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SME Rating Agency of India Ltd.

NSIC - D&B - SMERA Rating Report

QUALIDELS

No. C - 88, 3rd Cross, 3rd Stage,
Peenya Industrial Area,
Bangalore - 560 058
Karnataka
India

Date of Report : **/**/**** *

Legal Form : Partnership Firm

NSIC - D&B - SMERA Rating : SE 3B				
RATING INDICATOR				
	Financial Strength			
		High	Moderate	Low
Performance Capability	Highest	SE 1A	SE 1B	SE 1C
	High	SE 2A	SE 2B	SE 2C
	Moderate	SE 3A	SE 3B	SE 3C
	Weak	SE 4A	SE 4B	SE 4C
	Poor	SE 5A	SE 5B	SE 5C

* This rating is a one-time exercise and does not envisage automatic surveillance. This rating is valid for a period of one year; subject to however, no significant changes / events occur during that period which could materially affect the business and financials parameters of the organization / project. SMERA recommends that the user of the rating may seek a review of the rating, if the rated entity experiences significant changes / events in the business. Recommended for review in next financial year.



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SNAPSHOT

D&B D-U-N-S® Number	91-555-5592
Entity Name	QUALIDELS
Head Office & Factory Address	No. C - 88, 3rd Cross, 3rd Stage, Peenya Industrial Area, Bangalore - 560 058 Karnataka India
Telephone	(91) (80) (41177538) (91) (80) (41177980)
Fax	(91) (80) (41744463)
Website	www.qualidels.com
Email	qualidels@gmail.com info@qualidels.com info.qualidels@gmail.com
Line of Business	Manufacturing of Mould Bases, Diesets and Machine Tool Components. (This will appear as a Line of Business in the Rating Certificate)
Chief Executive	Mr. Ravikiran Kulkarni Partner (The above captioned name will be appearing in the Rating Certificate)
NSIC -- D&B -- SMERA Rating	SE 3B
SSI Registration Number	08/01/AB-06365/PMT/TINY
Establishment Year	2003
Total Employees	12
Category of Promoters	General
Sales Territory	Local
Last Income Tax filing Date	30/Sep/2009
Last Financial Statement Date	31/Mar/2009



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COMPARATIVES - FINANCIAL SNAPSHOT

Statement End Date	31/Mar/2007	31/Mar/2008	31/Mar/2009
Current Assets	2,429	2,695	3,031
Current Liabilities	1,444	2,128	2,227
Working Capital	985	567	804
Other Tangible Assets	1,730	1,658	1,623
Non-Current Liabilities	800	731	816
Tangible Net Worth	1,915	1,494	1,611
Secured Loans	302	256	0
Unsecured Loans	465	565	816
Cash & Bank	449	16	132
Accounts Receivable	1,620	1,700	1,990
Fixed Assets	1,730	1,658	1,623
Accounts Payable	1,031	1,266	1,658
Inventory	15	16	365
Income	4,592	5,227	7,204
Net Profit after Tax	(93)	4	149



BACKGROUND

Qualidels (hereinafter referred to as the subject) was established in the year 2004 as a partnership firm. At present the management is vested in the hands Mr. Ravikiran Kulkarni & Mr. S.V. Chari.

