

April 18, 2016

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	10.50	SMERA D (Assigned)
Term Loan	0.25	SMERA D (Assigned)

SMERA has assigned a rating of '**SMERA D**' (**read as SMERA D**) to the Rs.10.75 crore bank facilities of Vinayak Cottex Private Limited (VCPL). The rating reflects delays in repayment of term loan obligations and the stressed liquidity position due to continuous overdrawing 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 Yavatmal-based VCPL was established in 2007 by Mr. Abhijeet Dudhane and Mr. Amol Bhoge. The company is engaged in the ginning and pressing of cotton bales and has an installed manufacturing capacity of 300 cotton bales per day.

For FY2014-15, the company reported profit after tax (PAT) of Rs.0.05 crore on operating income of Rs.16.58 crore, as compared to PAT of Rs.0.13 crore on operating income of Rs.45.07 crore in the previous year.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Mr. Suman M National Sales Head – Emerging Corporate Group Tel: +91-22-6714 1151 Cell: +91-9892306888 Email: suman.m@smera.in	Vinay Chhawchharia Associate Vice President – Corporate Ratings Tel: +91-22-6714 1156 Email: vinay.chhawchharia@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

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) for the latest information on any instrument rated by SMERA.