

JPS Balaji Reinforced Pipe Private Limited India


(1) IDENTIFICATION DETAILS

Company Name	JPS Balaji Reinforced Pipe Private Limited
Previous Name	Sahni Concrete Technologies Private Limited (09.03.2009)
Regd./Business Address	D-835, New Friends Colony, Near - Crown Plaza, New Delhi - 110065, Delhi, India

(2) SUMMARY

Company Status	Active
Legal Form	Private Limited Company
Date of Incorporation / Formation	12-Feb-2009
Incorporation No.	U70102DL2009PTC187568
Paid up Capital (As on Oct. 03, 2011)	Rs. 14 330 000
Net worth (As on March 31, 2011)	Rs. 37 081 000
Turnover/Sales (As on March 31, 2011)	Rs. 185 191 000
Profit After Tax (As on March 31,2011)	Rs. 3 149 000
Business Activity	Manufacturers & Traders of glass fiber pipes
Industry	Tube & Pipes
No. of Employees	50 (Permanent)

(3) CREDIT RECOMMENDATION

Credit Rating	B
Credit Score	 49
Credit Limit	INR 4 000 000

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(4) RATING EXPLANATION

CreditRating	CreditScore	Explanation	Rating Comments
A+	81 - 100	Low Risk	Business dealings permissible with low risk of default.
A	61 - 80	Moderate Risk	Business dealings permissible with moderate risk of default.
B	40 - 60	Medium Risk	Business dealings permissible on a regular monitoring basis.
C	21 - 39	Medium High Risk	Business dealings permissible preferably on secured terms.
D	1 - 20	High Risk	Business dealing not recommended or on secured terms only.
NR	--	No Rating	No recommendations can be made at this stage due to lack of sufficient information.

**The credit appraisal provides an assessment of the creditworthiness of a company. It takes into account significant elements of credit including history, business performance, management, background, financial position, payment history, overall market conditions, market trends and the reputation of the company*

**NR is stated where there is insufficient information to facilitate rating. However, it is not to be construed as unfavorable.*

(5) BUSINESS OPERATION

1) LOCATION

①	Regd./Business Address	D-835, New Friends Colony, Near - Crown Plaza, New Delhi - 110065, Delhi, India
	Phone	+91 11 41328103
	Location	Commercial
	Status	Rented
	Email	dsm.roc@gmail.com / sanjeev1236@yahoo.com
②	Manufacturing Unit	10 Village Kidawali, Daddsia Road, Post Office Baskola, Faridabad, Haryana, India
	Location	Industrial
	Status	Owned

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2) BANKERS

①	Name	State Bank of India
	Address	SME Branch, Shahdara Delhi - 110032
②	Name	Indian Overseas Bank
	Address	Lok Kala Manch Branch, Delhi

3) HYPOTHECATION DETAILS

①	Bank Name	State Bank of India
	Date of Agreement	14/09/2011
	Amount	Rs. 227 500 000
②	Bank Name	Reliance Capital Ltd
	Date of Agreement	25/05/2010
	Amount	Rs. 5 000 000

4) AUDITORS

①	Name	M/s. Sanjay Bhuwania & Co.
	Address	10/60, Vikaram Vihar, LGF Lajpat Nagar- IV New Delhi - 110024 Delhi
②	Name	M/s. DSM and Associates

5) DIRECTORS/PRINCIPALS

As on Aug. 31, 2011

①	Name	Harjit Singh Sahni Director
	Date / Year of Birth	06.01.1964
	Date of Appointment	16.02.2009
	Residential Address	D-835, New Friends Colony Delhi - 110065
	Director Identification Number	00066720
	Other Directorships Held	SSG Infratech Private Limited
②	Name	Ish Preet Singh Director
	Date / Year of Birth	13.08.1989
	Date of Appointment	28.06.2011
	Residential Address	22/3, Lajpat Nagar, Chowk Lucknow - 226003 Uttar Pradesh
	Director Identification Number	02511130

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(6)BACKGROUND

The subject act as manufacturers of glass fiber pipes.