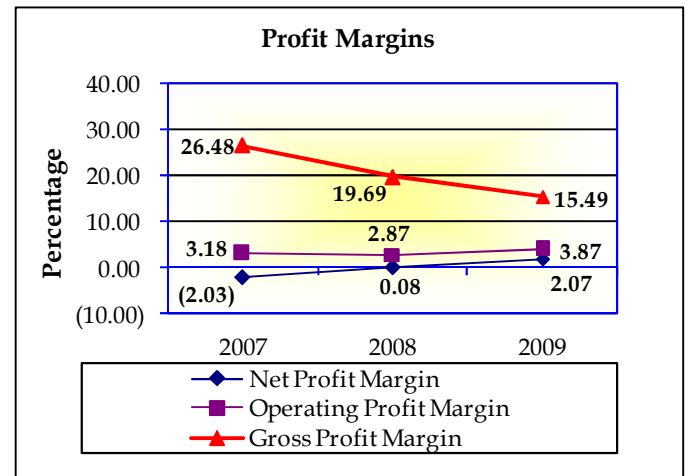
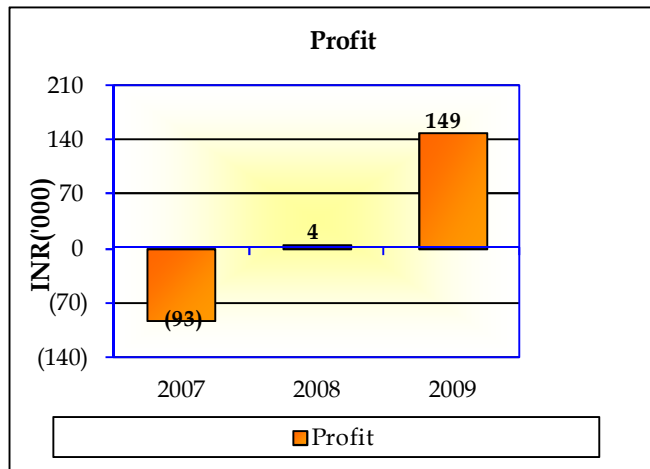
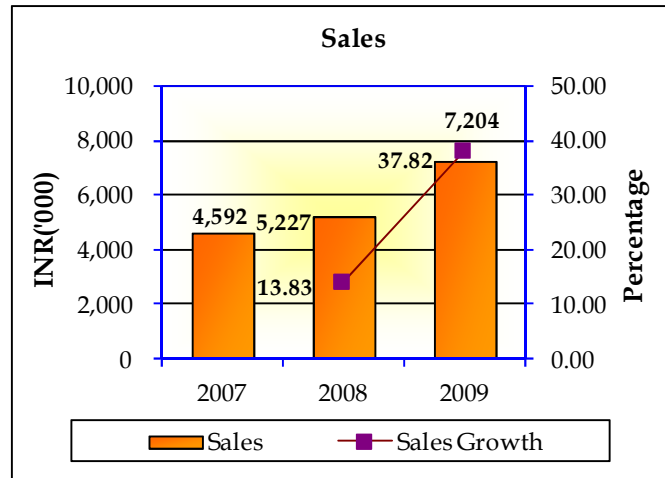
SALIENT FEATURES

STRENGTHS	RISK FACTORS
<ul style="list-style-type: none"> • Mr. Ravikiran Kulkarni, partner has around two decades of experience in similar line of business • The revenue has increased during the period under study • Better immediate solvency position as on 31/Mar/2009 	<ul style="list-style-type: none"> • High collection period and account payable days when compared to management policy in FY 2009 • Supplier concentration risk – subject purchases 60% from Perfect Alloy & Steels and 20% from Multiple Special Steel Private Limited indicating supplier concentration risk

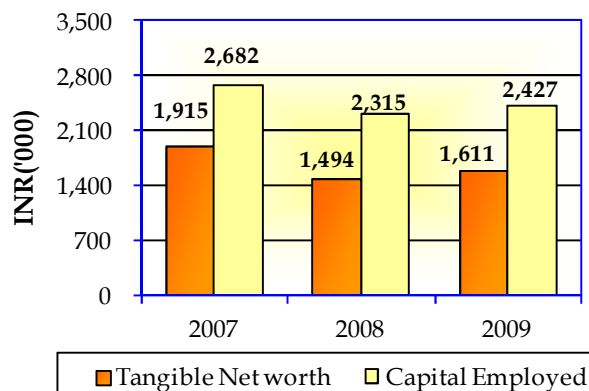
OTHER INFORMATION

- The gross profit of the subject has declined during the period under study
- The operating profit of the subject has uneven trend
- The debt equity ratio of the subject was 0.51 as on 31/mar/2009

