	Sector 12
Address Line 2	BHEL Township
City	Haridwar
Office no*	(01334) 661617
Mobile Number*	Details not available with SMERA
Terms of credit *	Open Account for 30 Days
Length of relationship (years) *	Details not available with SMERA
Share of sales (percentage) *	Details not available with SMERA

## Supplier Profile

Supplier 1	
Name	Vir Engineers
Address Line 1	D-40, Ratilal Park, Opp. Devki Nandan Jain Temple
Address Line 2	Darpan Six Rd, Navrangpura
City	Ahmedabad
Office no*	(079) 27680531
Mobile Number*	Details not available with SMERA
Credit terms *	Open Account for 60 Days
Raw material procured *	Machinery Parts
Length of relationship (years) *	04
Share of purchase (percentage) *	Details not available with SMERA

Supplier 2	
Name	Parshwanath Pipe
Address Line 1	1, Keval Kanta Rd,
Address Line 2	Soni Ni Chal, Rakhial,
City	Ahmedabad
Office no*	Details not available with SMERA
Mobile Number*	(91) 9979706289
Credit terms *	Open Account for 45 Days
Raw material procured *	MS Pipe
Length of relationship (years) *	04
Share of purchase (percentage) *	Details not available with SMERA

Supplier 3	
Name	Pan Fab Industries
Address Line 1	-
Address Line 2	-
City	Ahmedabad
Office no*	Details not available with SMERA
Mobile Number*	Details not available with SMERA
Credit terms *	Open Account for 30 Days
Raw material procured *	Details not available with SMERA
Length of relationship (years) *	03
Share of purchase (percentage) *	Details not available with SMERA



<b>Manufacturing Facilities</b>	<b>FY 2017</b>
Capacity Installed per annum (Machines)	30
Capacity Utilized per annum (Machines)	30
Capacity expansion planned per annum (Machines)	00

<b>Market Composition</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Domestic (%)	100	89	69
Exports (%)	00	11	31
<b>Total (%)</b>	<b>100</b>	<b>100</b>	<b>100</b>

<b>Purchase Composition</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Domestic (%)	100	100	100
Imports (%)	00	00	00
<b>Total (%)</b>	<b>100</b>	<b>100</b>	<b>100</b>

# Ownership & Management

Details of the Proprietor/ Partner/ Director -1	
Designation	Director
Name	Mr. Arvind Patel
Address Line 1	36, Nandan Baug Co-Operative Housing Society
Address Line 2	Bilsiya Naroda
City	Ahmedabad
Mobile Number	(91) 9825028847
Year of birth	1968
Appointed to present position	2007
Employed with Unit since	2007
Highest Educational Qualification *	MBA
Specialization *	Details not available with SMERA
Permanent Account Number*	AEWPP3207J

Details of the Proprietor/ Partner/ Director -2	
Designation	Director
Name	Mr. Satish Patel
Address Line 1	36, Nandan Baug Co-Operative Housing Society
Address Line 2	Bilsiya Naroda
City	Ahmedabad
Mobile Number	(91) 9825028847
Year of birth	1972
Appointed to present position	2007
Employed with Unit since	2007
Educational Qualification *	B. Sc.
Specialization *	Chemistry
Permanent Account Number*	ACTPP0116F

## Share Holding Pattern / Profit / Loss Sharing Ratio as on March 31, 2017

Name of Proprietor/ Partner / Shareholders	Relation with the Promoter	Profit/Loss Sharing Ratio (%)
Mr. Aravind Patel	Self	50.00
Mr. Satish Patel	Self	50.00
<b>Total</b>		<b>100.00</b>

Details of Key Management Personnel -1	
Designation	Manager
Name	Ms. Jhanvi Joshi
Address Line 1	Valgro House, 2 <sup>nd</sup> Floor, Sahilly,
Address Line 2	Near Bharat Petrol Pump, Viratnagar
City	Ahmedabad
State	Gujarat
Mobile Number	(91) 9099079325
Year of birth	1988
Appointed to present position	2009
Employed with Unit since	2009
Highest Educational Qualification *	M. Com.
Specialization *	-