Imports From	China & Italy
Payment Terms	Documents Against Payment (Purchase) Advance Payment (Sale) Credit Period upto 30 days (Sale)
Trade References	Jiangsu Shanghai Composite Material Holding Company Ltd - China (Supplier) Manak Developers (Buyer)
Listing on Stock Exchange	No

(7)FINANCIAL INFORMATION

1) CAPITAL STRUCTURE/OWNERSHIP

Authorized Capital	Rs. 20 000 000
Capital Employed/ Paid Up	Rs. 14 330 000 (As on Oct. 03, 2011)

2) MAJOR SHAREHOLDERS

As on Aug. 31, 2011

Name	No. of Shares	Holding (%)
Harjeet Singh Sahni	41050	5.72
Pummy Sahni	349450	48.67
Jyoti Sahni	137500	19.15
Charanjit Singh	90000	12.53
Jyoti Aquatech (P) Ltd	100000	13.93
TOTAL	718000	100.00

List of shares allotted on Sept. 01, 2011	No. of Shares	Holding (%)
Harjeet Singh Sahni	162500	83.33
Jyoti Sahni	2500	1.28
Charanjit Singh	30000	15.38
TOTAL	195000	100.00

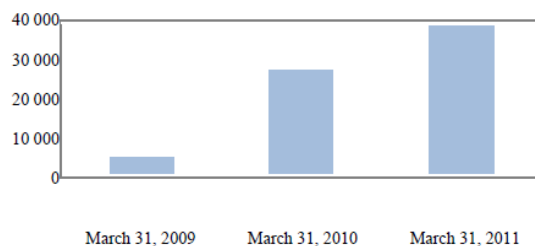
List of shares allotted on Oct. 03, 2011	No. of Shares	Holding (%)
Harjeet Singh Sahni	120000	23.08
Charanjit Singh	400000	76.92
TOTAL	520000	100.00

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(8) FINANCIAL SUMMARY

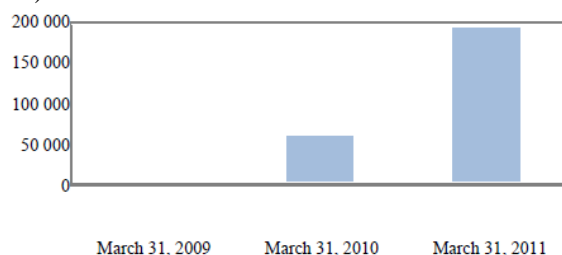
1) NET WORTH (Unit : Rupees in '000)

Year Ended	Amount	Change
March 31, 2011	37080	41.90%
March 31, 2010	26131	755.94%
March 31, 2009	3052	---



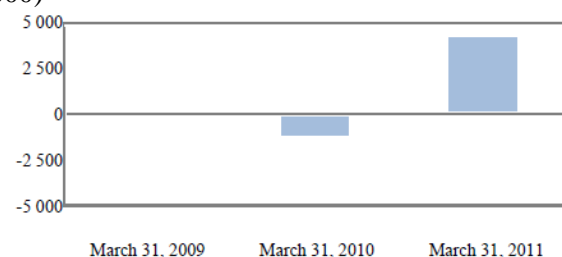
2) OPERATING INCOME (Unit : Rupees in '000)

Year Ended	Amount	Change
March 31, 2011	185190	282.85%
March 31, 2010	48372	---
March 31, 2009	---	---



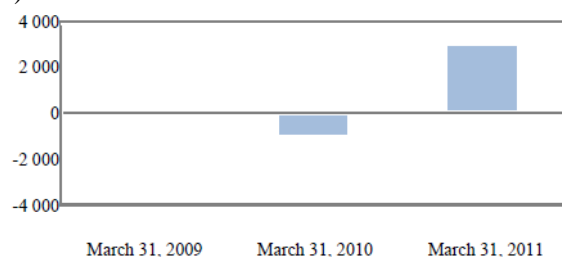
3) PROFIT BEFORE TAX (Unit : Rupees in '000)

Year Ended	Amount	Change
March 31, 2011	4625	647.22%
March 31, 2010	-845	---
March 31, 2009	---	---



4) PROFIT AFTER TAX (Unit : Rupees in '000)

Year Ended	Amount	Change
March 31, 2011	3149	571.20%
March 31, 2010	-668	---
March 31, 2009	---	---



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(9)BALANCE SHEET

(Unit : Rupees in '000)

