

## Gujarat Hy - Spin Limited

October 21, 2022

### Ratings

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	28.77	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	2.00	CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>30.77</b> <b>(₹ Thirty Crore and Seventy-Seven 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 had, vide its press release dated August 30, 2021, revived the ratings of Gujarat Hy-Spin Limited (GHSL) under the 'issuer non-cooperating' category as GHSL had failed to provide information for monitoring of the ratings for the rating exercise as agreed to in its Rating Agreement. GHSL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 07, 2022, July 16, 2022, July 26, 2022, and August 05, 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 ratings.**

### Detailed description of the key rating drivers

At the time of last rating on August 30, 2021, the following were the rating weaknesses:

#### **Key rating weakness:**

##### **Delay in debt servicing**

GHSL has been irregular in servicing of its debt obligation due to poor liquidity position of the company.

#### **Analytical approach:** Standalone

#### **Applicable criteria**

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

[Policy on default recognition](#)

[Policy On Curing Period](#)

[Cotton Textile](#)

[Manufacturing Companies](#)

[Short Term Instruments](#)

[Financial Ratios – Non-financial sector entities](#)

#### **About the company**

GHSL (CIN: L17110GJ2011PLC063898) was incorporated as a private limited company on February 01, 2011, by Mr. Maganbhai Parvadia and Mr. Chandulal Parvadia, and converted to limited company in February 2017. GHSL has two group concerns namely Gujarat Ginning & Oil Industry and Paras Cotton. The former is engaged in cotton ginning, pressing, and crushing of oil seeds while the latter carries out trading of cotton seeds and cotton bales. GHSL has a spinning mill with an installed capacity of 17,952 spindles or 3,582 MTPA as on March 31, 2017, for manufacturing of cotton yarn having combed counts yarn of 30 at its Gondal plant (Gujarat). GHSL started commercial production from December 2013.

<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)	H1 FY23 (UA)
Total operating income	49.77	69.45	NA
PBILDT	1.93	2.48	NA
PAT	0.11	0.29	NA
Overall gearing (times)	1.09	0.72	NA
Interest coverage (times)	0.63	1.42	NA

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

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

**Any other information:** Not Applicable

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

**Covenants of the rated instruments/facilities:** 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		-	-	-	10.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	31/12/2021	18.77	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	2.00	CARE D / 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	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
1	Fund-based - LT-Term Loan	LT	18.77	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (30-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (19-Jun-20)	-
2	Fund-based - LT-Cash Credit	LT	10.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (30-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (19-Jun-20)	-
3	Non-fund-based - LT/ST-Bank Guarantee	LT/ST \$	2.00	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (30-Aug-21)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (19-Jun-20)	-

§: 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	Non-fund-based - LT/ ST-Bank Guarantee	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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### About us:

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