

# CARE Due Diligence Services



## Due Diligence Report

Name of the Entity	United Polyfab Gujarat Limited
Location	Survey no. 238 & 239, Shahwadi, Opp. New Aarvee Denim, Narol-Sarkhej Highway, Ahmadabad, Gujarat- 382405
Operational Status	Operational
Report Date	March 16, 2016

<b>CARE Due Diligence Report– INDEX</b>	
STRENGTHS AND WEAKNESSES	2
BRIEF SNAPSHOT OF ENTITY	4-5
ORGANISATION & MANAGEMENT	
PROFILE OF THE PROMOTERS	6
MANAGEMENT & BOARD OF DIRECTORS	7-9
MANAGEMENT & OWNERSHIP STRUCTURE	10-12
BUSINESS PROFILE	
BUSINESS PROFILE ANALYSIS	14
OPERATIONS OVERVIEW	14-15
PROJECT DETAILS	16
CUSTOMER & SUPPLIER ANALYSIS	17-18
BUSINESS ACTIVITY DETAILS	19
INDUSTRY ANALYSIS	20-23
SITE VISIT REPORT	24
FINANCIAL PERFORMANCE	
PROFITABILITY STATEMENT	25-26
COST STRUCTURE	27-30
BALANCE SHEET: ASSETS	31-34
BALANCE SHEET: LIABILITIES	35-39
SUMMARY OF RATIOS	40
PROFITABILITY ANALYSIS	41
LIQUIDITY ANALYSIS	42
FINANCIAL FLEXIBILITY	44
DEBT PROTECTION INDICATORS	45
BANKERS & AUDITORS DUE DILIGENCE	46
KEY FINDINGS	47

## **NOTICE**

CARE's Due Diligence services is an independent opinion of the entity. The report is a one-time exercise and the information contained in this report is intended solely for recipient for specific purpose. The said information is confidential and may be privileged, and is also prohibited from disclosure. Any disclosure or further distribution of the report or use other than specified is strictly prohibited. Nothing contained in the report is capable or intended to create any legally binding obligations on the sender or CARE who accept no responsibility, whatsoever, for loss or damage from the use of the said information. The due diligence is not an audit and also not a recommendation for entering into any transaction with the entity.

The report is based on the information and explanations provided to CARE and /or obtained by CARE from reliable sources. CARE does not guarantee the accuracy, completeness or adequacy of any information on which this report is based. CARE is not responsible for any error / omissions for the results/opinions obtained for the use of this report.

CARE, its directors, Rating Committee members, employees and others associated with the due diligence assignment do not have any financial liability whatsoever. Any reproduction of the report or part of it would require explicit written approval of CARE.

**Key Strengths**

- *Well-experienced promoters and management team having average experience of over 20 years in the industry*
- *Established track record of business operations of group with enduring relationship with clients.*
- *Infusion of fund by promoters in past to support the operations*
- *Moderate debt coverage indicators*

**Key weaknesses**

- *Moderate and fluctuating profit margins*
- *Leveraged capital structure*
- *Working capital-intensive nature of operation.*
- *Susceptibility of margins to volatile raw material prices*
- *Modest scale of operations with presence in highly competitive and fragmented industry.*
- *Project execution risk within estimated time and cost and debt yet to be tied up*

*Note:*

- *To undertake the due diligence, CARE has relied at the information provided by the management, their deputed/ instructed by the management and Draft Red Herring Prospectus.*
- *For undertaking the financial analysis, we have primarily relied on the following financial statements provided by the management:*
  - *Audited financials for the financial year ending March 31, 2012, audited by M/s Nahta Jain & Associates and signed by Mr. Gaurav Nahta (Partner) dated July 07, 2012.*
  - *Audited financials for the financial year ending March 31, 2013, audited by M/s Nahta Jain & Associates and signed by Mr. Gaurav Nahta (Partner) dated July 11, 2013.*
  - *Audited financials for the financial year ending March 31, 2014, audited by M/s Nahta Jain & Associates and signed by Mr. Gaurav Nahta (Partner) dated September 05, 2014.*
  - *Audited financials for the financial year ending March 31, 2015, audited M/s Nahta Jain & Associates and signed by Mr. Gaurav Nahta (Partner) dated May 02, 2015.*

*DRHP consists of financials till March 31, 2015; thus, CARE has also considered financials till only March 31, 2015.*

- *As a part of the due diligence exercise for NSE, CARE also*
  - *Reviews financials submitted by the company with Ministry of Corporate Affairs.*
  - *Undertakes Site visit and management discussion*
  - *Due Diligence with lenders and auditors*
  - *Due Diligence with customers and suppliers.*
- *However, please note that*
  - *Due diligence exercise by CARE is not an audit and also not a recommendation for entering into any transaction with the entity.*
  - *CARE does not guarantee the accuracy, completeness or adequacy of any information on which this report is based. CARE is not responsible for any error / omissions for the results/opinions obtained for the use of this report.*

**BRIEF SNAPSHOT OF ENTITY**

<b>Name</b>	United Polyfab Gujarat Limited (UPGL)				
<b>Year of Incorporation</b>	November 16, 2010				
<b>Constitution</b>	Public limited company				
<b>Nature of Business</b>	Manufacturing and trading of grey cloth fabrics				
<b>Industry</b>	Textile				
<b>Products Manufactured/ Goods Traded</b>	Grey Denim, Grey Shirting Fabric, Cotton Grey Fabric and others				
<b>Registered Office</b>	Survey no. 238 & 239, Shahwadi, Opp. New Aarvee Denim, Narol-Sarkhej Highway, Ahmadabad, Gujarat- 382405				
<b>Location of Plant</b>	Survey no. 238 & 239, Shahwadi, Opp. New Aarvee Denim, Narol-Sarkhej Highway, Ahmadabad, Gujarat- 382405				
<b>Key Promoters name</b>	Mr. Nirmal Mittal (Chairman and Managing Director)				
<b>Key regulatory approvals, certifications and membership</b>	NA				
<b>Major Brands</b>	NA				
<b>Name of the Auditor</b>	M/s Nahta Jain & Associates				
<b>Major Existing Bankers</b>	State Bank of India				
<b>Total number of employees</b>	84				
<b>Total income for latest year</b>	Rs.3138.66 Lakh (FY15, Audited) Rs. 2052.80 Lakh (7MFY16, Audited)				
<b>Wilful defaulter as per CIBIL</b>	No, as on December 31, 2015				
<b>Litigations</b>	Litigations details	Particulars	Nature & Number of Case	Amount involved	Current status and managements response
	Case filed by UPGL	Recovery of debtors	Civil - 1	Rs. 40.37 lakh	Case is pending with the city civil court
	Case filed by UPGL	Outstanding payment	Civil – 1	Rs. 3.09 lakh	Case is pending with the city civil court
	Case filed by Income Tax Department against UPGL	Income Tax	Civil – 2	-	Received notice from Income tax department

**Background**

Incorporated in 2010 as a United Polyfab (Unit-II) private limited company and later re-constituted in 2015 as a United Polyfab (Unit-II) private limited and further renamed to United Polyfab Gujarat Limited (UPGL), is engaged into manufacturing/weaving and trading of grey cloth fabrics (i.e. Grey Denim, Grey Shirting Fabric, Cotton Grey Fabric and others). It is also does job work (weaving process for grey cloth) for its group companies and others.

UPGL is the part of the Vinod group, based out of Ahmedabad; established in 1983 by Mittal family, having presence in various industries such as textile industry, education sector and real estate. There are other 9 companies, which are also the part of the Vinod group. (Details are given on page no. 12)

UPGL has a registered office and manufacturing units located at Ahmadabad, Gujarat. Initially UPGL was into trading of grey cloth, further, it started carrying out manufacturing as well as trading activity along with job work processing at its existing plant since 2013. As on March 31, 2015, the company is having 42 Air jet automatic Looms having capacity to manufacture/weaving of grey cloth up to 28,896 meters per day in 3 shifts. However the company operates at its average capacity of 7.00 lakh meters per month.

The company sells its products to local textile manufacturers and retail traders in the domestic market while the raw material (i.e. Cotton yarn, Synthetic yarn and others) procures from the local market.

UPGL is planning for backward integration by setting up a spinning unit of 20064 spindles at village Timba on the outskirts of Ahmedabad, Gujarat. The overall estimated project cost is Rs.6882.39 Lakh, which it will be funding through IPO proceeds (not yet issued), term loan from the bank, unsecured loans from the banks or other financial institutions and internal accruals from the business. As the project starts and requires more funds, the company may go for further issue or preference share issue or utilization of funds through internal accruals going forward. The company has already acquired land of 15935 sq. meter and has already started the construction of the plant. UPGL has deployed approx. Rs. 562.54 lakh towards project as of February 08, 2016 which was funded through unsecured loans. As per the management, the project is likely to get operational by June, 2017.

During FY15, the total operating income (TOI) of UPGL stood at Rs.3183.66 Lakh (compared with Rs.965.23 Lakh in FY14), while net profit of the company stood at Rs.45.06 Lakh in FY15 (compared with Rs.26.13 Lakh in FY14). During 7MFY16 (April 1, 2015 to October 31, 2015), UPGL has reported PAT of Rs.64.25 lakh on total sales of Rs.2052.80 lakh.

**ORGANISATION & MANAGEMENT: PROFILE OF THE PROMOTERS, MANAGEMENT & BOARD OF DIRECTORS**

**Details of key promoters**

Name	Age	Designation	Educational qualification	Total years of experience	Years of association with company	Details of the past experience	Responsibilities handled
Mr. Nirmal Mittal	59 years	-	B.Com	35 years	Since incorporation	NA	-
Mr. Gagan Mittal	33 years	CMD	H.S.C.	09 years	Since incorporation	NA	Overall Management
Gagan N. Mittal (HuF)* ( It holds 2,50,000 Equity Shares of UPGL, which constitutes 8.38% of Pre Issue paid up Capital)							

\*Corporate Promoter

**Comments:**

- Mr. Nirmal Mittal is a commerce graduate and has more than three decades of experience in the textile industry. He is also associated with other group companies i.e. Vinod Fabrics Private Limited, Vinod Denim Limited, United Polyfab Private Limited and Vinod Spinners Private Limited.
- Mr. Gagan Mittal has an almost 9 years of experience into textile business and he looks after day to day operations including manufacturing, management and finance of the company. Mr. Gagan Mittal has been appointed as the Managing Director of the company with effect from January 16, 2016 for a period of five years.
- Gagan N. Mittal (HuF) holds 2,50,000 Equity Shares of UPGL, which constitutes 8.38% of Pre Issue paid up Capital. Mr. Gagan Mittal is the Karta of Gagan N. Mittal (HUF).

### Details of key management personnel

Name	Designation	Educational qualification	Approx. total years of experience	Date of Appointment	Responsibilities handled
Mr. Harshad Kumar Parmar	Chief Financial Officer	B.Com	10 Years	December 24, 2015	Accounting, Finance controls and management
Ms. Anjali Vasudev Sangtani	Company Secretary	B.Com., C.S	-	November 19, 2015	Secretarial Compliances
Mr. Satyendra Singh Kushwah	Production Manager	S.S.C.	20 Years	February 1, 2016	Overall responsibility of production
Mr. J. M. Bodar	Head of Department (Spinning Unit*)	Diploma In Textile Manufacturing Technology	18 Years	February 15, 2016	Overall operations of Unit

\*The operations are not yet started

### Comments:

- The key management personnel consists of mix of recently appointed and past associated key personnel with other group companies with relevant education and experience in the industry.