For the Year Ending :	March 31, 2011	March 31, 2010	March 31, 2009
SOURCES OF FUND			
Net Worth	37 080.94	26 131.65	3 052.97
- Paid-up Equity Capital	7 180.00	7 180.00	3 255.50
- Reserves & Surplus	22 100.94	19 620.00	---
- Accumulated Losses (-)	---	-668.35	-202.53
- Share Application Money	7 800.00	---	---
Total Borrowings	49 548.39	25 474.33	---
- Secured Loans	4 640.30	1 694.10	---
- Unsecured Loans	44 908.09	23 780.23	---
Deferred tax liabilities	1 255.99	---	---
TOTAL	87 885.32	51 605.98	3 052.97
USES OF FUND			
Gross Fixed Assets	76 633.45	39 171.28	---
Less : Cumulative Dep.	12 350.02	3 734.09	---
Net Fixed Assets	64 283.43	35 437.19	---
Capital Work in Progress	---	13 510.00	6 375.47
Deferred Tax Assets	---	176.96	
Current Assets, Loans & Adv.	81 557.92	85 237.65	35.29
- Cash & Bank Balance	1 561.21	58.14	35.29
- Sundry Debtors	22 536.96	854.72	---
- Inventories	51 291.43	70 294.25	---
- Other Current Asset	4 684.30	8 710.58	---
- Adv/Loans to Corporate Bodies	1 484.02	5 319.96	---
Less: Current Liab. & Prov.	57 956.03	82 755.82	3 357.79
- Other Current liabilities	20 181.07	82 755.82	3 357.79
- Sundry Creditors	36 871.77	---	---

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- Provisions	903.19	---	---
Net Current Assets	23 601.89	2 481.83	-3 322.50
TOTAL	87 885.32	51 605.98	3 052.97

•SCHEDULES TO BALANCE SHEET

(Unit : Rupees in '000)

For the Year Ending :	March 31, 2011	March 31, 2010	March 31, 2009
Debtors Others	22 536.96	854.72	---
SUNDRY DEBTORS	22 536.96	854.72	---

(10)PROFIT AND LOSS A/C

(Unit : Rupees in '000)

For the Year Ending :	March 31, 2011	March 31, 2010	March 31, 2009
INCOME	185 394.59	49 364.75	---
- Operating Income	185 190.97	48 372.27	---
- Other Income	203.62	992.48	---
EXPENSES	170 013.17	46 265.49	---
- Raw Materials,Stores,etc	142 250.17	29 346.04	---
- Other Operating Expenses	13 567.48	9 060.29	---
- Administrative Expenses	8 302.91	2 369.45	---
- Wages & Salaries	5 863.00	3 646.09	---
- Selling Expenses	---	1 641.09	---
- Preliminary Expenses	---	202.53	---
- Exceptional Items	29.61	---	---
PBDIT	15 381.42	3 099.26	---
Less: Financial Charges	2 139.83	210.47	---
PBDT	13 241.59	2 888.79	---
Less: Depreciation	8 615.93	3 734.09	---
PBT	4 625.66	-845.30	---
Less: Tax Provision	1 476.37	-176.95	---
PAT	3 149.29	-668.35	---

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• **SECURED LOAN** (Unit : Rupees in '000)

For the Year Ending :	March 31, 2011	March 31, 2010
Vehicle Loan - HDFC Bank	1 220.10	1 694.10
Machinery Loan - Reliance Consumer Finance	3 420.20	
TOTAL	4 640.30	1 694.10

• **UNSECURED LOAN** (Unit : Rupees in '000)

For the Year Ending :	March 31, 2011	March 31, 2010
From Directors	4 400.00	3 600.00
From Other Companies	28 008.09	20 180.24
Security Deposit from Suppliers	12 500.00	
TOTAL	44 908.09	23 780.24

(11) COMMENTS ON FINANCES

Latest Financial Trends (As procured from Mr. Sanjeev Varshney, Manager - Accounts & Finance of the subject)

 Turnover (Rs. in '000)

Rs. 360 000. - (Projected) for the FY 2011-2012. (Already achieved turnover of Rs. 12.Crores so far in the ongoing financial year)

Notes:

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- * Profit & Loss account was not available in the official registry records for the FY 2008-09.
 - * Mr. Sanjeev Varshney claimed the subject has started its commercial activities in July 2009. He further updated that M/s. DSM and Associates is the new auditor of the subject.

Source of information:

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- * The information provided in this report is largely based on the information procured from the subject's records file at Official Registry Records (ROC).
 - * Other operational information was procured & confirmed from Mr. Sanjeev Varshney, Manager - Accounts & Finance of the subject, during the course of a telephonic interview.