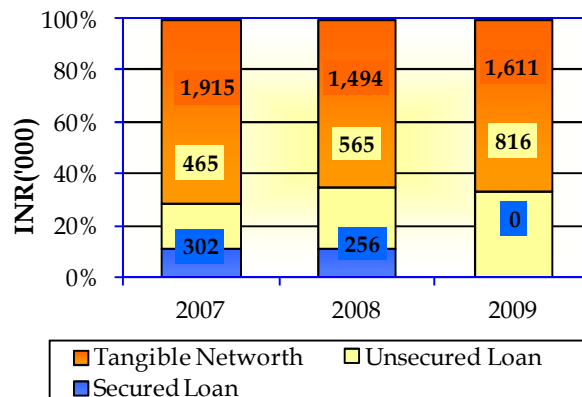
FINANCIAL TREND



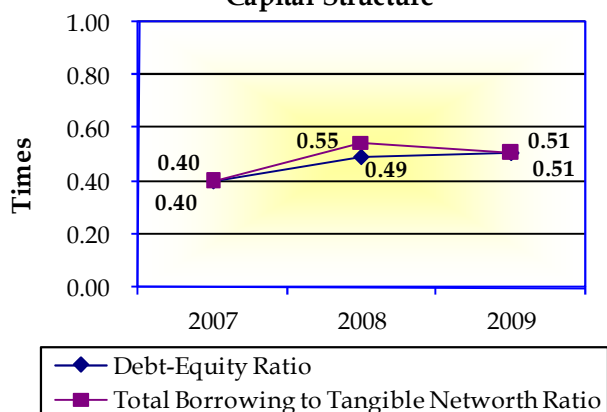
Tangible Network Vs Capital Employed



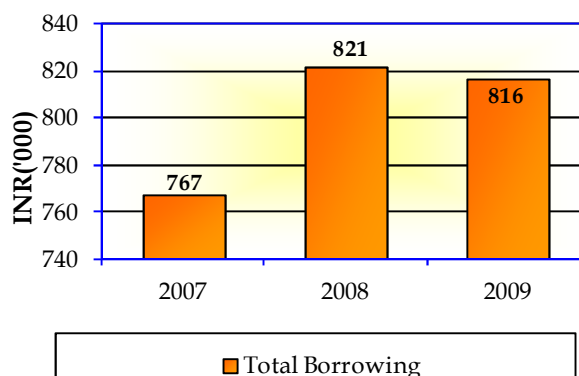
Capital Employed Pattern



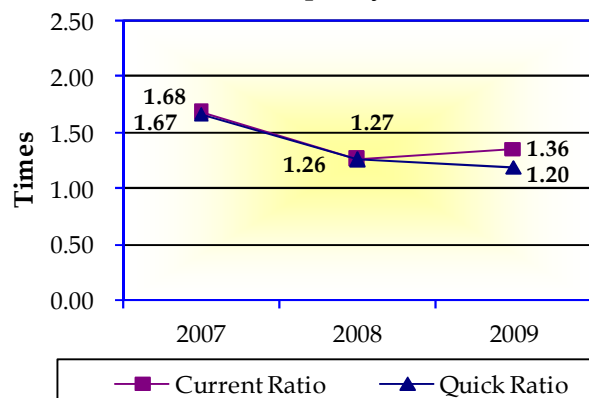
Capital Structure



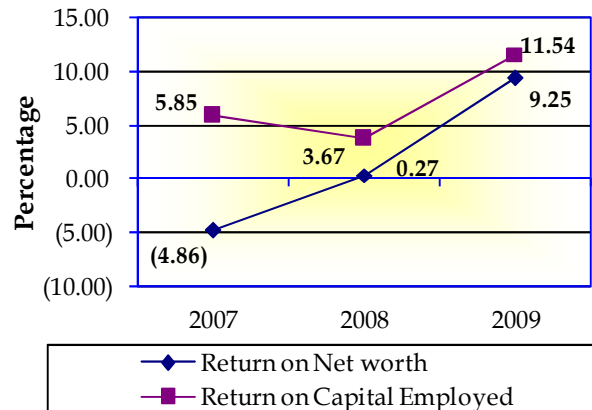
Total Borrowing



Liquidity



Returns





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FISCAL BALANCE SHEET (IN INDIAN RUPEES THOUSANDS)

Statement End Date	31/Mar/2007	31/Mar/2008	31/Mar/2009
<u>Assets</u>			
<u>Current Assets</u>			
Cash & Bank	449	16	132
Inventory / Work-in-Progress	15	16	365
Accounts Receivable	1,620	1,700	1,990
Other Current Assets	345	963	544
Total Current Assets	2,429	2,695	3,031
<u>Fixed Assets</u>			
Plant & Equipment	1,693	1,629	1,592
Other Fixed Assets	37	29	31
Total Fixed Assets	1,730	1,658	1,623
<u>Total Assets</u>	4,159	4,353	4,654



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<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts Payable	1,031	1,266	1,658
Secured Loans From Banks / Financial Institutions	0	90	0
Advances from Customers	34	0	315
Other Current Liabilities	379	772	254
Total Current Liabilities	1,444	2,128	2,227
<u>Non-Current Liabilities</u>			
Secured Loans From Banks / Financial Institutions	302	166	0
Unsecured Loans from Others	465	565	816
Other Non-Current Liabilities	33	0	0
Total Non-Current Liabilities	800	731	816
<u>Equity</u>			
Capital	1,915	1,494	1,611
Total Equity	1,915	1,494	1,611
<u>Total Liabilities</u>	4,159	4,353	4,654



