

CIN: L51109GJ2007PLC050404

Date: 10.07.2019

To,  
Listing Department,  
The Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Fort, Mumbai-400001

**SCRIP CODE: 540404**

Dear Sir/Madam

**SUB.: "SMERA RATINGS LIMITED" HAS ASSIGNED MSE RATING -1 (HIGHEST RATING) TO PRIME CUSTOMER SERVICES LIMITED**

We have received Credit Report from SMERA ratings Limited on 08.07.2019 and according to it we are pleased to inform you that SMERA has assigned the highest rating to our Company as MSE Rating -1 which indicates highest credit worthiness in relation to other MSEs. It is also reflects Solid Financial, Business and Management strength of the Company.

This is in compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

You are requested to update records accordingly.

Thanking you,

Yours faithfully,

**For Prime Customer Services Limited**



Riya Doshi  
Company Secretary



**Encl.:**

1. Credit Rating Certificate by SMERA RATINGS LIMITED
2. Credit Rating Report



This is to certify that  
**Prime Customer Services Limited**  
has been assigned  
a SMERA-D&B Performance & Credit Rating

**SMERA MSE 1**

This rating indicates Highest credit worthiness in relation to other MSEs

D&B D-U-N-S® Number: 86-003-2121

Location: Ahmedabad

Entity Type: Limited

This Rating is valid from Jun 29, 2019 to Jun 27, 2020



To verify this certificate click:  
[www.smeraonline.com/verify-certificate-860032121](http://www.smeraonline.com/verify-certificate-860032121)  
or scan the QR Code

For SMERA  
A Division of Acuité Ratings & Research Limited

Sankar Chakraborti  
Chief Executive Officer

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## SMERA-D&B SME RATING

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Rating Report for Micro & Small Enterprises  
**Prime Customer Services Limited**



To verify the rating, please scan the QR Code

### SMERA MSE 1

(Highest Credit  
Worthiness in relation to  
other MSEs)

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Date of Report:  
June 29, 2019

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Valid Till:  
June 27, 2020

D-U-N-S® Number  
**86-003-2121**

## BENEFITS OF RATING TO MSMEs

### **Independent Third Party Opinion**

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

### **Access to Funding**

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

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

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

### **Self-improvement Tool**

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

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# RATING OF PRIME CUSTOMER SERVICES LIMITED

## Rating Assigned

MSE 1	Highest credit worthiness in relation to other MSEs
MSE 2	High credit worthiness in relation to other MSEs
MSE 3	Good credit worthiness in relation to other MSEs
MSE 4	Above average credit worthiness in relation to other MSEs
MSE 5	Average credit worthiness in relation to other MSEs
MSE 6	Below average credit worthiness in relation to other MSEs
MSE 7	Weak credit worthiness in relation to other MSEs
MSE 8	Poor credit worthiness in relation to other MSEs



To verify the rating,  
please scan the QR Code

## KEY RATING DRIVERS

### Business and Management

#### Strengths

- **Promoter experience in industry:** The directors have over 2 decades of experience in the industry.
- **Operational track record:** The Company has operational track record of 12 years as it was incorporated in the year 2007.
- **Geographical reach & reputed client base:** The Company caters to a diversified customer base across India, UK, Middle East, Malaysia and Netherland among others. They have a client base comprising entities like Reliance fresh, Tata Star Bazaar, Hyper City, Gujarat Tea Processors & Packers Limited, Intas Pharmaceuticals Limited, and Agility Logistics Private Limited & Reliance Retail Limited among others.

#### Risk Factors

- **Competitive industry:** The Company operates in a highly fragmented industry wherein large numbers of organized & un-organized players are present, increasing competition for the unit.