Organization Structure, Control & Systems	
Head of Organization	Mr. Aravind Patel
Second Tier Management	Yes
Decision Making Powers	Board of Directors
Reporting System or MIS	In Place
Type of Reporting System	Saral (Accounting Software)
Frequency of MIS/ Reporting	Daily

### Associates/ Group Companies

Associates/ Group Company - 1	
Name	Valgro Engineers Private Limited
Address Line 1	"Valgro House", Shailly,
Address Line 2	Virat Nagar Cross Road, N. H. No. 8
City	Ahmedabad
Line of business	Surface conditioning brush
Sales (Rs in lakhs last financial year)	₹ 270.00
Net profit (Rs in lakhs last financial year)	₹ 1.00
Total Debt (Rs in lakhs last financial year)	Details not available with SMERA
Total net worth (Rs in lakhs last financial year)	Details not available with SMERA

# Financial Profile

Current Financial Performance (Rs Lakhs except Debt – Equity Ratio)	
Net Sales	220.72
OPBDIT	18.38
Current Order Book	321.00 (Approximate value till February 2018)
Debtors	43.64
Creditor	5.95
Capital	57.96
Debt	231.64
Debt- Equity ratio.	5.46

## Declaration

The financial profile given in this report is based on audited financial results of the unit rated.

Details of Chartered Accountant (CA)	
Name	CA Kirit Soni
Membership no.	016436
Firm registration no	119911W

**Profit & Loss Account (In Rupees Lakhs)**

Financial Year	31/Mar/17	31/Mar/16	31/Mar/15
<b>Months Covered By P/L</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>Income</b>	<b>220.72</b>	<b>215.87</b>	<b>212.37</b>
Domestic Sales	194.18	192.25	203.30
Export	0.00	0.00	0.00
Other Revenue	26.54	23.62	9.07
<b>Cost of Sales</b>	<b>(167.13)</b>	<b>(169.49)</b>	<b>(161.57)</b>
<b>Employee Cost</b>	<b>(11.72)</b>	<b>(9.00)</b>	<b>0.00</b>
Rent / Repairs and Maintenance	(10.00)	(10.00)	(14.40)
Electricity Cost	(1.79)	(1.65)	(1.65)
Job Work Charges	(3.94)	(3.14)	0.00
Other Direct Expenses	0.00	0.00	0.00
Raw Material Consumption Cost	(139.68)	(145.70)	(145.52)
<b>Gross Profit (Loss)</b>	<b>53.59</b>	<b>46.38</b>	<b>50.80</b>
Other Operating Income	2.23	1.16	7.36
Depreciation/Amortization	(11.46)	(12.68)	(15.46)
<b>General Operating Expenses</b>	<b>(37.44)</b>	<b>(25.17)</b>	<b>(17.47)</b>
Directors / Partners Remuneration	(7.20)	(4.00)	0.00
Financial Lease Payment	0.00	0.00	0.00
Other	(30.24)	(21.17)	(17.47)
<b>Net Operating Profit (Loss) After Depreciation and Before Interest</b>	<b>6.92</b>	<b>9.69</b>	<b>25.23</b>
Non-Operating Income	18.63	48.10	10.93
Non-Operating Expenses	0.00	0.00	0.00
<b>Finance Expenses</b>	<b>(23.99)</b>	<b>(56.76)</b>	<b>(34.90)</b>
Interest to Third Parties	(23.49)	(56.47)	(34.59)
Interest to Related Parties	0.00	0.00	0.00
Interest on Partners Capital	0.00	0.00	0.00
Commission & Charges	(0.50)	(0.29)	(0.31)
<b>Net Profit(Loss) Before Tax &amp; Extraordinary Items</b>	<b>1.56</b>	<b>1.03</b>	<b>1.26</b>
Plus (Minus) Extraordinary Items	0.00	0.00	0.00
<b>Net Profit Before Taxation &amp; After Extraordinary Items</b>	<b>1.56</b>	<b>1.03</b>	<b>1.26</b>
<b>Income Tax</b>	<b>(0.62)</b>	<b>(0.50)</b>	<b>0.00</b>
Current Tax	(0.30)	0.00	0.00
Deferred Tax (Liability) / Reversal	(0.32)	(0.50)	0.00
<b>Net Profit(Loss) After Tax</b>	<b>0.94</b>	<b>0.53</b>	<b>1.26</b>
Plus (Minus) Extraordinary Items - Others	0.00	0.00	0.00
Extraordinary Items - Income Tax	0.00	0.00	0.00
<b>Net Profit (Loss) After Taxation &amp; Extraordinary Items</b>	<b>0.94</b>	<b>0.53</b>	<b>1.26</b>

