

GTN Textiles Limited

December 31, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	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 and Revised from CARE B; Stable; (Single B; Outlook: Stable)
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 and Revised from CARE A4; (A Four)
Total Bank Facilities	70.73 (Rs. Seventy Crore and Seventy-Three Lakhs Only)		

Details of instruments/facilities in Annexure 1

Detailed Rationale & Key Rating Drivers

The revision in ratings assigned to the bank facilities of GTN Textiles Limited (GTL) factors in the ongoing delays in the bank facilities of the company.

Detailed description of the key rating drivers

Key Rating Weaknesses

Delay in Servicing of Debt Obligations: GTL as part of regulatory disclosure, has filed in the BSE on default on payment of interest/ repayment of principal amount on loans from banks/ financial institutions and unlisted debt securities. CARE as part of its due diligence exercise interacts with various stakeholders of the company including lenders to the company and as part of this exercise has ascertained ongoing delays in its bank facilities.

Analytical Approach: Standalone

Applicable criteria:

CARE's Policy on Default Recognition

Policy in respect of Non-cooperation by issuer

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.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	154.11	131.4
PBILDT	4.20	0.44
PAT	(7.3)	(8.73)
Overall gearing (times)	7.36	373
Interest coverage (times)	0.46	0.05

A: Audited

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: Not Applicable

Complexity level of various instruments rated for this company: Annexure-3

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

*Issuer did not cooperate; based on best available information

Annexure 1: Details of instruments/facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
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*
Fund-based - LT-Cash Credit	-	-	-	8.40	CARE D; 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 (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	4.03	CARE D; ISSUER NOT COOPERATING*	1)CARE B; Stable; ISSUER NOT COOPERATING* (24-Nov-20)	1)CARE B; Stable; ISSUER NOT COOPERATING* (24-Dec-19)	1)CARE B; Stable (27-Nov-18)	1)CARE D (04-Dec-17)
2.	Fund-based - ST-EPC/PSC	ST	29.80	CARE D; ISSUER NOT COOPERATING*	1)CARE A4; ISSUER NOT COOPERATING* (24-Nov-20)	1)CARE A4; ISSUER NOT COOPERATING* (24-Dec-19)	1)CARE A4 (27-Nov-18)	1)CARE A4 (04-Dec-17)
3.	Non-fund-based - ST-BG/LC	ST	28.50	CARE D; ISSUER NOT COOPERATING*	1)CARE A4; ISSUER NOT COOPERATING* (24-Nov-20)	1)CARE A4; ISSUER NOT COOPERATING* (24-Dec-19)	1)CARE A4 (27-Nov-18)	1)CARE A4 (04-Dec-17)
4.	Fund-based - LT-Cash Credit	LT	8.40	CARE D; ISSUER NOT COOPERATING*	1)CARE B; Stable; ISSUER NOT COOPERATING* (24-Nov-20)	1)CARE B; Stable; ISSUER NOT COOPERATING* (24-Dec-19)	1)CARE B; Stable (27-Nov-18)	-

Annexure 3: Complexity level of instruments rated for the company

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-EPC/PSC	Simple
4.	Non-fund-based - ST-BG/LC	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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