

January 10, 2014

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

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.

### **Contact List:**

Media/ Business Development	Analytical Contacts	Rating Desk
Virendra Goyal VP, SME – Sales Tel : 91-22-267141177 Cell : +91 9930074009 Email: <a href="mailto:virendra.goyal@smera.in">virendra.goyal@smera.in</a> Web: <a href="http://www.smera.in">www.smera.in</a>	Umesh Nihalani Head, Corporate Ratings Tel: +91-22-6714 1106 Email: <a href="mailto:umesh.nihalani@smera.in">umesh.nihalani@smera.in</a>	Tel: +91-22-6714 1170 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.