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(12)KEY RATIO

SOLVENCY RATIOS	March 31, 2011	March 31, 2010	March 31, 2009
Current Ratio	1.41	1.03	0.01
Quick Ratio	0.52	0.18	---

Current Ratio - A measure of short term solvency i.e. ability to meet the short term obligations by matching current assets against current liabilities. Ideal current ratio is 2: 1 (2.0). However, a very high ratio indicates availability of idle cash and is not a good sign.

Quick Ratio - A measure of the amount of liquid assets available to offset current liabilities. The ratio is 1:1 (1.0), the business is said to be in a liquid condition. The larger the ratio, the greater the liquidity.

LEVERAGE RATIOS	March 31, 2011	March 31, 2010	March 31, 2009
Debt Ratio	0.74	0.81	0.52
Debt Equity Ratio	1.34	0.97	---
Current Liabilities / Net Worth	1.56	3.17	1.10
Fixed Asset/ Net Worth	1.73	1.36	---
Interest Coverage Ratio	3.16	-3.02	---

Debt Ratio - A ratio that indicates what proportion of debt a company has relative to its assets. A debt ratio of greater than 1 indicates that a company has more debt than assets. The debt ratio can help investors determine a company's level of risk.

Debt Equity Ratio - The debt-to-equity ratio is a measure of the relationship between the short term & long term debts and the capital contributed by shareholders. A ratio of 1:1 is usually considered to be satisfactory ratio.

Current Liabilities /Net Worth - This ratio indicate the amount due to creditors within a year as a percentage of the owners or stockholders investment. The smaller the net worth, larger the liabilities, resulting in less security for creditors.

Fixed Asset/ Net Worth - The ratio indicates the extent to which shareholder's funds are invested into the fixed assets. If this ratio is unusually large, a company may be overinvested in fixed assets and vice versa if it is small it may limit the company's ability to produce profits. A ratio of .75 or higher is usually undesirable.

Interest Coverage Ratio - A ratio used to determine how easily a company can pay interest on outstanding debt. It measures the margin of safety for the lenders. The higher the number, more secure the lender is in respect of periodical interest.

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EFFICIENCY RATIOS	March 31, 2011	March 31, 2010	March 31, 2009
Average Collection Days	44.42	6.45	---
Accounts Receivable Turnover	8.22	56.59	---
Average Payment Days	94.61	---	---
Inventory Turnover	3.61	0.69	---
Asset Turnover	2.88	1.37	---

Average Collection Days - The approximate amount of time that it takes for a business to receive payments owed, in terms of receivables, from its customers and clients. Possessing a lower average collection period is seen as optimal.

Accounts Receivable Turnover - The accounting measure used to quantify a firm's effectiveness in extending credit as well as collecting debts. A high ratio implies either that a company operates on a cash basis or that its extension of credit and collection of accounts receivable is efficient.

Average Payment Days - The average payment days represents the number of days taken by the company to pay its creditors. A lower credit period ratio signifies that the creditors are being paid promptly. However a very favorable ratio to this effect also shows that the business is not taking the full advantage of credit facilities allowed by the creditors.

Inventory Turnover - A ratio showing how many times a company's inventory is sold and replaced over a period. A low turnover implies poor sales and, therefore, excess inventory. A high ratio implies either strong sales or inefficient buying.

Asset Turnover - Asset turnover ratio measures the efficiency of a company's use of its assets in generating sales revenue or sales income to the company. The higher the number the better.

PROFITABILITY RATIOS	March 31, 2011	March 31, 2010	March 31, 2009
Operating Profit Margin	3.65	-1.31	---
Net Profit Margin	1.70	-1.38	---
Return on Total Assets	2.16	-0.50	---
Return on Equity	8.49	-2.56	---

Operating Profit Margin - The operating profit margin ratio is a measure of overall operating efficiency of a company. It is expressed as a percentage of sales and shows the efficiency of a company for controlling the costs and expenses associated with business operations.

Net Profit Margin - Net Profit Margin ratio is calculated by dividing net profit by operating income. It measures how much out of every unit of sales a company actually earns profit. The higher the ratio the better.

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Return on Total Assets - *The Return on Assets of a company determines its ability to utilize the Assets employed in the company efficiently and effectively to earn a good return. The greater a company's earnings in proportion to its assets the more effectively that company is said to be using its assets.*

Return on Equity - *Return on equity measures the return on the ownership interest of the common stock owners. It measures a firm's efficiency at generating profits from every unit of shareholders' equity.*