## Financial Aspects

### Strengths

- **Increasing trend in Revenue:** The Company has recorded sales of Rs. 4317.76 lakhs for FY 2018-19, Rs. 3611.60 lakhs for the FY 2017-18 & Rs. 2386.83 lakhs for FY 2016-17.
- **Profit Margin:** Operating profit margin of the company stands at 4.79% & the net profit at 2.92% for FY 2018-19 as against 4.37% and 2.77% respectively for FY 2017-18.
- **Debt protection metrics:** Financial risk profile of the company marked by debt to equity ratio of 0.27 times and interest coverage ratio of 7.26 times for FY 2018-19. The total borrowings stands at Rs. 240.47 lakhs and equity at Rs. 877.74 lakhs for FY 2018-19.
- **Liquidity Position:** The current ratio and quick ratio of the company stands at 2.91 times and 2.54 times respectively for FY 2018-19.
- **Cash Flow from operating activities:** Positive net cash flow from operating activities for the FY 2018-19.

### Risk Factors

- **Working capital management:** Increasing collection period which stands at 81 days for FY 2018-19 as against 66 days for FY 2017-18 and 36 days for FY 2016-17.



## BUSINESS PROFILE

### Industry

Activity	Services
Line of business	Engaged in Sourcing, Processing and Distribution of Agro Products
Industry	Storage & distribution
Degree of Competition in Industry	High
Location Advantage	No*

\*Note: No specific advantage available due to location

### Market Position

#### **Product / Service Range:**

- The company provides services like Warehousing Solutions & Services, C & FA Services, Ripening Chambers, Cold storage services, 3 PL (Manpower Management), Supply of Fresh Fruits & Vegetables, Re-pack & Packaging Facility, Distribution & Business Promotion.
- The core or the major revenue generator for the company is supplying Farm Fresh Fruits and Vegetables through multiple platforms.

#### **Brand:**

- The company sells and markets the products under the brand names “Fresh@home” and “Prime Fresh”.

#### **Distribution Network:**

- The company cater in B2B and B2C segment.
- The customer base of the company comprise of Distributor, Food processing companies, APMC and General grocery stores among others.
- Some of their customers are Reliance fresh, Tata Star Bazaar, Hyper City, Gujarat Tea Processors & Packers Limited, Intas Pharmaceuticals Limited, and Agility Logistics Private Limited & Reliance Retail Limited among others.

#### **Use of Technology:**

- The company is equipped with Ripening Centre, Cold storage chambers and Pre-cooling Chambers.

#### **Geographic Spread:**

- **Offices:** The Company has its registered office in Ahmedabad, the company also has branches/Processing unit/ warehouse in Mumbai, Pune, Gujarat, Rajasthan among others.
- **Clientele:** The company caters to a diversified customer base across India, UK, Middle East, Malaysia and Netherland among others.

## Operating Efficiency

### Capacity Utilization:

<b>Manufacturing Facilities (FY 2019)</b>	
Capacity Installed per annum	Not Applicable
Capacity Utilized per annum	Not Applicable
Capacity expansion planned per annum	Not Applicable

### Raw Material Purchase:

- Procurement of fresh fruits and vegetables is done from farmers / contract or lease farming, collection centers, local area aggregators / wholesalers, APMCs, F&V Companies and Importers.

### Internal Systems and Processes:

- The company uses Tally ERP software for accounting, inventory management and all the other process.
- The process starts with the procured material being supplied in PCSL's trucks from various designated areas or collection centers to the HUB (Central Processing Centre - Jamalpur) for further Processing. The further processing is made at HUB which includes Unloading, Sorting, Grading, Pre-cooling, Ripening, Stripping, and Packaging and delivery.

### Employee Strength:

<b>Persons Employed</b>	<b>Permanent: 290    Temporary: 00    Total: 290</b>
<b>Minimum Qualification of Employees</b>	Depends on the nature of job
<b>Recruitment Policy in Place</b>	Yes

## FINANCIAL PROFILE

Profit & Loss Account in FY2019 (in Rs. Lakhs)			
Particulars	FY2019	Y-O-Y Growth (%)	
Net Sales	4317.76	19.55	
COS	3977.61	18.99	
Gross Profit (Loss)	340.15	26.53	
General Operating Expenses	119.92	26.91	
OPBDIT	220.23	26.31	
Depreciation	13.21	(19.50)	
Finance Expenses	34.56	80.94	
Net Profit(Loss) After Tax	126.24	26.18	