### Details of the board of directors

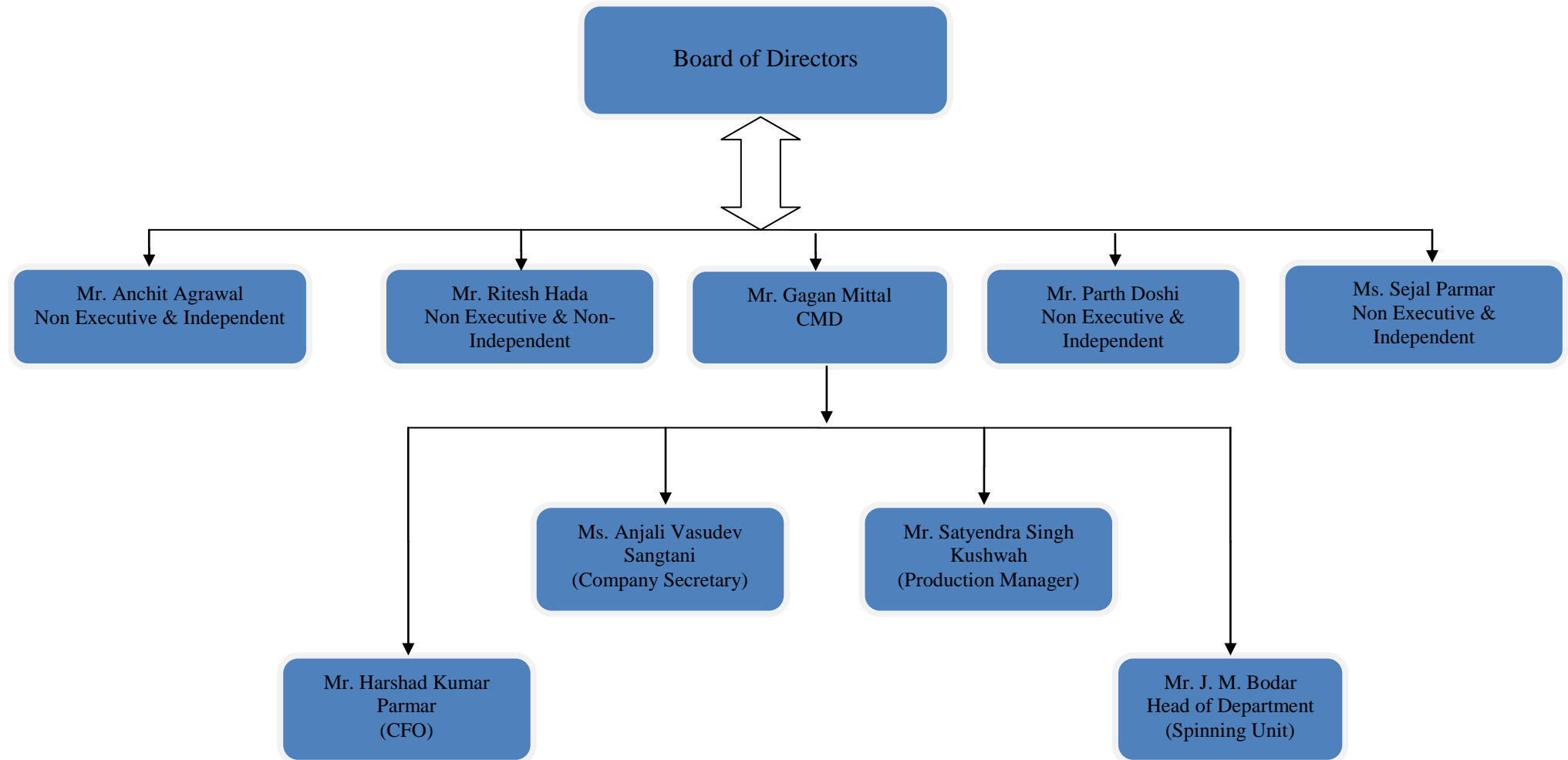
Name	Age (Years)	Category	Education qualification	Total years of experience	Date of Appointment	Details of the past experience	Other directorships/ Association Chairman
Mr. Gagan Mittal	33 years	Executive & Non-Independent	H.S.C.	09 years	November 16, 2010	Associated UPGL inception with since	<b>Director</b> - United Polyfab Private Ltd. - Vinod Denim Ltd. - United Techfab Private Ltd. - United Edusolutions Pvt. Ltd.  <b>Designated Partner</b> - United Cotfab LLP
Mr. Ritesh Hada	35 years	Non Executive & Non- Independent	M.A.	10 years	November 16, 2010	NF	<b>Director</b> - United Polyfab Private Ltd. - Karnavati Realty Pvt. Ltd.



Name	Age (Years)	Category	Education qualification	Total years of experience	Date of Appointment	Details of the past experience	Other directorships/ Association Chairman
							- Tradewel Construction Corporation Pvt. Ltd. - Omega Realty Ltd. - Uniworld Edutech Private Limited - Karnavati Utility Services Private Ltd - Uniworld Edusoft Private Ltd - Meghalaya Global Services Ltd - Karnavati Infraspace Pvt. Ltd. - Universal Distributors Pvt. Ltd. - United Educare Pvt. Ltd. - United Techfab Pvt. Ltd. - United Eduplus Pvt. Ltd. - United Edusolutions Pvt. Ltd. - Gandhinagar Hospitalities Pvt. Ltd. - Utkarsh Foundation  <b>Designated Partner</b> - Karnavati Infracon LLP - Karnavati Hospitality LLP - United Cotfab LLP
Mr. Anchit Agrawal	25 years	Non Executive & Independent	BBA, PG Diploma in Agri-Business Management	1 year	December 24, 2015	-	-
Mr. Parth Doshi	25 years	Non Executive & Independent	B.Com, CA	2 years	December 24, 2015	-	-
Ms. Sejal Parmar	33 years	Non Executive & Independent	M.A.	10 years	January 12, 2016	-	-

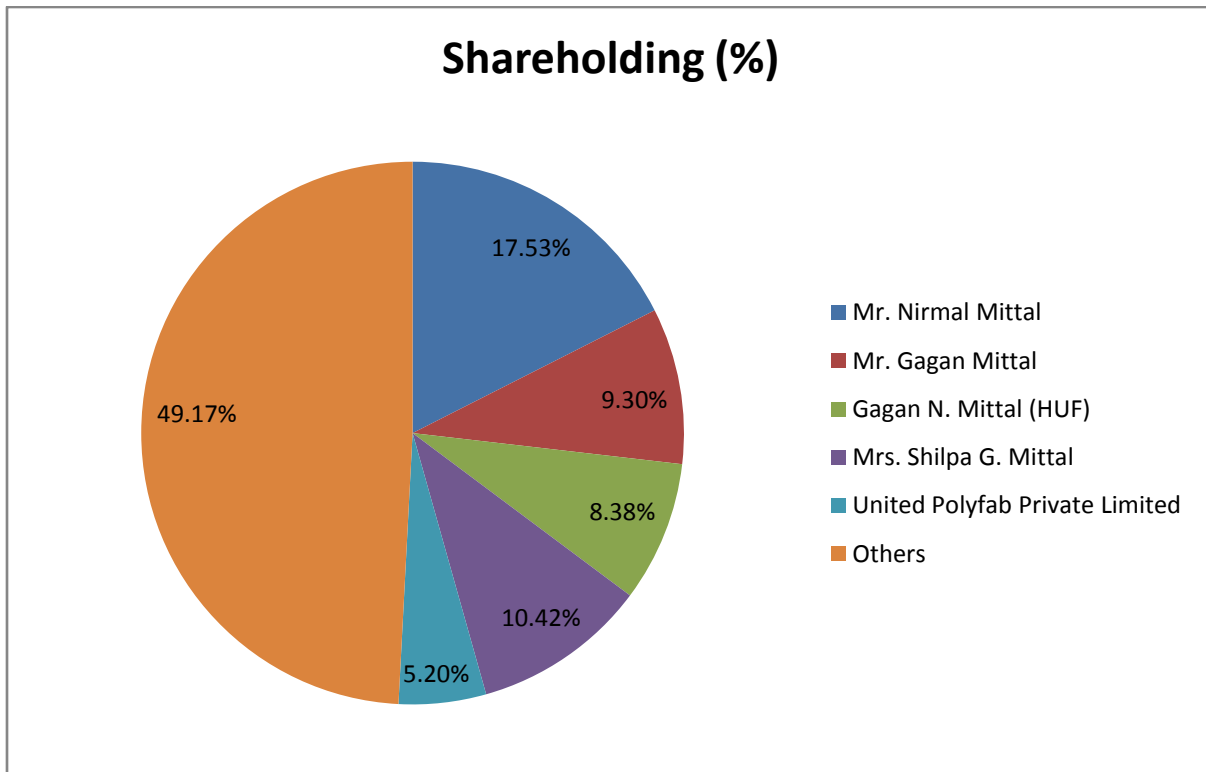
**Comments:**

- Mr. Gagan Mittal (Promoter) is an executive and independent director and Mr. Retesh Hada is non-executive and non - independent director, apart from this UPGL has three other non-executive and independent directors.
- The average industry experience of all the directors is more than 6 years in the fields of finance, marketing, production and administration. However, two out of three non-executive independent directors have been associated with the company for less than a year.



**ORGANISATION & MANAGEMENT: MANAGEMENT & OWNERSHIP STRUCTURE**

Share holding pattern as on February 29, 2016



Name of share holder	No. of equity shares held	Share in business (%)
Mr. Nirmal Mittal	5,23,000	17.53%
Mr. Gagan Mittal	2,77,550	09.31%
Gagan N. Mittal (HUF)	2,50,000	08.38%
Mrs. Shilpa G. Mittal	3,10,800	10.42%
United Polyfab Private Limited (Group Company)	1,55,000	05.20%
Others	14,66,500	49.16%
<b>Total</b>	<b>29,82,850</b>	<b>100.00%</b>

- The promoters of the company collectively holds approx. 35.21% stake in UPGL and remaining are held by promoter group, relatives and others.

**Group Company details**

(Rs. Lakh)

Name of the group company	United Polyfab Private Limited		Vinod Denim Limited		Vinod Spinners Private Limited	
<b>Date of incorporation</b>	<b>October 07, 2005</b>		<b>November 17, 2009</b>		<b>March 25, 2013</b>	
<b>Nature of business</b>	Manufacturing of Grey cloth Fabrics		Processing and finishing of the Grey Denim fabrics		Trading of fabrics	
<b>Financial Year</b>	<b>FY14</b>	<b>FY15</b>	<b>FY14</b>	<b>FY15</b>	<b>FY14</b>	<b>FY15</b>
<b>Total Income</b>	3579.00	3355.05	10818.22	16396.76	5.91	6.91
<b>Net Profit</b>	85.16	90.25	45.49	89.24	0.06	0.09
<b>Net worth</b>	1107.95	1247.53	1263.43	1352.53	142.51	142.6
<b>Total Debt</b>	1361.74	1503.50	2861.84	2964.06	241.70	279.04

(Rs. Lakh)

Name of the group company	Vinod Fabrics Private Limited		United Edusolutions Private Limited		United Techfab Private Limited	
<b>Date of incorporation</b>	<b>November 29, 1983</b>		<b>April 26, 2012</b>		NF	
<b>Nature of business</b>	Dying, printing and processing of fabrics		Education		NF	
<b>Financial Year</b>	<b>FY14</b>	<b>FY15</b>	<b>FY14</b>	<b>FY15</b>	<b>FY14</b>	<b>FY15</b>
<b>Total Income</b>	2775.98	2863.76	-	32.29	-	-
<b>Net Profit</b>	63.10	36.70	(40.32)	(43.25)	-	-
<b>Net worth</b>	470.85	493.55	(28.83)	(72.22)	144.00	144.00
<b>Total Debt</b>	1167.06	110.84	79.60	129.50	1.10	1.32

(Rs. Lakh)

Name of the group company	Golden Tulip Infradev Private Limited		Buoyant Infrastructure Services Private Limited	
<b>Date of incorporation</b>	NF		NF	
<b>Nature of business</b>	NF		NF	
<b>Financial Year</b>	<b>FY14</b>	<b>FY15</b>	<b>FY14</b>	<b>FY15</b>
<b>Total Income</b>	-	-	-	-
<b>Net Profit</b>	(0.06)	(0.16)	(0.06)	(0.16)
<b>Net worth</b>	0.87	0.71	0.40	0.23
<b>Total Debt</b>	0.06	0.22	3.24	3.40

**Comments**

- Vinod group is an established and integrated textile player with presence in the textile value chain from weaving to processing to trading through its group companies. UPGL and other 9 companies are the part of the Vinod group.
- UPGL has 9 other group companies namely United Polyfab Private Limited, Vinod Denim Limited, Vinod Spinners Private Limited, Vinod Fabrics Private Limited , United Edusolutions Private Limited , United Techfab Private Limited , Golden Tulip Infradev Private Limited , Buoyant Infrastructure Services Private Limited and United cotgab LLP.
- UGPL does job work for some of its group companies also which includes Vinod fabrics private limited and Vinod denim ltd. However, there are other operational (purchase and sales transactions) linkages among UPGL and other group companies.
- The operations of United Cotfab LLP have not yet started and it did not post any revenue during FY14 and FY15.

