

November 16, 2015

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

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.

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