



SMERA RATINGS LIMITED

**SAKA Embroidery Private Limited (SAKA)***Rating  
Rationale***January 10, 2014**

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	2.75	SMERA D (Assigned)
Term Loan	5.00	SMERA D (Assigned)

SMERA has assigned a rating of '**SMERA D**' to the Rs.7.75 crore bank facilities of SAKA Embroidery Private Limited (SAKA). The rating reflects the company's delays in servicing debt obligations. The rating also reflects the company's high leverage (3.23 times as on March 31, 2013) weak coverage indicators (1.44 times in FY2012-13) and stretched working capital cycle of 306 days in FY2012-13. Rating favourably factors long standing experience of the management in whole sale trading of sarees.

**About the company**

SAKA, incorporated 1999, is a Pune-based company promoted by Mr. Satish Rathod. SAKA is engaged in wholesale trading of sarees and dress materials. The company caters retailers based in Maharashtra, Madhya Pradesh and Chhattisgarh.

For FY2012-13 (refers to financial year, April 01 to March 31), SAKA reported PAT of Rs.0.18 crore on operating income of Rs.9.70 crore, as compared with PAT of Rs.0.18 crore on operating income of Rs.8.01 crore for FY2011-12. SAKA's net worth stood at Rs.1.62 crore as on March 31, 2013, as compared with Rs.1.29 crore a year earlier.

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