

G.K.M.S Cotton Pressing Private Limited

February 17, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	7.67	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Total Bank Facilities	7.67 (Rs. Seven Crore and Sixty- Seven Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. has been seeking information from G.K.M.S Cotton Pressing Private Limited to monitor the rating(s) vide e-mail communications dated September 2021 to January 31, 2022 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on G.K.M.S Cotton Pressing Private Limited will now be denoted as **CARE D; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating assigned to the bank facilities of G.K.M.S Cotton Pressing Private Limited tempered by delays in the servicing of interest and principal amount of term loan facility.

Detailed description of the key rating drivers

At the time of last rating on March 03, 2021 the following were the rating strengths and weaknesses(updated information from ROC)

Key Rating Weaknesses

Liquidity- Poor, past delays in meeting of debt obligations

The company is facing liquidity issues due to which the company is unable to meet its debt obligation in timely manner.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Policy On Curing Period](#)

[Cotton Textile](#)

[Manufacturing Companies](#)

[Liquidity Analysis of Non-financial sector entities](#)

About the Company

Andhra Pradesh based, GKMS Pressing Private Limited (GKMS) was incorporated in the year 2005 and is promoted by Mr.Koteshwara Rao and by his family members. The company is engaged in ginning and pressing of cotton with an installed capacity of 7500 bales per annum. GKMS purchases raw cotton from local farmers and traders located in and around of Guntur. The company sells the cotton yarn and lint to the customers located in Telangana, Andhra Pradesh, Tamil Nadu and Maharashtra.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22
Total operating income	26.23	22.94	NA
PBILDT	2.18	2.11	NA
PAT	0.02	0.06	NA
Overall gearing (times)	8.25	9.71	NA
Interest coverage (times)	1.66	1.57	NA

A: Audited

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Status of non-cooperation with previous CRA: Nil

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	April 2023	1.11	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	6.56	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	1.11	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (03-Mar-21) 2)CARE D (11-May-20)	1)CARE B+; Stable (13-Dec-19)	1)CARE B+; Stable (08-Oct-18)
2	Fund-based - LT-Cash Credit	LT	6.56	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (03-Mar-21) 2)CARE D (11-May-20)	1)CARE B+; Stable (13-Dec-19)	1)CARE B+; Stable (08-Oct-18)

* Long Term / Short Term

*Issuer did not cooperate; Based on best available information

Annexure 3: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure 4: Bank Lender Details for this Company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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