The above financials are taken from the audited accounts of the company

**Balance Sheet (In Rupees Lakhs)**

Date	31/Mar/17	31/Mar/16	31/Mar/15
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Bank	84.16	12.34	32.21
Inventory / Work-in-Progress	80.00	71.65	131.70
<b>Accounts Receivable</b>	<b>43.64</b>	<b>20.88</b>	<b>33.35</b>
Receivable up to 6 Months	43.64	20.88	33.35
Advances to Directors / Shareholders / Relatives / Friends / Group Entities / Related Entities	50.44	82.03	49.74
Advance to suppliers	34.22	8.46	0.10
Short term Deposits	0.00	0.00	50.00
Margin Money	0.00	0.00	0.00
Other Current Assets	31.43	17.14	22.64
<b>Total Current Assets</b>	<b>323.89</b>	<b>212.50</b>	<b>319.74</b>
<b>Fixed Assets</b>			
Land & Buildings	0.00	0.00	86.49
Plant & Equipment	43.13	45.86	53.13
Other Fixed Assets	2.59	3.09	3.23
Vehicles/Construction Equipment	0.00	0.00	0.00
Windmills	0.00	0.00	0.00
Less: Asset Revaluation	0.00	0.00	0.00
Less: Accumulated Depreciation	0.00	0.00	0.00
Assets Under Construction	0.00	0.00	0.00
<b>Total Fixed Assets</b>	<b>45.72</b>	<b>48.95</b>	<b>142.85</b>
<b>Investments</b>			
Investment in Subsidiaries / Affiliates	0.00	0.00	0.00
Investment in Quoted Instruments	0.00	0.00	0.00
Investment in Properties	0.00	0.00	0.00
Other Investments	0.00	0.00	0.00
<b>Total Investments</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Other Assets (Non-Current)</b>			
Long Term Advances to Directors / Shareholders / Relatives / Friends / Group Entities / Related Entities	0.00	0.00	0.00
Advance for Capital Assets	0.00	0.00	0.00
Security Deposits	9.60	9.60	9.60
Other Non-Current Assets	0.00	0.00	0.00
<b>Total Other Assets</b>	<b>9.60</b>	<b>9.60</b>	<b>9.60</b>
<b>Intangibles</b>			
Goodwill	0.00	0.00	0.00
Preliminary Expenses	0.00	0.00	0.00
Deferred Tax Assets	0.00	0.00	0.00
Asset Revaluation	0.00	0.00	0.00