**Employee Profile**

<b>Particulars</b>	<b>Nos.</b>
Management and Finance	02
Production/Manufacturing and Maintenance	23
Administrative and Marketing	10
Skilled and Semi Skilled Labour	49
<b>Total Employees</b>	<b>84</b>

**Comment:**

- The major decisions are taken by the Chairman and MD Mr. Gagan Mittal and who is further supported by other directors and the management personnel.
- Further, the company has a strong human resource pool with qualified personnel consisting of Engineers, management and post graduates having relevant industry experience. However, the key decisions are taken by the management only.

**BUSINESS PROFILE: OPERATIONS OVERVIEW**

**BUSINESS PROFILE ANALYSIS**

UPGL is engaged into manufacturing and trading of grey cloth fabrics which consists of grey denim, grey shirting fabric, cotton grey fabric and others.

**OPERATIONS OVERVIEW**

<b>Nature of activity</b>	Manufacturing and trading of grey cloth fabrics
<b>Industry segment</b>	Textile
<b>Products Offered</b>	Grey Denim, Grey Shirting Fabric, Cotton Grey Fabric and others
<b>Plant locations</b>	Survey no. 238 & 239, Shahwadi, Opp. New Aarvee Denim, Narol-Sarkhej Highway, Ahmadabad, Gujarat- 382405
<b>Area of the Plant</b>	6090 sq. yard
<b>Ownership of Plant</b>	Owned
<b>Location advantage</b>	Yes
<b>Marketing Setup</b>	Yes; own marketing personnel

**Comments:**

- UPGL into manufacturing (weaving process) and trading of grey cloth fabrics which consist of grey denim, grey shirting fabric, cotton grey fabric and others. It also does job work for other companies including some of group entities.
- UPGL has its owned manufacturing units located at Ahmedabad, Gujarat. Initially UPGL was into trading of grey cloth, further, it started carrying out manufacturing as well as trading activity along with job work processing at its existing plant since 2013. As on March 31, 2015, the company is having 42 Air jet automatic Looms having capacity to manufacture/weaving of grey cloth up to 28,896 meters per day in 3 shifts. However the company operates at its average capacity of 7.00 lakh meters per month.
- UPGL doesn't have marketing tie up with any retail chain operator; it has its internal marketing and sales department and sells its products to local textile manufacturing units, wholesaler and trader however, the company does not have any long term contracts with any of its customer and suppliers.

**Product-wise revenue analysis**
**(Rs. Lakh)**

Particulars	FY13	FY14	FY15
<b>Installed Capacity and Utilization Details</b>			
<b>Installed Capacity of manufacturing and job Work of all kind of Grey denim, Grey shirting fabric and Cotton grey fabric (In meters)</b>	-	<b>101.13</b>	<b>101.13</b>
<b>Production (In meters)</b>	-	<b>26.32*</b>	<b>84.36</b>
<b>Capacity Utilization (In %)</b>		<b>52.05%</b>	<b>83.41%</b>
<b>Revenue earned from (segment)</b>			
<b>A) Manufacturing (All kind of Grey denim, Grey shirting fabric and Cotton grey fabric)</b>	-	<b>637.68</b>	<b>1781.28</b>
<i>% y-o-y growth</i>	-	-	179.34
<i>% contribution to Net sales</i>	-	68.56	57.07
<b>B) Job work (All kind of Grey denim, Grey shirting fabric and Cotton grey fabric)</b>	-	<b>265.75</b>	<b>956.86</b>
<i>% y-o-y growth</i>	-	-	260.06
<i>% contribution to Net sales</i>	-	28.57	30.65
<b>C) Trading (Grey Denim, Grey cloth and Others)</b>	<b>136.04</b>	<b>26.74</b>	<b>383.38</b>
<i>% y-o-y growth</i>	230.35	-80.34	1333.73
<i>% contribution to Net sales</i>	100.00	2.87	12.28
<b>D) Net Sales (A+B+C)</b>	<b>136.04</b>	<b>930.17</b>	<b>3121.49</b>
<i>% y-o-y growth</i>	81.30	583.75	235.58
Add: Other operating income	3.68	35.06	62.08
<b>Total Operating Income</b>	<b>139.72</b>	<b>965.23</b>	<b>3183.57</b>
<i>% y-o-y growth</i>	239.29	590.83	229.83

\*For a period of 6 months from October, 2013 to March 31, 2014 as the manufacturing activities started during FY14.

**Comments:**

- Since incorporation, UPGL is into trading of grey denim, grey shirting fabric, cotton grey fabric and others and recently during FY14, they have set up manufacturing unit in Ahmedabad for the processing (weaving) of grey cloth.
- UPGL also does job work for other companies and due to huge orders from the clients and demands in the textile market for the grey cloth, UPGL is also planning the set up



spinning unit at its existing unit during FY17. As the management of the company expects greater demand for the same in the coming years.

- UPGL sells its products to local textile manufacturing companies, wholesaler and traders of the grey cloth into domestic market.

## PROJECT DETAILS

UPGL is planning for backward integration by setting up a spinning unit of 20064 spindles at village Timba on the outskirts of Ahmedabad, Gujarat. The overall estimated project cost is Rs.6882.39 Lakh, which it will be funded through IPO proceeds (not yet issued), term loan from the bank, unsecured loans from the banks or other financial institutions and internal accruals from the business. As the project starts and requires more funds, the company may go for further issue or preference share issue or utilization of funds through internal accruals going forward. The company has already acquired land of 15935 sq. meter and has already started the construction of the plant. UPGL has deployed approx. Rs. 562.54 lakh towards project as of February 08, 2016 which was funded through unsecured loans from promoters. As per the management, the project is likely to get operational by June, 2017.

The detailed cost of project and funding pattern are as follows:

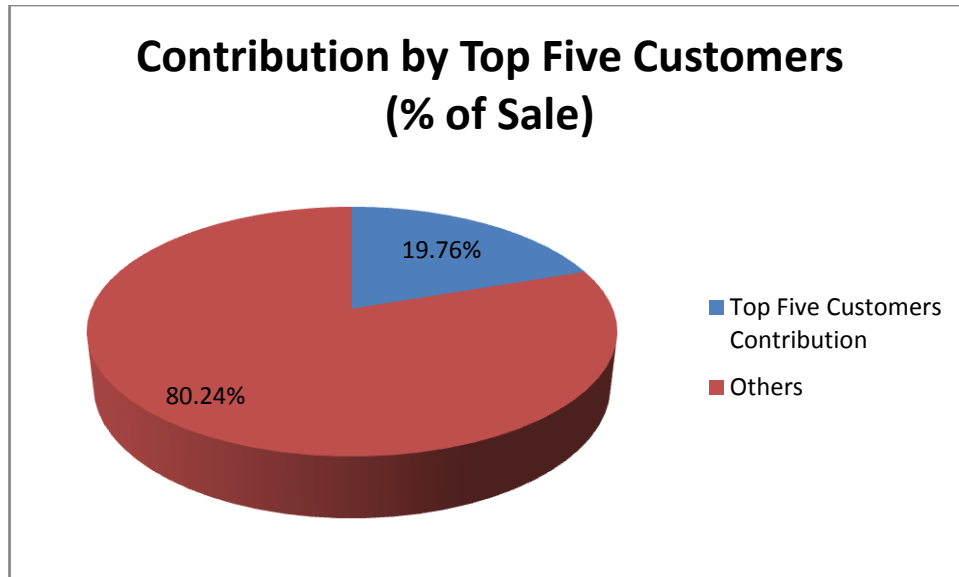
Purpose	Estimated Cost (Rs. Lakh)	Incurred as on February 29, 2016	Means of Finance	Amount (Rs. Lakh)	Incurred as on February 08, 2016
Land	56.12	-	IPO Proceeds	765.45	-
Construction of Building	1093.16	-	Term Loan from Bank	3000.00	-
Plant & Machinery	5426.11	-	Internal Accruals	199.55	-
Contingencies and Misc. Equipment	307.00	-	Unsecured Loans/Secured Loan*	2200.00	562.54
<b>Total Project Cost</b>	<b>6882.39</b>	-	Preferential Issue/Further Issue	750.00	-
Issue Expenses	32.61	-			
<b>Total</b>	<b>6915.00</b>	-	<b>Total</b>	<b>6915.00</b>	<b>562.54</b>

\* The company has applied for term loan of Rs. 2000.00 Lakh and Bank guarantee of Rs. 100.00 Lakh under consortium financing with SBI, Oriental Bank of Commerce on February 18, 2016. The Company had requested the SBI for modification in the terms and conditions of the sanctioned loan and the said request is also made to Oriental Bank of Commerce.

**CUSTOMERS & SUPPLIERS ANALYSIS**

**CUSTOMER’S PROFILE**

UPGL sells its products to local textile manufacturing companies and traders of the grey cloth into domestic market specifically in the state of Gujarat.



**Textile Manufacturing Companies and Grey Cloth Traders**

- The clientele of the UPGL primarily includes the textile or fabric manufacturing units and traders in the domestic market as promoters of the company Mr. Gagan Mittal and Nirmal Mittal have long experience in the industry and they share good relationship with the clients which benefits the company to maintain the relationship and gain more and more clientele.
- Total revenue of the company includes revenue from Manufacturing, job work and trading. However revenue from the manufacturing (57.07 %) contributes more to net sales during FY15 ever though the company has started manufacturing unit during FY14. The major clients for the grey cloth are manufacturing units and traders of grey cloth operate in the state of Gujarat.
- Furthermore, the company also into job work business, however UPGL does job work for its group companies. (mainly for Vinod Denim Ltd.)

**CUSTOMERS FEEDBACK**

Name of Customer	Anil Exports (India) Sales
Revenue Segment	Manufacturing
Contact person	Mr. Yash Mittal
Contact details	9879007001
Feedback	Satisfactory
Is the entity/promoter related to UPGL	Yes (Group Company)

Name of Customer	Vinod Fabrics Ltd.
Revenue Segment	Trading
Contact person	Mr. Suresh Mittal
Contact details	9925049314
Feedback	Satisfactory
Is the entity/promoter related to UPGL	Yes (Group Company)

Name of Customer	Vinod Denim Ltd.
Revenue Segment	Job work
Contact person	Mr. Dhaval Mittal
Contact details	9978944220
Feedback	Satisfactory
Is the entity/promoter related to UPGL	Yes (Group Company)

**SUPPLIERS' PROFILE**

UPGL's primary raw material is hosiery yarn which it procures from various suppliers operates in Gujarat and for trading it purchases all the grey cloths from local companies and also from group companies.

**Supplier Feedback**

Name of Customer	Gayatri Textiles
Contact person	Mr. Anand Chaudhry
Contact details	9825450456
Feedback	Satisfactory

Note : Contact details of the other two suppliers are not furnished by the management.