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PROFIT & LOSS ACCOUNT (FIGURES IN THOUSANDS OF INDIAN RUPEES)

Financial Year	2007	2008	2009
Months covered by P/L	12	12	12
Income	4,592	5,227	7,204
Cost of Sales	(3,376)	(4,198)	(6,088)
Employee cost	(666)	(852)	(883)
Rent / Repairs and maintenance	(206)	(166)	(215)
Electricity Charges	(158)	(132)	(137)
Job Work charges	(953)	(1,413)	(1,736)
Other Direct Expenses	(32)		(87)
Raw Material consumption cost	(1,361)	(1,635)	(3,030)
Gross Profit	1,216	1,029	1,116
Depreciation/Amortization	(252)	(252)	(277)
General operating expenses	(818)	(627)	(560)
Net Operating Profit (Loss) after depreciation and Before interest	146	150	279
Other Non operating Income	11	2	1
Finance expenses	(250)	(81)	(131)
Net Profit before Tax	(93)	71	149
Income Tax	0	(67)	0
Current Tax		(67)	
Net Profit after Tax	(93)	4	149



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FINANCIAL RATIOS

	2007	2008	2009
<u>Growth Ratios</u>			
Sales Growth (%)	-	13.83	37.82
Net Profit Growth (%)	-	-	3,625.00
<u>Turnover Ratios</u>			
Collection Period (Days)	149	189	123
Account Payable Days	276	282	179
Sales to Inventory (times)	306	327	20
Assets to Sales (%)	90.57	83.28	64.60
Sales to Net Working Capital (times)	5	9	9
Fixed Assets Turnover Ratio	2.65	3.15	4.44
<u>Profitability Ratios</u>			
Gross Profit Margin (%)	26.48	19.69	15.49
Operating Profit Margin (%)	3.18	2.87	3.87
Net Profit Margin (%)	(2.03)	0.08	2.07
Return on Assets (%)	(2.24)	0.09	3.20
Return on Networth (Return on Equity) (%)	(4.86)	0.27	9.25
Return on Capital Employed	5.85	3.67	11.54
<u>Liquid Ratios</u>			
Quick Ratio	1.67	1.26	1.20
Current Ratio	1.68	1.27	1.36
<u>Gearing & Solvency Ratios</u>			
Fixed Assets to Tangible Networth (%)	90.34	110.98	100.74
Current Liabilities to Tangible Networth (%)	75.40	142.44	138.24
Total Liabilities to Tangible Networth (%)	117.18	191.37	188.89
Total Borrowing to Tangible Networth Ratio (times)	0.40	0.55	0.51
Debt Equity Ratio (times)	0.40	0.49	0.51
Interest Coverage Ratio (times)	0.00	0.00	2.38



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OTHER COMMENTS

(Kindly provide the INR value of debtors outstanding more than six months as on 31/Mar/2009)

AUDITOR

FY 2009

M N S & Co., (Chartered Accountants)

No. L - 89, 15th Cross, 6th Sector,
H.S.R. Layout,
Bangalore - 560 102
Karnataka
India

FY 2007 & 2008

T. Ramachandran & Co., (Chartered Accountants)

No. 203 - 204, Jayam Complex,
2nd Floor, Sampige Road,
Malleshwaram,
Bangalore - 560 003
Karnataka
India



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BANK

Information in this report may not represent the full extent of subject's bank relationships.

(Kindly provide confidential letter from the City Union Bank Limited in the prescribed format)

Name of the Bank	City Union Bank Limited
Branch	Malleshwaram Branch
Dealing since	(Kindly provide)

The subject enjoys the following credit facility from the bank as on **/**/**.

(INR in Lakhs)

Facilities availed	Amount Sanctioned	Amount Disbursed	Amount Outstanding
Cash Credit / Working Capital Demand Loan	***	***	***
Any Other Fund Based	***	***	***
Non-Fund Based	***	***	***
Total	***	***	***

Primary Security	Hypothecation of Machinery
Collateral Security	(Kindly provide)
Other Security	(Kindly provide)



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INSURANCE

(Kindly provide a copy of unexpired insurance policy, if any taken on company's assets)

Name of the Company	***
---------------------	-----

The Subject has taken the benefits of the Insurance Policy, which are as follows:

Type of Insurance	Insured Amount (INR)	Goods Insured	Period of Insurance	
			From	To
***	***	***	**/**/****	**/**/****
***	***	***	**/**/****	**/**/****