Software	1.93	1.60	1.71
Patents & Copyrights	0.00	0.00	0.00
Other Intangibles	19.49	22.64	28.00
<b>Total Intangibles</b>	<b>21.42</b>	<b>24.24</b>	<b>29.71</b>
<b>Total Assets</b>	<b>400.63</b>	<b>295.29</b>	<b>501.90</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	5.95	7.03	1.31
Short term Secured Loans from Banks / Financial Institutions	0.00	0.00	0.00
Short term Unsecured Loans from Banks / Financial Institutions	0.00	0.00	0.00
Short term loans from Directors / Shareholders / Relatives / Friends / Group Entities / Related Entities	0.00	75.00	0.00
Short term Unsecured Loans from Others	0.00	0.00	0.00
Advances from Customers	97.13	58.83	20.56
Creditors for Capital Goods	0.00	0.00	0.00
Proposed Dividend payable	0.00	0.00	0.00
Cheques issued but not cleared	0.00	0.00	0.00
Other Current Liabilities	0.81	1.44	2.55
<b>Total Current Liabilities</b>	<b>103.89</b>	<b>142.30</b>	<b>24.42</b>
<b>Non-Current Liabilities</b>			
<b>Total Long Term Debt</b>	<b>231.64</b>	<b>89.15</b>	<b>415.09</b>
Secured Loans from Banks / Financial Institutions	227.34	0.00	410.09
Unsecured Loans from Banks / Financial Institutions	0.00	0.00	0.00
Loans from Directors / Shareholders / Relatives / Friends / Group Entities / Related Entities	4.30	89.15	5.00
Unsecured Loans from Others	0.00	0.00	0.00
Proposed Dividend	0.00	0.00	0.00
Deferred Tax Liability	1.25	0.93	0.43
Sales Tax Deferral Loan	0.00	0.00	0.00
Deposits	0.00	0.00	0.00
Other Non-Current Liabilities	0.00	0.00	0.00
<b>Total Non-Current Liabilities</b>	<b>232.89</b>	<b>90.08</b>	<b>415.52</b>
<b>Equity</b>			
Capital	57.96	57.96	56.76
Preference Capital	0.00	0.00	0.00
Share Premium	0.00	0.00	0.00
Capital Reserves	0.00	0.00	0.00
General Reserves	0.00	0.00	0.00
Retained Earnings (Loss)	5.89	4.95	3.80
Revaluation Surplus (Deficit)	0.00	0.00	0.00
Share Application Money	0.00	0.00	1.40
Capital Subsidy	0.00	0.00	0.00

Other Equity	0.00	0.00	0.00
<b>Total Equity</b>	<b>63.85</b>	<b>62.91</b>	<b>61.96</b>
<b>Total Liabilities</b>	<b>400.63</b>	<b>295.29</b>	<b>501.90</b>



## Financial Ratios

Financial Year	31/Mar/17	31/Mar/16	31/Mar/15
<b>Growth Ratios</b>			
Sales Growth (%)	2.25	1.65	-
Net Profit Growth (%)	77.36	(57.94)	-
<b>Turnover Ratios</b>			
Collection Period (Days)	83	40	60
Account Payable (Days)	15	30	3
Inventory Holding period (Days)	133	122	227
Gross Working Capital (Related to operation) to sales (Days)	537	360	550
Sales to Net Working Capital (Times)	1.00	3.08	0.72
Assets to Sales (%)	171.81	125.56	222.34
Fixed Assets Turnover Ratio	4.83	4.41	1.49
<b>Profitability Ratios</b>			
Gross Profit Margin (%)	24.28	21.49	23.92
Operating Profit Margin (%)	3.14	4.49	11.88
Net Profit Margin (%)	0.43	0.25	0.59
Return on Assets (%)	0.25	0.20	0.27
Return on Net Worth (Return on Equity) (%)	2.22	1.37	3.91
Return on Capital Employed (%)	9.05	28.12	8.08
<b>Liquidity Ratios</b>			
Quick Ratio	2.35	0.99	7.70
Current Ratio	3.12	1.49	13.09
<b>Gearing &amp; Solvency Ratios</b>			
Fixed Assets to Tangible Net Worth (%)	107.75	126.58	442.95
Current Liabilities to Tangible Net Worth (%)	244.85	367.99	75.72
Total Liabilities to Tangible Net Worth (%)	793.73	600.93	1364.16
Total Debt to Equity Ratio	5.46	4.24	12.87
Long Term Debt Equity Ratio	5.46	2.31	12.87
Interest Coverage Ratio	1.07	1.02	1.04
Debt / NCA	18.68	12.43	24.83

**Cash Flow statement from operations (In Rupees Lakhs)**

<b>Cash Flow for the Year Ended</b>	<b>31/Mar/17</b>	<b>31/Mar/16</b>
<b>Months Covered</b>	<b>12</b>	<b>12</b>
<b>Net Profit Before Tax And Extraordinary Items</b>	1.56	1.03
Adjustments for:		
Prior Year Adjustments	0.00	0.00
Depreciation	11.46	12.68
Non-Operating Income	(18.63)	(48.10)
Non-Operating Expenses	0.00	0.00
Interest Expense	23.99	56.76
Subtotal	16.82	21.34
<b>Operating Profit Before Working Capital Changes</b>	<b>18.38</b>	<b>22.37</b>
Adjustment for:		
Accounts Receivables	(22.76)	12.47
Other Receivables (Inclusive of Taxes)	(8.76)	14.85
Inventories	(8.35)	60.05
Trade Payables	(1.08)	5.72
Other Payables	37.67	37.16
Extraordinary Items	0.00	0.00
<b>Net Cash from Operating Activities</b>	<b>15.10</b>	<b>152.62</b>