**BUSINESS ACTIVITY DETAILS**

<b>Key Raw materials</b>	Yarn
<b>Level of Raw Material Price fluctuation risk</b>	Moderate
<b>Quality Certifications</b>	NA
<b>Level of value addition</b>	Moderate

**SUPPLY SIDE ANALYSIS**

<b>Average Creditor Days</b>	30 days
<b>Raw Material Availability</b>	Adequate
<b>Import as a % of RM Purchase</b>	Nil

**Comments:**

- The raw materials are adequately available in the domestic market; UPGL procures raw material i.e yarn from local market, however UPGL has not signed any contract or agreement with any suppliers.

**INDUSTRY ANALYSIS**

<b>Name of the industry</b>	Textile
<b>Product portfolio</b>	Grey Denim, Grey Shirting Fabric, Cotton Grey Fabric and others
<b>Overall Industry risk</b>	Moderate
<b>Level of competition</b>	High

**INDUSTRY WRITE-UP:**
**Background**

*India is the one of the world's largest producers of textiles and garments. Abundant availability of raw materials such as cotton, wool, silk and jute as well as skilled workforce have made the country a sourcing hub. It is the world's second largest producer of textiles and garments. The Indian textiles industry accounts for about 24% of the world's spindle capacity and eight per cent of global rotor capacity. The potential size of the Indian textiles and apparel industry is expected to reach US\$ 223 billion by 2021.*

*The textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes about 14% to industrial production, 4% to the gross domestic product (GDP), and 27% to the country's foreign exchange inflows. It provides direct employment to over 45 million people. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of India's economy.*

**Various Categories**

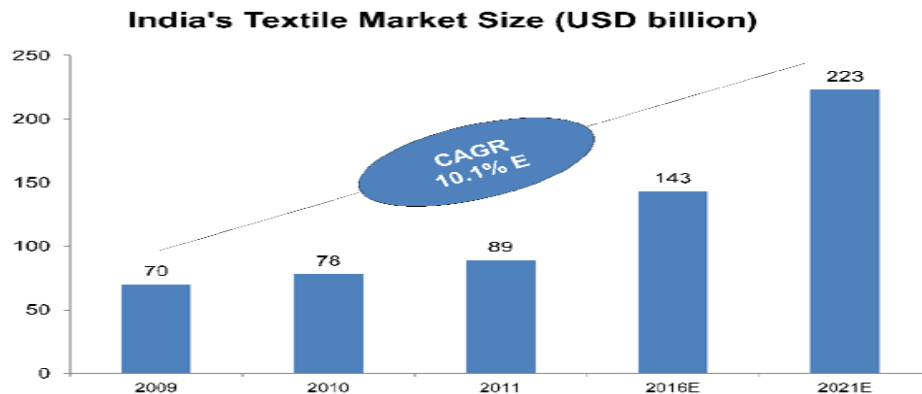
*Indian textile industry can be divided into several segments, some of which can be listed as below:*

- *Cotton – Second largest cotton and cellulosic fibres producing country in the world.*
- *Silk – India is the second largest producer of silk and contributes about 18% to the total world raw silk production.*
- *Wool –India has 3rd largest sheep population in the world, having 6.15 crores sheep, producing 45 million kg of raw wool, and accounting for 3.1% of total world wool production. India ranks 6th amongst clean wool producer countries and 9th amongst greasy wool producers.*
- *Man-Made Fibres- the fourth largest in synthetic fibres/yarns globally.*
- *Jute – India is the largest producer and second largest exporter of the jute goods.*

**Market Size**

*The Indian textiles industry, currently estimated at around US \$108 billion, is expected to reach US \$ 141 billion by 2021. The industry is the second largest employer after agriculture, providing direct*

employment to over 45 million and 60 million people indirectly. The Indian Textile Industry contributes approximately 5% to GDP, and 14% to overall Index of Industrial Production (IIP).



The Indian textile industry has the potential to grow five-fold over the next ten years to touch US\$ 500 billion mark on the back of growing demand for polyester fabric. The US\$ 500 billion market figure consists of domestic sales of US\$ 315 billion and exports of US\$ 185 billion. The current industry size comprises domestic market of US\$ 68 billion and exports of US\$ 40 billion.

Apparel exports from India have registered a growth of 17.6% in the period April - September 2014 over the same period in the previous financial year.

**Global vs Domestic Scenario**

The global trade of textile and garments was approximately \$781 billion in 2013. This is almost 4.6 per cent of the trade of all commodities, which is estimated at approximately \$17 trillion. From 2008 to 2013, the global textile and garment trade has grown at a CAGR of 4 per cent.

The current global garment market is estimated at approximately \$1.15 trillion which form nearly 1.8 per cent of the world GDP. Almost 75% of this market is concentrated in Europe, USA, China and Japan. An analysis of per capita spend on garment in various countries shows a significant difference between numbers in developed and developing economies. Within the major markets, India has the lowest per capita spend on garment (\$37) which is only 3 per cent of the highest one viz. Australia (\$1,131).

The top five textile and garment exporting nations are China, India, Italy, Germany and Turkey. China is the single largest exporter with 39 per cent share while India stood at a distant second place with 5 per cent share.

The top five textile and garment importing nations are US, China, Germany, Japan and United Kingdom. USA is the largest importer with a share of 17 per cent of the total global trade. The Indian textile and garment industry has an important presence in the country's economy through its contribution to

*industrial output, employment generation, and the export earnings. It contributes almost 5% to the \$ 1.8 trillion Indian economy whereas its share in Indian exports stands at a significant 13 per cent. India is the second largest exporter of textile and garment goods with a global trade share of approximately 5 per cent.*

*The Indian domestic consumption of textile and garment is valued at US\$ 63 billion in 2013. Within this, garment retail has the highest share of 73 per cent contributing \$46 billion, technical textile contributes \$13 billion with a share of 21 per cent and home textiles contribute \$4 billion with a 6 per cent share.*

*In 2013, India became second largest exporter of textile & garment in the world surpassing Italy and Germany. India exported textile and garment goods worth \$40 billion, with a share of about 5 per cent of global textile and garment trade. In terms of value, Indian textile and garment exports is dominated by garment category which has a majority share of 40 per cent followed by yarn, fabrics, fibre, made-ups and other textiles including carpets, nonwovens, etc.*

### **Government Initiatives**

*The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.*

### **Sector Policy**

- *Technology Upgradation Fund Scheme has infused investment of more than INR 2500 Billion in the industry. Support has been provided for modernisation and upgradation by providing credit at reduced rates and capital subsidies.*
- *Scheme for Integrated Textile Parks provides world class infrastructure to new textile units. To date, 57 Textile Parks have been sanctioned with an investment of INR 60 Billion. By 2017, 25 more Textile Parks are to be sanctioned.*
- *Integrated Processing Development Scheme for sanctioning processing parks has been initiated. INR 5 Billion has been earmarked for this scheme.*
- *Integrated Skill Development Scheme has provided training to 1.5 Million people to cover all sub-sectors of textiles such as Textile and Apparel, Handicrafts, Handlooms, Jute and Sericulture.*

### **Key Provisions of Budget 2014-15:**

- *Allocation of INR 500 Million towards the setting up of a trade facilitation centre and a crafts museum to develop and promote handloom products and carry forward the rich tradition of the handlooms of Varanasi.*
- *Allocation of INR 2000 Million towards the proposed setting up of mega textile clusters at Bareilly, Lucknow, Surat, Kutch, Bhagalpur and Mysore and one in Tamil Nadu.*
- *Allocation of INR 300 Million towards the setting up of Hastkala Academy for the preservation, revival and documentation of the handloom/handicraft sector in PPP mode in Delhi.*
- *Allocation of INR 500 Million towards the setting up of Pashmina Promotion Programme (P-3) and a programme for the development of other crafts of Jammu & Kashmir.*
- *The duty-free entitlement for import of trimmings and embellishments used by the readymade textile garment sector for manufacture of garments for exports is being increased from 3% to 5%.*
- *Non-fusible embroidery motifs or prints are being included in the list of items eligible to be imported duty-free for manufacture of garments for exports.*
- *The list of specified goods required by handicraft manufacturer-exporters is being expanded by including wire rolls so as to provide customs duty exemption on import by handicrafts manufacturer-exporters.*
- *Fusible embroidery motifs or prints, anti-theft devices, pin bullets for packing, plastic tag bullets, metal tabs, bows, ring and slider hand rings are being included in the list of items*

Source: [www.cci.in](http://www.cci.in), [www.ibef.org](http://www.ibef.org).



**SITE VISIT REPORT Manufacturing facility**

<b>Location of Plant</b>	Survey no. 238 & 239, Shahwadi, Opp. New Aarvee Denim, Narol-Sarkhej Highway, Ahmedabad, Gujarat- 382405
--------------------------	--

<b>Sites visited</b>	Survey no. 238 & 239, Shahwadi, Opp. New Aarvee Denim, Narol-Sarkhej Highway, Ahmedabad, Gujarat- 382405
<b>Presence in a cluster</b>	Yes
<b>Area of the unit</b>	6090 sq. yard
<b>No. of employees at site</b>	96
<b>Ownership of premises</b>	Owned
<b>Other facilities</b>	Mitting Room, Boundary wall, Sign boards, fire extinguisher, Stock yard and Pantry.

**Adequacy of Warehousing Facilities**

<b>Availability of land for future expansion</b>	Adequate
<b>Site layout</b>	Structured
<b>Adequacy of insurance coverage</b>	Yes
<b>Source of power</b>	Torrent Power
<b>Adequacy of power</b>	Good
<b>Presence of labour union</b>	No
<b>Industrial relations</b>	Good
<b>Level of work safety</b>	Adequate
<b>Adequacy of storage facilities</b>	Adequate
<b>Operational status of plants</b>	Operational

**Comment :**

- UPGL has its owned manufacturing units located at Ahmedabad, Gujarat. Initially UPGL was into trading of grey cloth, further, it started carrying out manufacturing as well as trading activity along with job work processing at its existing plant since 2013. As on March 31, 2015, the company is having 42 Air jet automatic Looms having capacity to manufacture/weaving of grey cloth up to 28,896 meters per day in 3 shifts. However the company operates at its average capacity of 7.00 lakh meters per month.
- UPGL is planning for backward integration by setting up a spinning unit of 20064 spindles at village Timba on the outskirts of Ahmedabad, Gujarat. The overall estimated project cost is Rs.6882.39 Lakh.