Balance Sheet as on March 31, 2019 (in Rs. Lakhs)			
Particulars	FY2019	Y-O-Y Growth (%)	
Land & Buildings	0.00	-	
Plant & Machinery	39.80	(17.56)	
Total Fixed Assets	55.46	(18.47)	
Debtors	962.85	48.18	
Inventory / Work-in-Progress	182.08	(29.52)	
Creditors	285.26	16.44	
Debt	240.47	(15.14)	
Total Equity	877.74	16.80	

### Bank & Borrowing Details

<b>Bank Name</b>	Axis Bank
<b>Bank Branch / IFSC</b>	Corporate Banking Branch / UTIB0001530
<b>Account Number</b>	917030023672792
<b>Contact Person Name</b>	Details not available with SMERA
<b>Contact Number</b>	(079) 66147100
<b>Email ID</b>	Details not available with SMERA
<b>Facility Type</b>	Cash Credit
<b>Loan Amount (in Lakhs)</b>	₹ 265.00
<b>Interest Rate (%)</b>	10.00 (Approx.)
<b>Banking Conduct</b>	Not Available

## Major Financial Performance Indicators

<b>Financial Year</b>	<b>31/Mar/19</b>	<b>31/Mar/18</b>	<b>31/Mar/17</b>
Sales Growth (%)	19.55	51.31	-
Net Profit Growth (%)	26.18	208.70	-
Collection Period (Days)	81	66	36
Account Payable (Days)	32	32	15
Inventory Holding period (Days)	15	26	26
Gross Working Capital (Related to operation) to sales (Days)	120	129	200
Gross Profit Margin (%)	7.88	7.44	7.33
Operating Profit Margin (%)	4.79	4.37	3.13
Net Profit Margin (%)	2.92	2.77	1.36
Return on Net Worth (Return on Equity) (%)	14.38	13.32	4.98
Return on Capital Employed (%)	14.38	11.50	7.06
Current Ratio	2.91	2.01	1.68
Total Liabilities to Tangible Net Worth (%)	73.01	85.10	120.50
Total Debt to Equity Ratio	0.27	0.38	0.35
Long Term Debt Equity Ratio	0.17	0.00	0.00
Interest Coverage Ratio	7.26	9.01	2.62
DSCR (If Applicable)	2.50	9.31	3.08

## Financial Flexibility

<b>Financial Year</b>	<b>31/Mar/19</b>	<b>31/Mar/18</b>
Net Profit Before Tax And Extraordinary Items	172.93	139.65
Operating Profit Before Working Capital Changes	220.23	174.35
Net Cash from Operating Activities	85.79	(711.26)

## Accounting Quality

- As per the auditors opinion, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the states of affairs of the enterprise as at March 31, 2019, and profit & Loss and cash flow for the year ended on that date.
- The entity has filed its ITR within the stipulated time for the previous 3 financial years under study.
- The entity is regular in filing its GST returns within the stipulated time for the past 6 months.
- Proper books of accounts as required by the law have been kept by the enterprise.

### Details of Chartered Accountant (CA)

<b>Firm Name</b>	O P Bhandari & Co. (Chartered Accountants)
<b>Name</b>	CA O P Bhandari
<b>Membership no.</b>	034409
<b>Firm registration no.</b>	112633W

### Share Holding Pattern / Profit / Loss Sharing Ratio as on March 31, 2019

<b>Name of Proprietor/ Partner / Shareholders</b>	<b>Relation With The Promoter</b>	<b>Profit/Loss Sharing Ratio (%)</b>
Mr. Hiren Ghelani	Self	32.21
Mr. Hardik C Ghelani	-	6.29
Prosperity Securities Private Limited	-	5.50
Mr. Jinen Ghelani	-	5.38
N H Time Investment & Research	-	5.32
Others	-	45.30
<b>Total</b>		<b>100.00</b>

## PROJECT/PLAN DETAILS

### Previous Projects:

- As per the details provided by the management, the company entered into Farming through a Joint Project with Farmer in the year 2017, they also entered 3PL of Bakery business for Reliance Retail in the year 2018.

