

Press Release

Brickwork Ratings assigns 'BWR B-' & 'BWR A4' for the Bank Loan Facilities aggregating ₹ 5.26 Cr of Goyal Creations Pvt. Ltd.

Brickwork Ratings (BWR) has assigned the following **Ratings**¹ for the long term Bank Credit Facilities of ₹ 5.26 Cr and for the short term Bank Credit Facilities of ₹ 2.88 Cr (sublimit of Term Loan I & II) for Goyal Creations Pvt. Ltd.

Facility	Existing Limits (₹ Cr)	Tenure	Rating
Fund Based			
CC	1.00	Long Term	BWR B- (BWR B Minus) Outlook: Stable
Term Loan I	2.80		
Buyers Credit (sublimit of Term Loan I)	(1.29)		
Term Loan II	1.46		
Buyers Credit (sublimit of Term Loan II)	(0.94)		
Non Fund Based			
LC(sublimit of Term Loan I)	(2.00)	Short Term	BWR A4 (BWR A Four)
LC(sublimit of Term Loan II)	(0.88)		
Total	5.26	(INR Five Crores and Twenty Six Lakhs only)	

BWR has principally relied upon the audited financial results up to FY 13, projected financials, publicly available information and information/clarification provided by the Company management.

The rating has inter-alia factored the promoter's extensive experience, long standing relations with repeated customer base, comfortable debt protection metrics. The rating is however constrained by the working capital intensive nature of operation, high competition due to its presence in highly fragmented industry, high debt to equity ratio, weak profitability indicators and relatively smaller scale of operation.

Incorporated in the year 1998, Goyal Creations Pvt. Ltd. is predominantly engaged in the manufacturing of shirting and suiting fabrics. It produces ranges of blended fabrics which includes Polyester-Cotton, Polyester-Viscose shirtings etc. The company is also doing the job work for the local weavers. Initially the Company was operating its sole manufacturing unit

¹ Please refer to www.brickworkratings.com for definition of the Ratings

at Abu Road, Rajasthan with 20 RUTI C looms. In 2010, the company expanded its manufacturing facility in Sonale by installing seventeen looms and then expanded further in 2012 by installing four additional looms. The company is primarily operating in the domestic market only with its customer base restricted to Gujarat and Maharashtra only.

The Company's revenue grew by approximately 13% in FY13 to Rs 14.78 Cr as against the revenue of Rs 13.11 Cr in FY12. Overall profit after tax of the company grew by approximately 16% in FY13 to Rs 0.22 Cr as against the PAT of Rs 0.19 Cr in FY12. Total debt and tangible net worth of the company in FY13 stood at Rs 5.44 Cr and Rs 2.92 Cr respectively.

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