**FINANCIAL PERFORMANCE - PROFITABILITY STATEMENT**
**Rs. In Lakh**

Period Ends on: March 31,	2011	2012	2013	2014	2015
Result Type:	Actual	Actual	Actual	Actual	Actual
<b>Number of months in current financial year</b>	12	12	12	12	12
Net Sales	21.22	41.18	136.04	930.17	3,121.49
Other Income(related to operations)#	-	-	3.68	35.06	62.08
Total Operating Income	21.22	41.18	139.72	965.23	3,183.57
Material Costs	-	-	-	606.79	1,849.96
Costs of traded goods sold	20.50	40.14	135.81	44.50	396.00
[Accretion] : Decretion to Finished Goods Stock	-	-	-	-31.44	-46.76
Consumable Stores	-	-	-	1.62	5.02
Power and Fuel	-	-	-	125.92	454.01
Employee Costs	0.13	-	0.40	19.64	80.26
Other Manufacturing Expenses	-	-	-	64.98	136.74
Other Expenses	0.22	0.32	2.86	8.84	25.36
Selling Expenses	0.15	0.12	0.02	-	-
Cost of Sales	21.00	40.58	139.10	841.68	2,901.42
PBILDT	0.22	0.60	0.63	123.55	282.15
Depreciation	-	-	-	59.17	173.60
PBIT	0.22	0.60	0.63	64.38	108.55
Interest and Finance Charges	0.01	0.24	0.03	26.49	43.42
Operating Profit Before Tax (OPBT)	0.21	0.37	0.60	37.89	65.13
Operating Profit After Tax (OPAT)	0.15	0.24	0.41	26.13	44.93
Non-Operating Income / (Expense)	-	-	-	-	0.09
Profit Before Tax (PBT)	0.21	0.37	0.60	37.89	65.22
Cash Adjustments	-	-	-	-	-
Adjusted Profit Before Tax (APBT)	0.21	0.37	0.59	37.89	65.22
Tax	0.07	0.13	0.18	7.27	12.50
Provision for Deferred Tax	-	-	-	4.49	7.73
<b>ADJUSTED PROFIT AFTER TAX (APAT)</b>	<b>0.15</b>	<b>0.24</b>	<b>0.41</b>	<b>26.13</b>	<b>44.99</b>
Gross Cash Accruals	0.15	0.24	0.41	90.62	227.16

#other income consists of interest income received on deposits and other miscellaneous receipts

**Comments:**

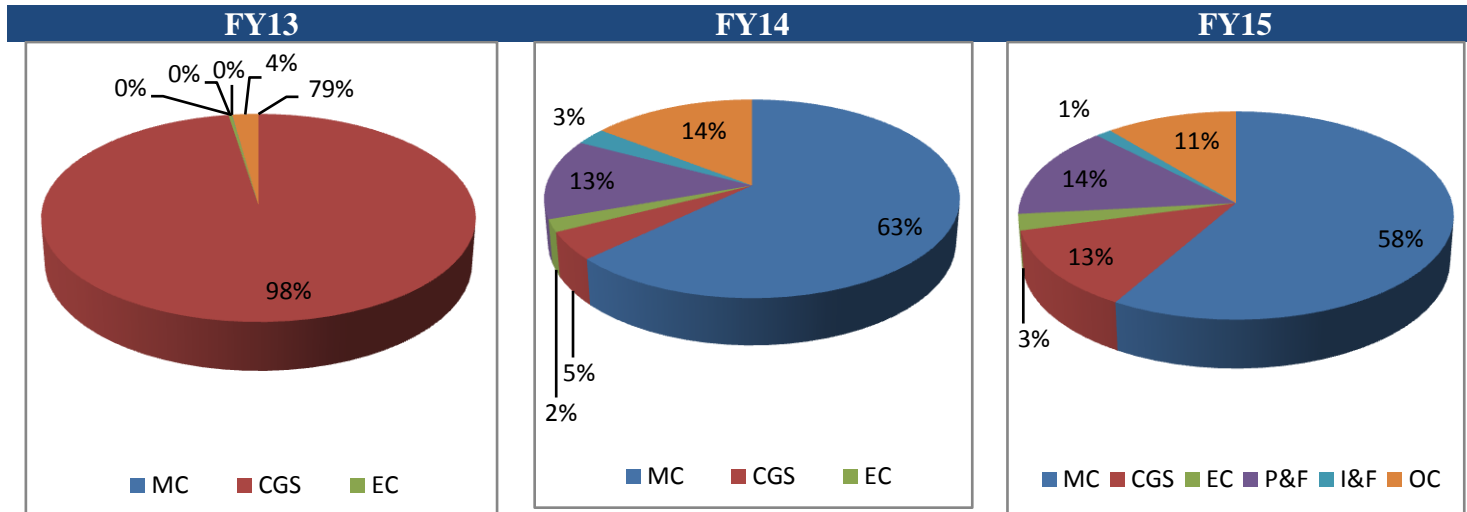
**Revenue analysis**

**Rs. In Lakh**

Parameters	FY11	FY12	FY13	FY14	FY15	CAGR (%) (FY11-FY15)
Net Sales	21.22	41.18	136.04	930.17	3121.49	-
<i>% y-o-y growth</i>	NM	94.06%	230.35%	583.75%	235.58%	-
Other Income (related to operations)	0	0	3.68	35.06	62.08	-
<i>% y-o-y growth</i>	NM	NM	NM	852.72%	77.07%	-
<b>Total Operating Income</b>	21.22	41.18	139.72	965.23	3183.57	29.01
<i>% y-o-y growth</i>	NM	94.06%	239.29%	590.83%	229.83%	-

- UPGL’s total operating income (TOI) consists of sales of grey cloth (Grey Denim, Grey Shirting Fabric, Cotton Grey Fabric and others), income received from the trading of grey cloth and Job work income.
- Total revenue of the company includes revenue from Manufacturing, job work and trading. However revenue from the manufacturing (57.07 %) contributes more to net sales during FY15 even though the company has started manufacturing unit during FY14.
- Net sales of the company grew from Rs. 21.22 lakh in FY11 to Rs. 3121.49 lakh in FY15, on account of huge demand for the grey cloth in the market. The company also has diversified products and it operates in various segments (manufacturing, trading and jobwork).
- Other income includes primarily interest income and other miscellaneous receipts (Rs.62.08 Lakh in FY15).

**FINANCIAL PERFORMANCE - COST STRUCTURE**



MC = Material cost; CGS = Cost of goods sold; EC = Employee cost; P&F = Power and fuel; I&F = Interest and finance charges; OC = other cost (including depreciation);

**Comments:**

A material cost was the highest pie in the cost structure during FY14 to FY15, since the UPGL has started manufacturing in FY14, in the previous years (FY11 to FY13), the company was into only trading business of grey cloth. While employee costs increased from Rs.19.64 Lakh in FY14 to Rs.80.26 Lakh in FY15 on account of increase in the scale of operations as more labour hired during the period, the power and fuel costs increased from Rs.125.92 Lakh in FY14 to Rs.454.01 Lakh in FY15. Fixed capital charges (depreciation and finance costs) covered 1.00% portions of the total costs for FY15.

**Material cost analysis**

Parameters	FY14	FY15
Material cost (Rs. lakh)	606.79	1849.96
% y-o-y growth	NA	204.88%
As % of TOI	62.86%	58.11%
As % to cost of sales	72.09%	63.76%

- UPGL has started its manufacturing operations during FY14, and being into manufacturing/weaving of grey cloth such as Grey Denim, Grey Shirting Fabric, Cotton

Grey Fabric and others, material costs is one of the largest cost component of the company for manufacturing. UPGL procures raw material (yarn) from local suppliers. Material costs as a % of TOI slightly decreased from 62.86% in FY14 to 58.11% in FY15 on account of increasing price competition and volatile nature of cotton prices.

### Costs of traded goods sold

Parameters	FY11	FY12	FY13	FY14	FY15
Material cost (Rs. lakh)	20.50	40.14	135.81	44.50	396.00
% y-o-y growth	NM	95.80%	238.34%	-67.23%	789.89%
As % of TOI	96.61%	97.47%	97.20%	4.61%	12.44%
As % to cost of sales	97.62%	98.92%	97.63%	5.29%	13.65%

- Since the incorporation, UPGL is into the trading of grey cloth, it primarily purchases goods either from its group companies or from local suppliers. Cost of traded goods sold was the highest contributors till FY13, as the company started its manufacturing operations in FY14. Cost of traded goods sold as a % of TOI was constant till FY13 (around 97%), then decreased to 5.29 % in FY14 and again surged to 12.44% during FY15.

### Power & fuel cost

Parameters	FY14	FY15
Power & fuel cost (Rs. lakh)	125.92	454.01
% y-o-y growth	NA	260.55%
As % of TOI	13.05%	14.26%
As % to cost of sales	14.96%	15.65%

- Power and fuel (P&F) costs remained in the range of 13.05% to 14.26% of TOI and 14.96% to 15.65% of total cost of sales during last two years ending March 31, 2015 as UPGL has started its manufacturing operations during FY14.

**Employee cost**

Parameters	FY11	FY12	FY13	FY14	FY15
Employee cost (Rs. lakh)	0.13	0	0.4	19.64	80.26
% <i>y-o-y growth</i>	NM	NM	NM	NM	308.66%
As % to total operating income	0.61%	0.00%	0.29%	2.03%	2.52%
As % to cost of sales	0.62%	0.00%	0.29%	2.33%	2.77%

- UPGL employs considerable number of manpower for overlooking operations at its manufacturing facility and also qualified personnel for managing administrative, marketing, logistics and accounts and finance. The total number of employees with the company stood at 84 as on December 31, 2015.

**Other operating cost items**

Parameters	FY11	FY12	FY13	FY14	FY15
<b>Other Manufacturing Expenses (Rs. lakh)</b>	NA	NA	NA	64.98	136.74
% <i>y-o-y</i>	NA	NA	NA	NM	110.43%
% of TOI	NA	NA	NA	6.73%	4.30%
% of cost of sales	NA	NA	NA	7.72%	4.71%
<b>Other operating Expenses (Rs. lakh)</b>	0.22	0.32	2.86	8.84	25.36
% <i>y-o-y</i>	NM	45.45%	793.75%	209.09%	186.88%
% of TOI	1.04%	0.78%	2.05%	0.92%	0.80%
% of cost of sales	1.05%	0.79%	2.06%	1.05%	0.87%

- Other manufacturing expense declined slightly to 4.30% of TOI in FY15 as compared to 6.73% of TOI during FY15 as the company started its manufacturing operations during FY14. It also comprised job work charges, loading unloading charges, insurance and annual maintenance expenses of machines and delivery vehicles and other expenses. Selling expenses remains very low during period as company does not have appoint any agent or distributor or any marketing company. It does not spent on selling expenses as the promoters of the company shares good relation with customers.
- Other operating expenses (include Telephone and stationery expenses, travelling and conveyance expenses, legal and professional consultation expenses and Directors and auditors remunerations) kept increasing marginally from FY11 to FY15. It increased from Rs. 2.86 lakh in FY13 to Rs. 25.36 lakh in FY15.

**Depreciation**

Parameters	FY14	FY15
Depreciation (Rs. lakh)	59.17	173.6
% y-o-y growth	NM	193.39%
As % of total operating income	6.13%	5.45%
Depreciation rate (% of average gross block)	6.14	15.94

- Depreciation expense increased from Rs.59.17 Lakh in FY14 to Rs.173.6 Lakh in FY15 mainly due to additions to plant.
- All fixed assets, except capital work in progress, are depreciated on a Straight Line Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to/deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition / deletion as the case may be.

**Interest and finance charges**

Parameters	FY11	FY12	FY13	FY14	FY15
Interest and Finance Charges (Rs. lakh)	0.01	0.24	0.03	26.49	43.42
% y-o-y growth	NM	NM	-87.50%	NM	63.91%
As % of TOI	0.05%	0.58%	0.02%	2.74%	1.36%

- The total interest and finance charges have increased slightly from Rs.26.49 Lakh in FY14 to Rs.43.42 Lakh in FY15 mainly due to increase in interest on cash credit and other interest expenses during FY15.

**FINANCIAL PERFORMANCE - BALANCE SHEET:ASSETS**
**(Rs. In Lakh)**

Period Ends on: March 31,	2011	2012	2013	2014	2015
Result Type:	Actual	Actual	Actual	Actual	Actual
Gross Block	-	-	-	1,792.32	1,918.78
Accumulated Depreciation	-	-	-	-59.17	-232.76
Net Block	-	-	-	1,733.15	1,686.02
NET FIXED ASSETS	-	-	343.73	1,733.15	1,691.53
Other Investments	-	-	340.00	340.00	70.35
TOTAL INVESTMENTS :net of provision	-	-	340.00	340.00	70.35
Raw and Packing Materials	-	-	-	75.71	12.98
Work In Process	-	-	-	59.30	2.05
Finished Goods	5.38	-	-	31.44	78.20
Stores and Spares	-	-	-	0.69	0.34
TOTAL INVENTORIES	5.38	-	-	167.14	93.56
Receivables : More than 6 months	-	-	-	-	44.04
Receivables : Less than 6 months	-	-	136.04	398.02	80.92
TOTAL RECEIVABLES	-	-	136.04	398.02	124.96
Current Loans; Advances; current assets related to operations	41.65	16.00	578.52	213.41	213.49
Cash and Bank Balances	0.50	50.34	0.34	1.00	159.80
Advance Tax Paid	-	-	1.37	6.90	14.44
TOTAL OTHER CURRENT ASSETS	42.15	66.34	580.22	221.31	387.72
TOTAL CURRENT ASSETS related to operations	47.53	66.34	716.26	786.48	606.25
TOTAL ASSETS	47.53	104.05	1,442.25	2,931.15	2,742.69

**Comments:**
**Fixed assets**
**Composition of net fixed assets**

- UPGL's fixed assets primarily comprise of plant & machineries, Land, Electrical equipment, buildings, fire safety equipment, Furniture and fixtures and office equipment.
- During FY15, the company made additions to its fixed asset amounting to Rs. 131.97 lakh which majorly comprised plant and machinery worth Rs. 126.46 lakh, land worth Rs. 5.51. At the initial years of operations UPGL was into trading of grey cloth, hence it



did not have machineries prior to FY14, later on as the company started manufacturing operations during FY14 and bought required machineries.