### On-going projects:

- As per the details provided by the management, the company has started export orders of mango.

### Future Projects:

- As per the details provided by the management, the company is planning to start direct export of mangoes.

## MANAGEMENT PROFILE

### Ownership Details

Name of the Proprietor/ Partner/ Director	Designation	Highest Qualification	No. of years of relevant experience	Employed with the unit since
Mr. Jinen C Ghelani	Chairman, MD & CFO	Bachelor of Commerce	23	2007
Mr. Hiren C Ghelani	Director	Post Graduate	20	2007
Mr. Sameer R Rajguru	Whole Time Director	Bachelor of Commerce & Intermediate CA	16	2016
Mrs. Neha J Ghelani	Director	Post Graduate	20	2007

### Independent Directors

- Mr. Brijesh Misra: He is the Non-Executive Independent Director. He is B.Sc. (Agri.) And M.S. (Agri.) In Horticulture. He has 3 decades of experience in generating, monitoring and managing sales of the products, licensing of central & state agriculture and quality control department, product trials & demonstrations and farmers meetings.
- Mr. Mihir Manek: He has extensive experience across various industries in India and globally. His expertise lies in global markets, understanding of procurement processes and network with large Indian corporate.
- Mr. Umesh Patel: He is the Non-Executive Independent Director. He has 30 years of experience in Food processing sector and APMCs trade in fruits and vegetables sector. His prior work experience is in food processing & has excellent procurement bandwidth in mangoes and tomatoes.
- Mr. Ravi Menon: Mr. Ravi Raghva Menon holds a post Graduate degree in Economics. He has 28 years of experience in banking, financial advisory, corporate advisory, asset management.

### Key Management Profile

Name of the Key Management Personnel	Designation	Highest Qualification	No. of years of relevant experience	Employed with the unit since
CS Riya Doshi	Company Secretary	Company Secretary	04	2019
Mr. Jayesh patel	HR – Head	Pre- University	15	2010

## Governance

- There are no adverse news and legal proceedings against the promoters or in the name of the enterprise as per Indian Kanoon, Watchout investor website and Google News as on June 29, 2019.
- The firm follows a clean historical record of compliance in following the statutory obligations like GSTR filing as on June 29, 2019.



## ENTITY FACT SHEET

Unit Name	Prime Customer Services Limited
Type of Organization	Limited
Year of Establishment / Commencement of Operations	2007/ March 30, 2007
Years of Operations	12
Registered Office Location	
Address Line 1	102, Sanskar-2, Near Ketav Pertol Pump
Address Line 2	Polytechnic Road, Ambawadi
City	Ahmedabad
State	Gujarat
PIN code	380015
Branch Offices	Yes
Contact No.	(91) 9594991918
Email ID	<a href="mailto:info@primecustomer.co.in">info@primecustomer.co.in</a> <a href="mailto:hiren_ghelani@yahoo.com">hiren_ghelani@yahoo.com</a>
Website	<a href="http://www.primecustomer.co.in">www.primecustomer.co.in</a>
Investment (Plant & Machinery/ Equipment's)	Rs. 39.80 Lakhs
Enterprise Classification as per MSME Act	Small Enterprise
Category of Entrepreneur	General
Registration number / CIN	L51109GJ2007PLC050404
UAM	GJ01E0087476
GSTIN	24AAECP2124P1ZD
PAN	AAECP2124P
NIC Code	10309
Rating History	Date: December 21, 2017 Rating: MSE 1 Agency: SMERA

## About SMERA

SMERA is a division of Acuité Ratings & Research Limited dedicated to providing SME ratings & grading services to MSMEs. Acuité began its operations in year 2005 as SME Rating Agency of India Limited, a joint initiative of Small Industries Development Bank of India (SIDBI), Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. Acuité is registered with the Securities and Exchange Board of India (SEBI) as a Credit Rating Agency and is accredited by Reserve Bank of India (RBI) as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. It is also empaneled for 'Performance & Credit Rating Scheme for Micro & Small Enterprises' of the Ministry of MSME, Government of India, administered by the National Small Industries Corporation (NSIC).

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