

GMP Weaving Mills Private Limited

September 30, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	77.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating moved to 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

GMP Weaving Mills Private Limited (GMP) has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. In line with SEBI guidelines, CARE Ratings Limited's rating on GMP's bank facilities will now be denoted as **CARE BB+; Stable; 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.

The ratings assigned to the bank facilities of GMP continues to be constrained by moderate capital structure, profitability margins exposed to volatility in raw material prices and forex fluctuations, and presence of the entity in highly competitive and fragmented industry. The rating, however, derives strength from growing scale of operations and extensive experience of the promoters in the textile sector.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on July 26, 2024, the following were the rating strengths and weaknesses (updated for the information from the company).

Key weaknesses

Moderate capital structure

The capital structure of the company marked by overall gearing stood moderate at 2.30x as on March 31, 2025, as against 2.19x as on March 31, 2024, owing to the term loan of ₹16 crores availed during FY24 for the capex on addition of 46 looms. The debt coverage indicators marked by total debt to GCA stood at 5.55x as on March 31, 2025, against 6.09x as on March 31, 2024.

Susceptibility of profitability due to volatility in raw material prices and forex fluctuations

The profit margins are susceptible to the volatile prices of raw material viz. viscose yarn which constitutes 80-90% of the production cost. The prices of viscose staple fiber and yarn are volatile in keeping with volatility in the prices of wood pulp. Moreover, prices of viscose fiber are influenced by movement in prices of their substitutes i.e. cotton and polyester staple fibers. Nevertheless, VSF prices are relatively less volatile compared to cotton. The ability of the company to manage the volatility in the raw cotton prices would be important from a credit perspective. The PBILDT margin has been volatile in the range of 11% to 14% over past three years ended FY25.

Presence in highly competitive and fragmented industry

GMP operates in a highly competitive and fragmented market which consists of large and small sized players. Moreover, low entry barriers in the industry further intensifies the already prevailing competition in the market. This competitive and fragmented nature of the industry can have an impact on the profit margin of the company.

Key strengths

Growing scale of operations

Despite the short track record of operations of 10 years, the scale of operations improved year on year at CAGR of 28% over past five years ended FY25 with operating income of ₹161.18 crore with PBILDT margin of 12.62% in FY25 against ₹132.11 crore in

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

FY24 with PBILDT margin of 11.10%. The company increased the production capacity by 46 looms in FY23 and further added 55 looms by end of FY25.

Extensive experience of the promoters

The promoters of GMP have more than three decades of experience in the textile industry. The extensive experience of the promoters has helped the company in establishing strong relationships with customers and suppliers.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Manufacturing Companies](#)

[Manmade Yarn Manufacturing](#)

About the company and industry

Industry classification

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

GMP is established by G. M. Palanichamy and his son M. P. Devarajan in 2015 at Pallipalayam, Tamil Nadu. GMP is engaged in the manufacturing of manmade (viscose) fabrics. At present, the company has 136 looms with installed capacity of 250 lakh meters per annum. The company also has a solar panel of 0.51 MW capacity and 4 windmills with aggregate capacity of 5.85 MW.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	105.57	132.10	161.19
PBILDT	12.45	14.66	20.34
PAT	3.99	3.15	4.86
Overall gearing (times)	1.51	2.19	2.30
Interest coverage (times)	4.31	4.22	3.73

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

Status of non-cooperation with previous CRA:

CRISIL Ratings Limited (CRISIL) has conducted the review of GMP and classified the ratings into "Issuer Not Cooperating" category, based on the best available information vide PR dated August 28, 2024. The reasons provided by CRISIL are non-furnishing of information for monitoring of rating and non-payment of surveillance fees.

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-Cash Credit		-	-	-	22.00	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	September 2031	52.17	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Working capital Term Loan		-	-	February 2028	2.83	CARE BB+; Stable; ISSUER NOT COOPERATING*

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

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	52.17	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (26-Jul-24)	-	-
2	Fund-based - LT-Cash Credit	LT	22.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (26-Jul-24)	-	-
3	Fund-based - LT-Working capital Term Loan	LT	2.83	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (26-Jul-24)	-	-

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

LT: Long 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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT-Working capital Term Loan	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge 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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