PROFIT/LOSS SHARING RATIO:

Name of Partner	Profit / Loss Sharing Ratio
Ravikiran Kulkarni	50.00
S.V. Chari	50.00
Total	100.00

Profit/Loss Sharing Ratio as on	(Kindly provide)
---------------------------------	------------------

PARTNERSHIP CAPITAL: INR 1,611 (in thousands) as on 31/Mar/2009



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PARTNERS DETAILS

(Kindly provide photo)

Name	Ravikiran Kulkarni
Year of Birth	1968
Current Designation	Partner Head - Administration Head - Purchase/Materials Head - Human Resource Development Head - Finance Head - Information Technology
Appointed to Present Position	23/Feb/2004
Started with Subject	23/Feb/2004
Qualification	Diploma in Mechanical Engineering (PDTD)
Related Experience since	1990
Active in daily operations	Yes
Founder of Subject	Yes
Address	No.151, 1 st Main, 1 st Cross, Kalyana Nagar, Mudalapalya, Bangalore - 560 072 Karnataka India (Kindly confirm)
Permanent Account Number	AGSPK2683F
Mobile number	(91) (9686862600)
Email	(Kindly provide personal email ID)
Networth as on **/**/**** (Kindly provide the date)	(Kindly provide)

OTHER DIRECTORSHIPS / PARTNERSHIPS / PROPRIETORSHIPS

(Kindly provide Other Directorships / Partnerships / Proprietorships, if any)

Employed	Position Held
***	***
***	***

EMPLOYMENT HISTORY

(Kindly provide other employment history, if any)

Period	Entity employed	Last position held
**** To ****	***	***
**** To ****	***	***

(Kindly provide photo)

Name	S.V. Chari
Year of Birth	1956 (Kindly confirm)
Current Designation	Partner
Appointed to Present Position	(Kindly Provide)
Started with Subject	(Kindly Provide)
Qualification	(Kindly Provide)
Related Experience since	(Kindly Provide)
Active in daily operations	No
Founder of Subject	Yes
Address	Ahobilam, No.1, Amarjohi Layout, Sanjay Nagar, Bangalore – 560 094 Karnataka India
Permanent Account Number	(Kindly Provide)
Mobile number	(Kindly Provide)
Email	(Kindly provide personal email ID)
Networth as on **/**/**** (Kindly provide the date)	(Kindly provide)

OTHER DIRECTORSHIPS / PARTNERSHIPS / PROPRIETORSHIPS

(Kindly provide other directorships/partnerships/ proprietorships, if any)

Employed	Position Held
***	***
***	***

EMPLOYMENT HISTORY

(Kindly provide other employment history, if any)

Period	Entity employed	Last position held
**** To ****	***	***
**** To ****	***	***

DEPARTMENTAL HEADS

(Kindly provide year of joining for the departmental heads)

Executive Name	Position Held	Qualification	Year of Joining
Purshotam Reddy	Head - Marketing	Degree in Plastic Engineering	***
Nandish	Head - Manufacturing/Works	Diploma in Mechanical Engineering	***

OPERATIONS

The subject is engaged in Manufacturing of Mould Bases, Diesets and Machine Tool Components.

PRODUCTS

Manufacture of Mould Bases, Die Sets, Ground Plates and Accessories



Manufacturers of Precision Machine Tool Components and Sub Assemblies



Design and Manufacture of Pneumatic, Hydraulic and Manual Operated Fixtures



Design and Manufacture of Plastic Moulds and Press Tools



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Specialized in Glass Bead Blasting



PRODUCT CONTRIBUTION TO TOTAL SALES

(Kindly provide percentage wise product contribution to total sales for the FY 2007, FY 2008 & FY 2009)

Product Name	Product Contribution To Total Sales (%)		
	FY 2007	FY 2008	FY 2009
Mould Bases, Die Sets, Ground Plates and Accessories	***	***	***
Precision Machine Tool Components and Sub Assemblies	***	***	***
Pneumatic, Hydraulic and Manual Operated Fixtures	***	***	***
Others	***	***	***
Total	100.00	100.00	100.00



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BUSINESS RELATIONS (if any)

(Kindly provide business relations, if any)

Principal Name	Subject as	Description	Length of relationship (Years)
***	***	***	***
***	***	***	***

PURCHASES

	FY 2007	FY 2008	FY 2009
	(%)	(%)	(%)
Indigenous	100	100	100

PURCHASING TERMS

Domestic	Cash Advance Open Account : 30 to 45 days
----------	---

SUPPLIERS

Suppliers Name and Location	Length of relationship (Years)	% share in Purchases
Perfect Alloy & Steels, India	4	60
Multiple Special Steel Private Limited, India	4	20
Qualitech Systems, India	4	6



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SALES

	FY 2007	FY 2008	FY 2009
	(%)	(%)	(%)
Domestic	100	100	100

SELLING TERMS

Domestic	Open Account 60 days
----------	----------------------

CUSTOMERS

Subject maintains 25 to 30 accounts / customers.

