

Gnanam Tex

June 11, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	9.87	CARE B-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	2.00	CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated April 28, 2023, placed the rating(s) of Gnanam Tex (GT) under the 'issuer non-cooperating' category as GT had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. GT continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated March 13, 2024, March 23, 2024, April 02, 2024.

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.

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

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [April 28, 2023](#)

Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on Default Recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Firm

Gnanam Tex (GT) was established in 1997 as a proprietorship concern by Mr. K. Gnanasekaran in Salem, Tamil Nadu. The firm is engaged in manufacturing of cotton and nylon fabrics used in manufacturing of garments for men, women and kids. The installed capacity of Gnanam Tex stood at approx. 10000 meters/day. The firm procures yarn from Tamil Nadu and Karnataka. On procuring the yarn, it's tied, weaved, dyed and finally converted into fabric, the entire process is conducted on their own premises. The firm derives revenue from domestic sales around (95%) and remaining through export sales (5%). GT has its manufacturing unit in an area of about 44000 sq. ft.

Brief Financials (Rs. crore)	March 31, 2018 (A)	March 31, 2019 (Prov.)
Total operating income	45.89	31.08
PBILDT	3.47	2.86
PAT	0.70	0.23
Overall gearing (times)	4.12	3.75
Interest coverage (times)	2.03	1.64

A: Audited, Prov.: Provisional; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Brickworks has continued the ratings assigned to the bank facilities of GT to the 'issuer not-cooperating' category vide press release dated January 25, 2024 on account of its inability to carryout review in the absence of requisite information from the firm.

Any other information: Not Applicable

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

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

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

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		-	-	-	8.75	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	April 2023	1.12	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - ST-Bill Discounting/ Bills Purchasing		-	-	-	2.00	CARE A4; 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	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	1.12	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (28-Apr-23)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (20-Apr-22)	-
2	Fund-based - LT-Cash Credit	LT	8.75	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (28-Apr-23)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (20-Apr-22)	-
3	Fund-based - ST-Bill Discounting/ Bills Purchasing	ST	2.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (28-Apr-23)	1)CARE A4; ISSUER NOT COOPERATING* (20-Apr-22)	-

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term

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

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - ST-Bill Discounting/ Bills Purchasing	Simple

Annexure-5: Lender details

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

Note on the 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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About us:

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