### Inventories

Parameters: As on March 31,	2011	2012	2013	2014	2015
Raw and Packing Materials (Rs. lakh)	-	-	-	75.71	12.98
<i>Average Raw Material Inventory Period (days)</i>	-	-	-	22	9
Work in Progress	-	-	-	59.3	2.05
<i>Average WIP Inventory Period</i>	-	-	-	13	4
Finished Goods (Rs. lakh)	5.38	-	-	31.44	78.2
<i>Average Finished Goods Inventory Period (days)</i>	-	24	-	7	7
Stores and Spares (Rs. lakh)	-	-	-	0.69	0.34
<b>Total inventories (Rs. lakh)</b>	5.38	-	-	167.14	93.56
<i>Average Inventory Period (days)</i>	-	24	-	36	16
Total inventory as % of total assets	11.32%	0.00%	0.00%	5.70%	3.41%

- At the initial years of operations UPGL was into trading of grey cloth, so it used to keep low inventory during the period. UPGL started manufacturing operations during FY14, total inventory primarily comprises of finished goods inventory (~83.58% of total inventory as on March 31, 2015), WIP inventory (~2.91% of total inventory), raw material inventory (~13.87% of total inventory), and stores and spares (~0.36% of total inventory).
- UPGL into manufacturing (weaving process) and trading of grey cloth fabrics which consist of grey denim, grey shirting fabric, cotton grey fabric and others. However, the company maintains sufficient finished goods inventory for the products to meet demands from customers. It also does job work for other companies including some of group entities.

**Sundry debtors**

Parameters: As on March 31,	2013	2014	2015
Total Receivables (Rs. lakh)	136.04	398.02	124.96
Average Collection Period (days)	175	100	30
As % of net sales	NM	42.79%	4.00%
As % of total assets	9.43%	13.58%	4.56%

- UPGL’s total receivables outstanding as on March 31, 2015 consist primarily of dues receivable from textile manufacturing companies and local traders that are offered a credit period of 30-60 days. During FY11 to FY15, collection period remained in the range of 30 days to 175 days.
- The average collection period of the company have declined from 100 days in FY14to 30days during FY15 owing to better receivable management and follow up by the company.

**Ageing analysis of debtors**

**(Rs. Lakh)**

Particulars	Less than 3 months	3-6 months	More than 6 months	Total
Debtors as on March 31, 2015	80.38	-	44.58	124.96
Debtors as on March 31, 2014	396.48	1.54	-	398.02
Debtors as on March 31, 2013	136.04	-	-	136.04

- For the past 3 balance sheet dates ending March 31, 2015 most of the debtor receivables (around 98%) are due for less than 3 months during FY14 and FY13 and During FY15, around 65% are due for less than 3 months.

**Other current assets**
**(Rs. Lakh)**

<b>Parameters: As on March 31,</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Other current assets</b>	42.15	66.34	580.22	221.31	387.72
<b>As % of total assets</b>	88.68%	63.76%	40.23%	7.55%	14.14%
Cash & bank balances	0.5	50.34	0.34	1.00	159.8
<i>Cash on hand</i>	0.23	0.15	0.21	0.89	0.64
<i>Balances with banks in current accounts</i>	0.27	50.19	0.13	0.11	159.16

- Other operating current assets mainly comprise of prepaid expenses, security deposits, income tax paid in advance and loans and advances which are paid to suppliers for purchasing raw materials.
- Cash and bank balance have increased significantly during FY15 to Rs.159.8 lakh from Rs. 1.00 lakh in FY14 due to orders received at financial year end.

**FINANCIAL PERFORMANCE - BALANCE SHEET: LIABILITIES**
**Rs. In Lakh**

<b>Period Ends on: March 31</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Result Type:</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Total Paid Up Equity Share Capital	44.03	47.93	298.29	298.29	298.29
GROSS RESERVES	0.15	53.49	304.25	330.38	375.38
Miscellaneous expenses not written off	-2.19	-2.19	-4.19	-3.35	-2.51
NET RESERVES	-2.04	51.30	300.07	327.03	372.86
TANGIBLE NET WORTH	41.99	99.23	598.35	625.32	671.15
Interest Free Loans	-	-	-	-	-
Rupee Term Loans	-	-	531.19	1,649.07	1,405.24
Other Long Term Loans	-	4.38	110.31	150.88	540.45
Loans and advances from promoters related parties	-	-	-	-	-
TOTAL LONG TERM DEBT	-	4.38	641.51	1,799.95	1,945.69
Less: Current portion of long term debt	-	-	-	109.38	187.50
NET LONG TERM DEBT	-	4.38	641.51	1,690.57	1,758.19
Working capital Bank Borrowings	-	-	-	136.77	-
Current portion of long term debt	-	-	-	109.38	187.50
TOTAL SHORT TERM DEBT	-	-	-	246.15	187.50
Creditors for goods	5.38	0.13	135.94	188.45	38.97
Creditors for Capital goods	-	-	65.32	96.47	0.54
Other Current Liabilities: related to ops.	0.10	0.18	0.94	72.44	61.62
TOTAL CURRENT LIABILITIES	5.48	0.31	202.20	357.35	101.13
Provision for Taxes	0.07	0.13	0.18	7.27	12.50
Other Provisions ; regular	-	-	-	-	-
TOTAL SHORT TERM PROVISIONS	0.07	0.13	0.18	7.27	12.50
TOTAL CURRENT LIABILITIES AND PROVISIONS; RELATED TO OPERATIONS	5.54	0.44	202.39	364.62	113.63
TOTAL OUTSIDE LIABILITIES	-	4.38	641.51	1,936.72	1,945.69
TOTAL LIABILITIES	47.53	104.05	1,442.25	2,931.15	2,742.69

**Comments:**
**Equity share capital**

- UPGL has an authorized share capital of 30,00,000 equity shares nominal value of Rs.10/- each. It has an issued, subscribed and paid up capital of 29,82,820 equity shares of Rs. 10/- each fully paid up as on March 31, 2015.
- During FY12, promoters of UPGL infused equity share capital into the business to the tune of Rs.3.90 Lakh by issuing 39,000 shares @ Rs.10/- each.

**Long-term borrowings**

- The long term borrowings of the company as on March 31, 2015 mainly comprise of term loan taken for machinery purchases.
- The total long term debt outstanding as on March 31, 2015 consists of term loans (worth Rs.1217.74 Lakh).

**Short term borrowings**

- Short term debt consists of cash credit facility having total sanctioned limit of Rs.200.00 Lakh which are availed to meet the company's working capital requirements since considerable funds are being blocked in receivables and inventory. However the outstanding balance remained nil at the end of financial year.
- Total short term borrowings also include current portion of the long term debt which is payable within the next financial year.

**Trade payable**

Parameters	March 2011	March 2012	March 2013	March 2014	March 2015
Trade payable (Rs. lakh)	5.38	0.13	135.94	188.45	38.97
Average Creditors Period (days)	0	24	176	69	14
As % of total liabilities	11.32%	0.12%	9.43%	6.43%	1.42%

- UPGL's trade payables outstanding as on March 31, 2015 include creditors for goods. The average creditor period stood at 14 days in FY15 (compared to 69 days in FY14) as UPGL receives credit period of about 30-60 days from its suppliers.

**Short term provision**
**(Rs. Lakh)**

Parameters	March 2011	March 2012	March 2013	March 2014	March 2015
<b>Total short term provisions</b>	0.07	0.13	0.18	7.27	12.50
Provision for income tax	0.07	0.13	0.18	7.27	12.50
Other Provision	-	-	-	-	-
As % of total liabilities	0.15%	0.12%	0.01%	0.25%	0.46%

- Total short term provision mainly comprises provision for income tax (as on March 31, 2015).

**Details of the related party transactions**
**(Rs. Lakh)**

Sr. No.	Name of related Party	Nature of the Relationship	Nature of transaction	March 2011	March 2012	March 2013	March 2014	March 2015
1.	Gagan Mittal	Director	Remuneration and Allowance	-	-	-	-	6.00
2.	Shilpa Mittal	Relative of Director		-	-	-	3.00	12.00
3.	Vinod Denim Ltd.	Group Company	Purchases	-	-	-	44.50	14.10
4.	Vinod Fabrics Pvt. Ltd.	Group Company	Job Work Charges	-	-	-	1.05	43.23
5.	Gagan Mittal HUF	HUF Director	Interest Expenses	-	-	0.25	1.91	-
6.	Shilpa G. Mittal	Relative of Director		-	-	-	0.56	4.73
7.	Mansi Mittal	-		-	-	-	1.07	1.65
8.	Gagan N. Mittal	Director		-	-	-	0.12	4.85
9.	United Polyfab Private Limited	Group Company	Rent Expenses	-	-	-	6.00	8.4
10.	Vinod Fabrics Pvt. Ltd.	Group Company	Sales	21.22	-	-	-	169.38
11.	Vinod Denim Ltd.			-	-	-	1.54	145.22
12.	Vinod Denim Ltd.	Group Company	Job Work Charges	-	-	-	265.75	956.86
13.	Gagan Mittal HUF	HUF Director	Interest Received	-	-	-	-	0.03

14.	United Polyfab Private Limited	Group Company		-	-	-	8.03	13.38
15.	Gagan Mittal HUF	HUF Director	Loan Taken by the company	-	-	20.60	25.00	25.60
16.	Riteh Hada	Director		-	-	121.00	-	-
17.	Shilpa Mittal	Relative of Director		-	1.73	41.56	59.1	39.70
18.	Mansi Mittal	Relative of Director		-	2.66	7.88	3.2	3.36
19.	United Polyfab Private Limited	Group Company		-	-	117.00	-	-
20.	Gagan Mittal	Director		0.15	-	-	59	11.56
21.	Gagan Mittal HUF	HUF Director	Loan Repaid by the Company	-	-	2.95	42.88	27.33
22.	Riteh Hada	Director		-	-	121.0	-	-
23.	Shilpa Mittal	Relative of Director		-	-	34.53	59.1	68.79
24.	Mansi Mittal	Relative of Director		-	-	3.87	-	0.20
25.	United Polyfab Private Limited	Group Company		-	-	40.00	57.4	19.60
26.	Gagan Mittal	Director		-	-	-	25.00	33.10
27.	Gagan Mittal HUF	HUF Director	Balance Outstanding at the end of the Year	-	-	17.88	1.73	-
28.	Riteh Hada	Director		-	-	-	-	-
29.	Shilpa Mittal	Relative of Director		-	1.73	8.76	34.61	5.04
30.	Mansi Mittal	Relative of Director		-	2.66	6.67	10.84	15.49
31.	United Polyfab Private Limited	Group Company		-	-	77.00	19.60	-
32.	Gagan Mittal	Director		-	-	-	34.10	16.92
33.	United Polyfab Private Limited	Group Company	Loan given by the Company	42.95	43.88	526.44	453.75	240.00
34.	Smt. Urmila Nirmal Mittal	Relative of Director		-	26.53	126.54	-	0.44

35.	Vinod Denim Ltd.	Group Company		-	-	-	-	-
36.	United Polyfab Private Limited	Group Company	Loan received back by the company	-	49.11	530.35	487.55	259.27
37.	Smt. Urmila Nirmal Mittal	Relative of Director		-	10.53	57.98	85.00	-
38.	United Polyfab Private Limited	Group Company	Balance Outstanding at the end of the Year	42.95	37.71	33.80	7.22	-
39.	Smt. Urmila Nirmal Mittal	Relative of Director		-	16.00	84.55	0.04(Credit Bal.)	-

### Dividend Policy

UPGL does not have a formal dividend policy. The Company has not declared any dividends during the last five fiscal years (FY15-FY11).

