

**September 22, 2015**

Facilities	Amount (Rs. Crore)	Ratings
Term Loan	6.14	SMERA B-/Stable (Assigned)
Cash Credit	1.50	SMERA B-/Stable (Assigned)

SMERA has assigned a long -term rating of '**SMERA B- (read as SMERA B minus)**' to the Rs.7.64 crore bank facility of Golden Falcon India Private Limited (GFIPL).The outlook is '**Stable**'. The rating is constrained by the recent shift in company's business operation from trading to manufacturing activity, deterioration in financial profile on account of high capex incurred and moderate scale of operations. However, the rating draws comfort from the experienced management and reputed client base.

#### **Outlook:Stable**

SMERA believes that GFIPL will continue to benefit over the medium term from the promoters vast experience in textile industry. The outlook may be revised to 'Positive' if the company's scale of operations increases substantially, while maintaining its operating profitability. Conversely, the outlook may be revised to 'Negative' if the company fails to achieve the scalability amidst intensifying competition in the area of operation

#### **Rating Sensitivity**

- Ability to scale up operations while maintaining margins
- Ability to generate cash flows for service of debt

#### **About the Company**

Golden Falcon India Private Limited (GFIPL), established in 2007 is a Surat -based company owned by Mr. Paresh Jariwala and Mr. Pratik Jariwala. The company is engaged in trading of embroidery machines till March 2015. The company has set up a new project for manufacturing of Knitted garments in Surat with capacity of 1500000 meters per year. Commercial operations have commenced from February 2015.

For FY2014-15, GFIPL reported profit after tax (PAT) of Rs.0.12 crore on net operating income of Rs.28.67 crore, as compared with PAT of Rs.0.33 crore on operating income of Rs.41.30 crore in the previous financial year.

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SMERA RATINGS LIMITED

## Golden Falcon India Private Limited (GFIPL)

Rating  
Rationale

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