

Sri Lakshmi Godavari Spinning Mills Private Limited

May 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	13.85	CARE D	Downgraded from CARE BB; Stable
Long Term / Short Term Bank Facilities	68.00	CARE D / CARE D	Downgraded from CARE BB; Stable / CARE A4
Short Term Bank Facilities	1.38	CARE D	Downgraded from CARE A4

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in the rating assigned to the bank facilities of Sri Lakshmi Godavari Spinning Mills Private Limited (SLGSMPL) is on account of ongoing delays in debt servicing including working capital and GECL loan with account classified as NPA (Non-Performing Asset) on April 30, 2025 based on the confirmation received during interaction with the lender. The rating action has been taken by CARE Ratings Ltd (CARE) in line with its policy on default recognition.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Company's ability to meet the curing period guidelines as stipulated by SEBI by demonstrating a delay free track record.

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of key rating drivers:

Key weaknesses

Delays in Debt Servicing Obligations

As per the banker interaction, the company has been classified under Non-Performing Asset (NPA) on April 30, 2025, due to delays in the repayment of its working capital and GECL loan obligations. The account was initially classified under the SMA category in January 2025 and has since witnessed continued delays in debt servicing.

Liquidity: Poor

The company's liquidity is poor, as reflected in the delays in debt servicing obligations due to insufficient cash accruals against its repayment.

Assumptions/Covenants- Not Applicable

Environment, social, and governance (ESG) risks – Not Applicable

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Cotton Textile](#)

[Short Term Instruments](#)

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

Sri Lakshmi Godavari Spinning Mills Private Limited (SLGSMPL) was incorporated on 12th September 2005. The company manufactures cotton yarn at its unit in Guntur, Andhra Pradesh. The company was initially set up with 18,000 spindles which has now been scaled up to 61,008 spindles. Sri. Vummaneni Siva Nageswara Rao, his wife Smt. Vummaneni Lalitha Kumari and Mr. Kandru Subbarao are the promoters of the company. The promoters are having business experience in the processing of Mineral Water, Financing business and Real Estate for close to two decades.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	135.74	204.09
PBILDT	13.91	4.61
PAT	1.90	-8.16
Overall gearing (times)	1.31	1.43
Interest coverage (times)	2.24	0.55

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Brickwork Ratings has categorized the rated bank facilities of SLGSMPL under the non-cooperation category vide PR dated January 31, 2025, on account of its inability to carry out a rating exercise in the absence of the requisite information from the company.

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of 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 and Rating Outlook
Fund-based - LT-Working capital Term Loan		-	-	30/06/2028	13.85	CARE D
Fund-based - LT/ ST-CC/PC/Bill Discounting		-	-	-	68.00	CARE D / CARE D
Non-fund-based - ST-Bank Guarantee		-	-	-	1.18	CARE D
Non-fund-based - ST-		-	-	-	0.20	CARE D

Forward Contract						
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Annexure-2: Rating history for 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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (23-Sep-22) 2)CARE BB-; Stable; ISSUER NOT COOPERATING* (23-Sep-22) 3)CARE BB-; Stable; ISSUER NOT COOPERATING* (07-Jul-22)
2	Fund-based - LT-Cash Credit	LT	-	-	-	-	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (23-Sep-22) 2)Withdrawn (23-Sep-22) 3)CARE BB-; Stable; ISSUER NOT COOPERATING* (07-Jul-22)
3	Non-fund-based - ST-Bank Guarantee	ST	-	-	-	-	-	1)Withdrawn (23-Sep-22) 2)CARE A4; ISSUER NOT COOPERATING* (23-Sep-22) 3)CARE A4; ISSUER NOT COOPERATING* (07-Jul-22)

4	Non-fund-based - ST-Forward Contract	ST	-	-	-	-	-	1)CARE A4; ISSUER NOT COOPERATING* (23-Sep-22) 2)Withdrawn (23-Sep-22) 3)CARE A4; ISSUER NOT COOPERATING* (07-Jul-22)
5	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST	68.00	CARE D / CARE D	-	1)CARE BB; Stable / CARE A4 (18-Jun-24)	1)CARE BB; Stable / CARE A4 (05-Jun-23)	-
6	Fund-based - LT-Working capital Term Loan	LT	13.85	CARE D	-	1)CARE BB; Stable (18-Jun-24)	1)CARE BB; Stable (05-Jun-23)	-
7	Non-fund-based - ST-Forward Contract	ST	0.20	CARE D	-	1)CARE A4 (18-Jun-24)	1)CARE A4 (05-Jun-23)	-
8	Non-fund-based - ST-Bank Guarantee	ST	1.18	CARE D	-	1)CARE A4 (18-Jun-24)	1)CARE A4 (05-Jun-23)	-

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

LT: Long term; ST: Short term; LT/ST: Long term/Short term

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Working capital Term Loan	Simple
2	Fund-based - LT/ ST-CC/PC/Bill Discounting	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Forward Contract	Simple

Annexure-5: Lender details

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

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

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About us:

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