## Banking Facilities

Bank 1	
Name	Union Bank of India
Branch	Asarwa, Ahmedabad
IFSC	UBIN0535354
Bank Account Number	Details not available with SMERA
Address Line 1	Chandra Mahal Building,
Address Line 2	Opp. Civil Hospital, Asarwa
City	Ahmedabad
PIN code	380016
Contact Number (Office)	Details not available with SMERA
E-Mail ID *	Details not available with SMERA
Term Loan (in lakhs)	₹ 00
Interest Rate (%)	Not Applicable
Working Capital Loan (in lakhs)	₹ 00
Interest Rate (%)	Not Applicable
Non Fund Based Limits (in lakhs)	₹ 00
Banker's feedback	Not Applicable

*\*The company has long term loan from NBFC as on March 31, 2017.*

# Site Visit Report

Address line 1	Valgro House, 2 <sup>nd</sup> Floor, Sahilly,
Address line 2	Near Bharat Petrol Pump, Viratnagar
City	Ahmedabad
State	Gujarat
PIN code	382450
Date of Site Visit	March 07, 2018
Name of Site Visit Officer	Mr. Prashant Topiya
<b>Unit's official contacted</b>	
Name	Ms. Jhanvi Joshi
Designation	Manager
Mobile No	(91) 9099079325
Email id	<a href="mailto:arvindpatel@valgroabrasives.com">arvindpatel@valgroabrasives.com</a>
Size of Premises	16200 Square Feet
Site Details/Type	Industrial Area
Fire extinguisher	Yes
Power installed (KW/ HP)	85 KW
Power Back-Up	Yes
Signage/Name Plate	Yes
Environmental clearance	Not Applicable
If Yes, provide Certificate/Registration Number	None
Site Lay Out	-
Installed capacity	30 Machines
Utilized Capacity	30 Machines
Name of the Raw material being used	Steel, Electric Motors and Gears
Source of raw material	Domestic
Kind of Building	RCC Construction
On Floor	Ground Floor
Total Floors in the Building	Ground Floor
Type of Occupation	Rented
Owner's Name	Mr. Arvind Patel

# Benefits to the MSE

## **Independent Third Party Opinion**

Provides an unbiased rating to MSEs and enhances credibility. It motivates MSEs to adopt good governance for long term benefits. It also serves as a tool for self-evaluation and improvement and opens doors to the corporate sector enabling entry into the world's largest business database of over 162 million business records.

## **Access to Funding**

A good rating helps MSEs get faster and cheaper credit at the discretion of the banker. SMERA has MOUs with 36 nationalized and private sector banks with several of them extending concessional pricing to borrowers based on the ratings. Possible deduction in interest rates from the bank can be availed.

## **Credibility and Confidence Building with Business Partners**

Rating is an indicator of an MSE's performance capability and financial strength. A good rating provides comfort to lenders, including bankers, financial institutions and NBFCs, entrepreneurs, customers, suppliers, foreign partners, and collaborators among others for joint ventures.

## **Self-improvement Tool**

Rating functions as a powerful self-improvement tool. SMERA also provides a detailed analytical report on the strengths and weaknesses. The report helps strengthen operations and facilitates international trade and commerce by building confidence among potential trading partners.

## About SMERA

SMERA Ratings Limited is a joint initiative of Small Industries Development Bank of India (SIDBI), Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA commenced its operations in 2005 and is empaneled as an approved rating agency by the National Small Industries Corporation Ltd. (NSIC) under the 'Performance & Credit Rating Scheme for Micro & Small Enterprises' of the Ministry of MSME, Government of India. SMERA is registered with the Securities and Exchange Board of India (SEBI) as a Credit Rating Agency and is accredited by Reserve Bank of India (RBI) as an External Credit Assessment Institution (ECAI), under BASEL- II norms for undertaking Bank Loan Ratings.

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