

## GTN Textiles Limited

November 18, 2022

### Ratings

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	12.43	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	58.30	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>70.73</b> <b>(₹ Seventy Crore and Seventy-Three Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; Based on best available information

### Detailed rationale and key rating drivers

CARE Ratings Ltd. had vide its press release dated November 10, 2021 placed the ratings of GTN Textiles Limited (GTN) under the issuer non cooperating category as it had failed to provide information for monitoring of the rating. GTN continues to be non-cooperative despite repeated requests for submission of information through e-mails and phone calls dated September 26, 2022, October 06, 2022 and October 16, 2022.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which, however, in CARE's opinion is not sufficient to arrive at a fair rating.

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

### Detailed description of the key rating drivers

At the time of last rating on November 10, 2021 the following were the rating strengths and weaknesses (updated for the information available from stock exchange):

#### Key Rating Weaknesses

##### Ongoing delays in debt servicing:

During FY22, the company reported net loss of Rs.14 crore on total income of Rs.83.5 crore. On account of continuous losses over the years with inadequate cash accruals, there have been ongoing delays in servicing of debt obligations.

**Analytical approach:** Standalone

#### Applicable criteria

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

[Policy on default recognition](#)

[Rating Outlook and Credit Watch](#)

#### About the company

GTN Textiles Limited (GTL) is part of Kerala-based GTN-BKP (GTN-BK Patodia) having its production facilities in the state of Kerala. The primary business activity of GTL is production and sale of cotton yarn. GTL had a capacity of 56,848 spindles which includes 34,896 compact spindles and 21,952 ring spinning as on March 31, 2018. The company produces fine and super fine counts of cotton yarn in the range of 40s to 140s.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	H1FY23 (UA)
Total operating income	66.31	83.53	10.01
PBILDT	(8.75)	(0.63)	(0.89)
PAT	(36.01)	(14.05)	(4.03)
Overall gearing (times)	NM	NM	NA
Interest coverage (times)	(0.97)	(0.06)	NM

NA: Not available; A: Audited; UA: Un-audited; NM: Not meaningful

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

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

**Covenants of rated instrument/facility:** Annexure 3

**Complexity level of various instruments rated for this company:** Annexure 4

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	8.40	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	June 2020	4.03	CARE D; ISSUER NOT COOPERATING*
Fund-based - ST-EPC/PSC		-	-	-	29.80	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	28.50	CARE D; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information

#### Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Type	Current Ratings		Rating History			
			Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	4.03	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (10-Nov-21)	1)CARE D; ISSUER NOT COOPERATING* (31-Dec-20) 2)CARE B; Stable; ISSUER NOT COOPERATING* (24-Nov-20)	1)CARE B; Stable; ISSUER NOT COOPERATING* (24-Dec-19)
2	Fund-based - ST-EPC/PSC	ST	29.80	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (10-Nov-21)	1)CARE D; ISSUER NOT COOPERATING* (31-Dec-20) 2)CARE A4; ISSUER NOT	1)CARE A4; ISSUER NOT COOPERATING* (24-Dec-19)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
							COOPERATING* (24-Nov-20)	
3	Non-fund-based - ST-BG/LC	ST	28.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (10-Nov-21)	1)CARE D; ISSUER NOT COOPERATING* (31-Dec-20)  2)CARE A4; ISSUER NOT COOPERATING* (24-Nov-20)	1)CARE A4; ISSUER NOT COOPERATING* (24-Dec-19)
4	Fund-based - LT-Cash Credit	LT	8.40	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (10-Nov-21)	1)CARE D; ISSUER NOT COOPERATING* (31-Dec-20)  2)CARE B; Stable; ISSUER NOT COOPERATING* (24-Nov-20)	1)CARE B; Stable; ISSUER NOT COOPERATING* (24-Dec-19)

\*Long term/Short term.

\*Issuer did not cooperate; Based on best available information

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities:** Not Applicable

**Annexure-4: 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
3	Fund-based - ST-EPC/PSC	Simple
4	Non-fund-based - ST-BG/LC	Simple

**Annexure-5: 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 instruments:** CARE Ratings 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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