

**November 16, 2015**

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	5.00	SMERA C (Assigned)
Term Loan	3.00	SMERA C (Assigned)
Bank Guarantee	1.05	SMERA A4 (Assigned)

SMERA has assigned a long term rating of '**SMERA C**' (read as **SMERA C**) and short term rating of '**SMERA A4**' (read as **SMERA A four**) to the above mentioned bank facilities of Gopinath Spinning Private Limited (GSPL). The ratings are constrained by the company's below average financial risk profile marked by weak debt coverage indicators and stretched liquidity position. The aforementioned weaknesses are partially offset by the company's experienced management.

#### Rating Sensitivity Factors

- Timely servicing of term loan obligations
- Improvement in financial risk profile
- Efficient working capital management

#### About the Company

GSPL, incorporated in 2003 is a Vadodara-based company promoted by Yoginkumar Ashokbhai Patel. The company is engaged in the manufacture of combed cotton and blended yarn and the day-to-day operations of the company are managed by Mr. Kamlesh Patel, the managing director.

For FY2014-15, GSPL reported net losses of Rs.0.67 crore on operating income of Rs.26.95 crore as compared with net losses of Rs.0.88 crore on operating income of Rs.22.58 crore for FY2013-14.

#### Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development Tel: +91-22-6714 1191 Cell: +91-98208 02479 Email: <a href="mailto:antony.jose@smera.in">antony.jose@smera.in</a> Web: <a href="http://www.smera.in">www.smera.in</a>	Mohit Jain Vice President – Operations Tel: +91-22-67141106 Email: <a href="mailto:mohit.jain@smera.in">mohit.jain@smera.in</a>	Tel: +91-22-6714 1184 Email: <a href="mailto:ratingdesk@smera.in">ratingdesk@smera.in</a>

**Disclaimer:** A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.