



SMERA RATINGS LIMITED

Vinayak Ginning Pressing Private Limited (VGPPL)

*Rating
Rationale*

April 18, 2016

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	8.00	SMERA D (Assigned)
Term Loan	1.90	SMERA D (Assigned)

SMERA has assigned rating of '**SMERA D' (read as SMERA D)** on the Rs.9.90 crore bank facilities of Vinayak Ginning Pressing Private Limited (VGPPL). The rating reflects delays in repayment of term loan obligations and the stressed liquidity position due to continuous overdrawn in the cash credit account (for more than 30 days). The rating is also constrained by the significant decline in revenue in FY2015. However, the rating draws comfort from the experienced management.

About The Company

The Nagpur-based VGPPL was established in 2003 by Mr. Abhijeet Dudhane, Mr. Dinesh Vasani and Hitesh Vasani. The company is engaged in the ginning and pressing of cotton bales and has an installed manufacturing capacity of 200 cotton bales per day.

For FY2014-15, the company reported profit after tax (PAT) of Rs.0.03 crore on operating income of Rs.16.44 crore, as compared to PAT of Rs.0.10 crore on operating income of Rs.34.91 crore in the previous year.

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