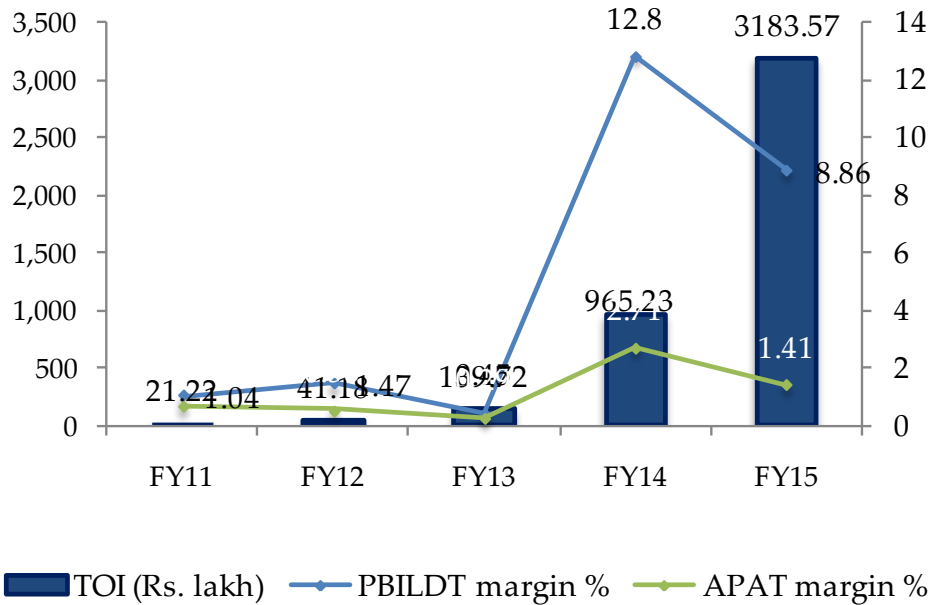


**FINANCIAL PERFORMANCE - SUMMARY OF RATIOS**

Period Ends on: March 31,	2011	2012	2013	2014	2015
Result Type:	Actual	Actual	Actual	Actual	Actual
<b>KEY FINANCIAL RATIOS</b>					
<b>Growth Ratios</b>					
Growth in Net sales	NM	94.11	230.35	583.73	235.58
Growth in Total Operating Income	NM	94.11	239.29	590.82	229.83
Growth in PBILDT	NM	174.26	3.65	19,654.36	128.37
Growth in APAT	NM	64.17	70.73	6,258.17	72.18
<b>Profitability Ratios</b>					
Gross Margin	3.38	2.52	0.17	33.36	29.55
PBILDT Margin	1.04	1.47	0.45	12.80	8.86
PBIT Margin	1.04	1.47	0.45	6.67	3.41
OPBT Margin	1.00	0.89	0.43	3.93	2.05
OPAT Margin	0.69	0.59	0.29	2.71	1.41
APAT Margin	0.69	0.58	0.29	2.71	1.41
Operating ROCE	-	0.80	0.19	4.62	4.54
ROCE (Total)	-	0.80	0.09	3.38	4.18
RONW	-	0.34	0.12	4.27	6.94
Average Cost of Borrowings	-	10.82	0.01	2.06	2.24
<b>Turnover Ratios</b>					
Operating Capital Turnover Ratio	NM	0.55	0.42	0.69	1.33
Fixed Assets Turnover Ratio	NM	-	-	1.08	1.72
Working Capital Turnover Ratio	NM	0.76	0.43	1.76	6.29
Average Raw Material Inventory Period	NM	-	-	22	9
Average WIP Inventory Period	NM	-	-	13	4
Average Finished Goods Inventory Period	NM	24	-	7	7
Average Inventory Period (days)	NM	24	-	36	16
Average Collection Period (days)	NM	-	175	100	30
Average Creditors Period (days)	NM	24	176	69	14
Working Capital Cycle (days)	NM	0	-1	66	32
<b>Solvency Ratios</b>					
Debt Equity Ratio	-	0.04	1.07	2.88	2.90
Overall Gearing Ratio (Including Acceptances / Creditors on LC)	-	0.04	1.07	3.10	2.90
Overall Gearing Ratio (Excluding Acceptances / Creditors on LC)	-	0.04	1.07	3.10	2.90
Adjusted Debt Equity Ratio	-	0.04	1.07	2.88	2.90
Adjusted Overall Gearing	-	0.04	1.07	3.10	2.90
Term Debt (including CPLTD) / Gross Cash Accruals	-	18.21	1,560.92	19.86	8.57
Total Debt / Gross Cash Accruals	-	18.21	1,560.92	21.37	8.57
Interest Coverage (PBILDT / Interest)	26.25	2.54	20.88	4.66	6.50
PBIT / Interest	26.25	2.54	20.88	2.43	2.50
Adjusted Interest Coverage	26.25	2.54	20.88	4.66	6.50
Current Ratio	8.58	151.52	3.54	1.29	2.01
Quick Ratio	7.60	151.52	3.54	1.01	1.70

**FINANCIAL PERFORMANCE – PROFITABILITY Analysis**

**Profitability Analysis**

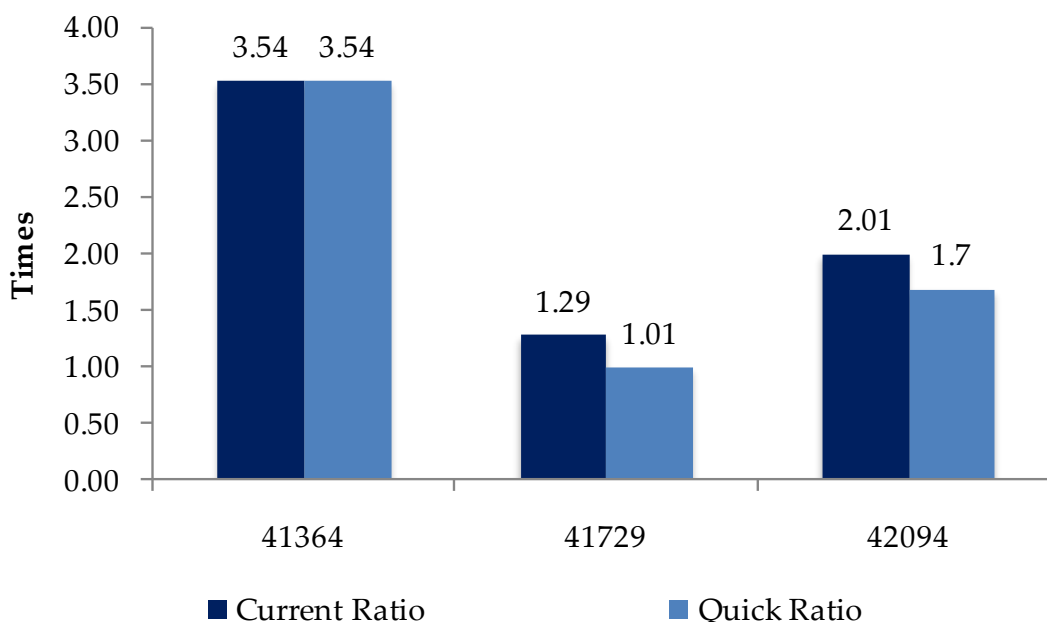


**Comments:**

- UPGL is engaged into manufacturing/weaving and trading of grey cloth fabrics (i.e. Grey Denim, Grey Shirting Fabric, Cotton Grey Fabric and others). It is also does job work (weaving process for grey cloth) for its group companies and others.
- TOI grew from Rs.21.22 Lakh in FY11 to Rs.3183.57 Lakh in FY15 with increase in client base and huge demand in the market.
- The PBILDT margins have witnessed a significant growth during FY14 (12.8%) as compared to FY13 (0.45%) mainly on account of manufacturing operations were started by the company during this period.
- Furthermore, in-line with increase in TOI and PBILDT margins, PAT margin also surged from 0.69% in FY11 to 2.71% in FY14 and later on decreased to 1.41% in FY15 due to high depreciation and interest cost

**FINANCIAL PERFORMANCE - LIQUIDITY ANALYSIS**

**Liquidity Analysis**



**Liquidity Ratio**

Particulars	March 31, 2013	March 31, 2014	March 31, 2015
Working Capital Turnover Ratio	0.43	1.76	6.29
Average Raw Material Inventory Period	-	22	9
Average WIP Inventory Period	-	13	4
Average Finished Goods Inventory Period	-	7	7
Average Inventory Period (days)	-	36	16
Average Collection Period (days)	175	100	30
Average Creditors Period (days)	176	69	14
Working Capital Cycle (days)	-1	66	32

**Comments:**

- UPGL’s liquidity position is marked by comfortable current ratio and moderate quick ratio and moderate level of utilization of its working capital limits. While the current ratio was at 2.01 times, its quick ratio remained at 1.7 times as on March 31, 2015.
- The operations of UPGL are working capital intensive in nature (with average utilization of ~50% of cash credit facility of Rs.200.00 Lakh from State Bank of India during the twelve months ending February 29, 2016) since considerable amount are blocked in inventory and receivables.

- The company procures raw materials (i.e. Synthetic yarn) from various local suppliers. Suppliers of raw material offers credit period of up to 30-40 days to UPGL. Further, the company maintains necessary inventory of finished goods to cater to demands of its customers coils. UPGL offers its customers 30 to 60 days of credit. While cash flow from operating activities was positive, the unencumbered cash & bank balance was around Rs.159.16 lakh as on Mar 31, 2015.
- UPGL is planning to raise Rs.765.45 Lakh through listing on NSE emerge platform. It plans to utilize proceeds of the issue to set up manufacturing plant.