MAJOR CUSTOMER TYPES

Manufacturer(s)

MAJOR CUSTOMERS

Customer Name and Location	Length of relationship (Years)	% share in Sales
Omni Matrix Private Limited, India	2	10
Toyota Kirloskar Auto Parts Private Limited, India	5	10
Lakshmi Designers, India	3	10



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LIST OF ORDERS IN HAND AS ON **//****(Kindly provide list of orders in hand as on date)**

Name of the Customer	Product Description	Quantity (in units)	Order Value (in INR)
***	***	***	***
***	***	***	***
Total		***	***

EMPLOYEE(s) DETAILS

Staff is shared with Group/Related Companies: Yes/No (Kindly provide)

	FY 2010	FY 2009
Total Employees	12	12
Permanent	12	12
Contractual	-	-

PRODUCTION DETAILS

(Kindly provide production details for FY 2007, FY 2008 & FY 2009, if any)

FY 2009

Product Description	Actual Output	Production Capacity	% utilized
***	***	***	***

FY 2008

Product Description	Actual Output	Production Capacity	% utilized
***	***	***	***

FY 2007

Product Description	Actual Output	Production Capacity	% utilized
***	***	***	***



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GROUP COMPANIES

(Kindly provide group companies, if any)

Name & Address	Line of Business	Key Financials for the FY ****			
		Net Sales	Net Profit	Total Debt	Total Networth
***	***	***	***	***	***
***	***	***	***	***	***

SUBSIDIARY / AFFILIATES/ASSOCIATES

(Kindly provide subsidiary / affiliates/associates, if any)

Entity Name	Address	Line of Business	% of shares held
***	***	***	***



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CIBIL DEFAULTERS LIST

As observed from the CIBIL Defaulters list that is publicly available, the subject is not enlisted as a defaulter.

AWARDS / REGISTRATIONS / MEMBERSHIPS / CERTIFICATES

Certificates	Membership/Registration/Consent	Date of Expiry
VAT	29580222114	-
KST	78335632	-
PAN	AAAFQ1672L	-
Certificate of Importer - Exporter Code (IEC)	0705020720	-
Pollution Control Certificate (AIR)	(Kindly provide)	(Kindly provide)
Pollution Control Certificate (WATER)	(Kindly provide)	(Kindly provide)


SITE VISIT COMMENTS CONDUCTED ON HEAD OFFICE & FACTORY

Address	No. C - 88, 3 rd Cross, 3 rd Stage, Peenya Industrial Area, Bangalore - 560 058 Karnataka India
Size of Premise	Land - 1,500 square feet Building - 1,500 square feet
Site Details Type	Industrial Area
Site Location	Main Road
Location Used As	Administrative & Factory
Kind of Buildings	Permanent Structure
On Floor	Ground Floor
Total Floors in Building	Ground Floor
Type of Occupation	Rented
Owners Name	Mr. A. Subash
Does Group Companies share the Office	No
Is the office furnished	Yes
Any Fire Extinguishers	Yes
No. of people working at this location	12
Do Partners sit at the site location	Yes
Were Partners present at the time of interview	Yes
Are there any competitors around	Yes
Names of competitors	DME HASCO Vishal
Are there any boards / nameplates outside the premises	Yes, City Union Bank, Malleswaram Branch
Power Load Available	60 HP
Major Raw Materials	Steel, Alloy Steel
No. of shifts that the unit is operating	Two Shifts
<u>Site equipped with following facilities:</u>	
Telephone	Yes
Fax	Yes
Internet	Yes
Printer	Yes
Modem	Yes
Power Back up	No
UPS	Yes



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Security Guards	No
Signage, name plates	Yes
Name of the Executive contacted	Mr. Ravikiran Kulkarni Partner

CURRENT INVESTIGATION

On **/**/2010, Mr. *****, Designation, confirmed all information in this report.



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CURRENCY: All amounts in this report are in local currency unless otherwise stated.

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