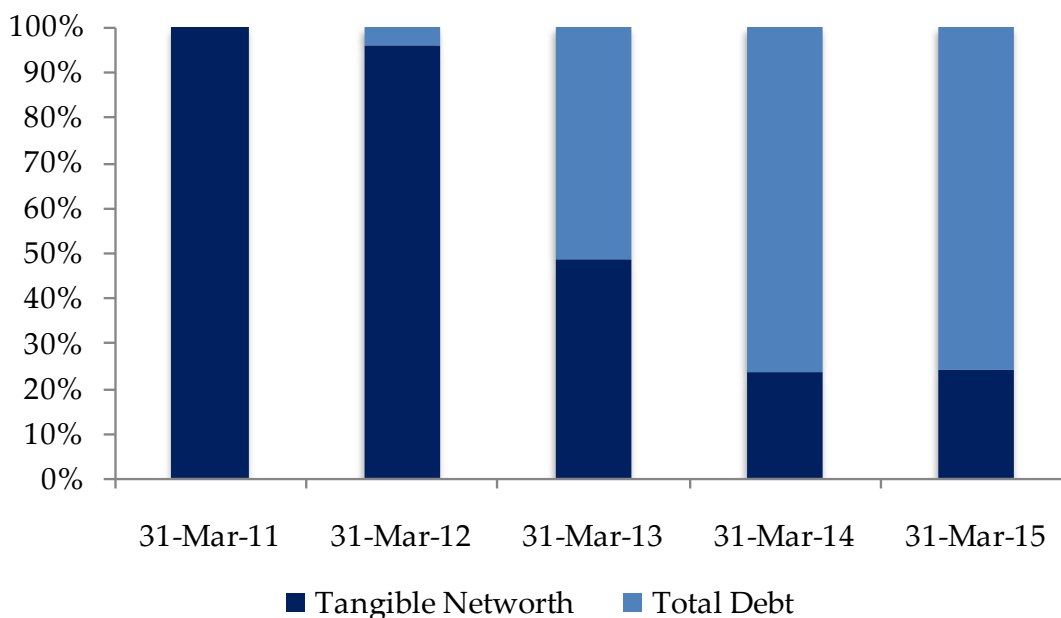
**Average monthly fund-based (Cash Credit) working capital utilization level**

Month	Sanctioned Limit (Rs. Lakh)	Maximum monthly utilization (Rs. Lakh)	Maximum monthly utilization (%)
	SBI	SBI	SBI
March 2015	200	112.91	56.46%
April 2015	200	133.67	66.84%
May 2015	200	72.08	36.04%
June 2015	200	28.77	14.39%
July 2015	200	109.54	54.77%
August 2015	200	101.50	50.75%
September 2015	200	54.15	27.08%
October 2015	200	83.59	41.80%
November 2015	200	82.38	41.19%
December 2015	200	154.71	77.36%
January 2015	200	168.83	84.42%
February 2015	200	132.99	66.50%

SBI – State Bank of India

**FINANCIAL PERFORMANCE - FINANCIAL FLEXIBILITY**

**Capital Structure**



**Capital Structure Ratio**

Particulars	Mar 31, 2013	Mar 31, 2014	Mar 31, 2015
Debt Equity Ratio	1.07	2.88	2.90
Overall Gearing Ratio (Including Acceptances / Creditors on LC)	1.07	3.10	2.90
Overall Gearing Ratio (Excluding Acceptances / Creditors on LC)	1.07	3.10	2.90
Adjusted Debt Equity Ratio	1.07	2.88	2.90
Adjusted Overall Gearing	1.07	3.10	2.90
Average Cost of Borrowings	0.01	2.06	2.24
Total Outside Liabilities to Networth	1.07	3.10	2.90

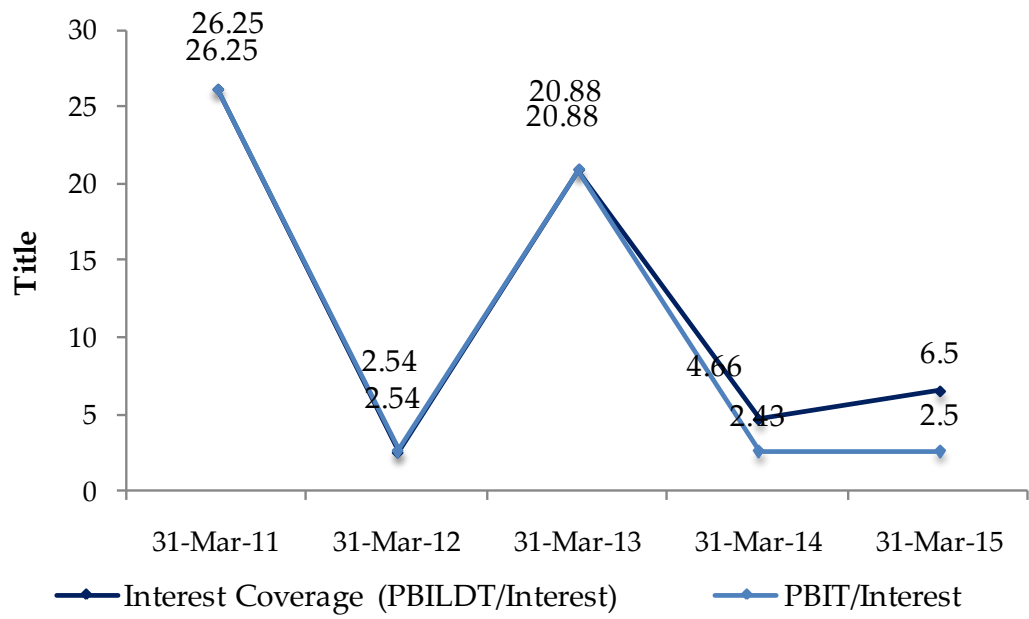
**Comments:**

The long term debt level seems to be moderate marked by moderate overall gearing at 2.90 times as on March 31, 2015. Overall gearing has improved slightly y-o-y in FY15 on account of accretion of profits to reserves. With moderate gearing level and comfortable creditor period of 14 days, total outside liabilities as compared to total net worth remained moderately high at 2.90 times as on March 31, 2015.

However, the company is planning to set up a another manufacturing unit in next year which is going to be funded through term loan and other unsecured loans from bank, which would impact the capital structure of the company going forward.

**FINANCIAL PERFORMANCE - DEBT PROTECTION INDICATORS**

**Debt Coverage**



**Comments:**

The debt coverage indicators of UPGL stood moderate marked by total debt to GCA of 8.57 times as on March 31, 2015 (as against 21.37 times as on March 31, 2014) and interest coverage of 6.50 times in FY15 (as against 4.66 times in FY14)

**RECENT FINANCIALS**

During 7MFY16 (April 1, 2015 to October 31, 2015), UPGL has reported net profit of Rs.64.25 lakh on total sales of Rs. 2052.80 lakh.

(Rs. Lakh)

Particulars	7MFY16 (April 1, 2015 to October 31, 2015)
<b>Total Revenue</b>	<b>2052.80</b>
<b>PBILDT</b>	<b>237.07</b>
<b>PAT</b>	<b>64.25</b>
<b>Net Worth</b>	<b>737.98</b>
<b>Total Debt</b>	<b>1896.69</b>
<b>GCA</b>	<b>167.92</b>
<b>Interest and Finance Cost</b>	<b>40.42</b>
<b>Depreciation Cost</b>	<b>103.67</b>
<b>Tax Expenses</b>	<b>28.73</b>

**BANKERS & AUDITORS DUE DILIGENCE**

Stake holder		Feedback
Bankers & Lenders- State Bank of India (SBI)	Mr. Joyce Benson	Satisfactory
	Credit Manager	
	079-26582505/8833	
Auditor M/s Nahta Jain & Associates	Mr. Gaurav Nahta	Satisfactory
	Partner	
	079-22161264/65	

**Remarks**

- The account was regular with State Bank of India. The banker had expressed satisfaction over the conduct of the account with timely servicing of interest and principal repayment in term loan.

**Key Findings**

<b>Key Findings</b>	<b>Company Comment</b>	<b>CARE Comment</b>
<b>Majority of the critical decisions in the company are being taken by promoter family</b>	As per the management, UPGL employs considerable number of qualified professionals for overlooking operations. The total number of employees with the company stood at 84 which houses qualified personnel consisting of Engineers and management having relevant industry experience. However, the key decisions are taken by the management only.	<i>Though the UPGL has qualified personnel to manage operations but the key decisions are taken by promoters only. Going forward, the ability of the company to separate management and ownership function remains to be seen.</i>
<b>Project Details</b>	UPGL is planning for backward integration by setting up a spinning unit of 20064 spindles at village Timba on the outskirts of Ahmadabad, Gujarat. The overall estimated project cost is Rs.6882.39 Lakh. The company is optimistic about the of grey cloth in the market in coming years.	<i>CARE understands that to setting up the spinning unit would help company to reduce the cost of goods it procures currently and also benefit to increase the top line going forward.</i>
<b>Low Utilization of working capital limit</b>	UPGL has Cash credit facility with the SBI, however its average utilization is around 50%, As per the management, majorly the company funds its working capital requirement through internal accruals only.	<i>CARE understands that low utilization of working capital limits help to reduce interest cost but for the long run it is very crucial to manage working capital through accruals.</i>
<b>Business transactions with group entities</b>	UPGL was incorporated in 2010 and it is gaining the customers with the help of huge experience of promoters in the textile industry since they already have other companies in similar line of business so to meet the demand instead of outsourcing to other entities they gave business to UPGL	<i>CARE understands that other entities are already in other business so in order to spread its presence in different activities in textile segment UPGL had to start manufacturing. Going forward UPGL's capability to reduce its dependence on its group entities remains to be seen.</i>



# Credit Analysis & Research Ltd.

Head Office Mumbai

**Mr. D.R. Dogra**  
Managing Director  
Mobile: +91-98204 16002  
E-mail: dr.dogra@careratings.com

**Mr. Rajesh Mokashi**  
Dy. Managing Director  
Mobile: +91-98204 16001  
E-mail: rajesh.mokashi@careratings.com

**Ms. Meenal Sikchi**  
Vice President - Bank Loan & Instrument Rating  
Mobile: +91-9819009839  
E-mail: meenal.sikchi@careratings.com

**Mr. Ankur Sachdeva**  
Vice President - Bank Loan & Financial Services  
Mobile: +91-9819698985  
E-mail: ankur.sachdeva@careratings.com

## CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022  
Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

### Other Office:

503, Kaledonia, Sahar Road, Near Andheri Railway Station, Andheri (E), Mumbai - 400 069  
Tel: +91-22-6144 3456 | Fax: +91-22-6144 3556

### AHMEDABAD

**Mr. Mehul Pandya**  
32, Titanium, Prahaladnagar Corporate Road,  
Satellite, Ahmedabad - 380 015  
Cell: +91-98242 56265  
Tel: +91-79-4026 5656  
E-mail: mehul.pandya@careratings.com

### JAIPUR

**Mr. Harsh Raj Sankhla**  
304, Pashupati Akshat Heights, Plot No. D-91,  
Madho Singh Road, Near Collectorate Circle,  
Bani Park, Jaipur - 302 016.  
Cell: +91 - 94139 69100  
Tel: +91-141-402 0213 / 14  
E-mail: harshraj.sankhla@careratings.com

### BENGALURU

**Mr. Dinesh Sharma**  
Unit No. 1101-1102, 11th Floor, Prestige Meridian II,  
No. 30, M.G. Road, Bangalore - 560 001.  
Cell: +91-99000 41975  
Tel: +91-80-4115 0445, 4165 4529  
E-mail: dinesh.sharma@careratings.com

### KOLKATA

**Ms. Priti Agarwal**  
3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)  
10A, Shakespeare Sarani, Kolkata - 700 071.  
Cell: +91-98319 67110  
Tel: +91-33- 4018 1600  
E-mail: priti.agarwal@careratings.com

### CHANDIGARH

**Mr. Sajan Goyal**  
2nd Floor, S.C.O. 196-197, Sector 34-A,  
Chandigarh - 160 022.  
Cell: +91 99888 05650  
Tel: +91-172-5171 100 / 09  
Email: sajan.goyal@careratings.com

### NEW DELHI

**Ms. Swati Agrawal**  
13th Floor, E-1 Block, Videocon Tower,  
Jhandewalan Extension, New Delhi - 110 055.  
Cell: +91-98117 45677  
Tel: +91-11-4533 3200  
E-mail: swati.agrawal@careratings.com

### CHENNAI

**Mr. V Pradeep Kumar**  
Unit No. O-509/C, Spencer Plaza, 5th Floor,  
No. 769, Anna Salai, Chennai - 600 002.  
Cell: +91 98407 54521  
Tel: +91-44-2849 7812 / 0811  
Email: pradeep.kumar@careratings.com

### PUNE

**Mr. Rahul Patni**  
9th Floor, Pride Kumar Senate,  
Plot No. 970, Bhamburda, Senapati Bapat Road,  
Shivaji Nagar, Pune - 411 015.  
Cell: +91-78754 33355  
Tel: +91-20- 4000 9000  
E-mail: rahul.patni@careratings.com

### HYDERABAD

**Mr. Saikat Roy**  
401, Ashoka Scintilla, 3-6-502, Himayat Nagar,  
Hyderabad - 500 029.  
Tel: +91-40-4010 2030  
E-mail: saikat.roy@careratings.com

**CIN: L67190MH1993PLC071691**