

## Garden Silk Mills Limited

October 14, 2020

### Rating

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long term Bank Facilities	-	-	Withdrawn
Short term Bank Facilities	-	-	Withdrawn
<b>Total Facilities</b>	-		

*Details of facilities in Annexure-1*

### Detailed Rationale and Key Rating Drivers

CARE has withdrawn the outstanding ratings of '**CARE D [Single D] ISSUER NOT COOPERATING**' assigned to the bank facilities of Garden Silk Mills Limited with immediate effect. The above action has been taken at the request of Garden Silk Mills Limited and NCLT order dated June 24, 2020 stating that company has been moved into Corporate Insolvency Resolution Process along with appointment of an Insolvency Resolution Professional (IRP). Therefore, it may no longer be useful or necessary for CARE to maintain a rating on the rated entity's obligations.

**Analytical approach:** Not applicable

**Applicable Criteria**

[Policy on Withdrawal of ratings](#)

### About the company

Incorporated in 1979, Garden Silk Mills Limited (GSML) is engaged in manufacturing of polyester chips, polyester filament yarn and polyester textile fabrics. It manufactures synthetic fabric under the brand names, Garden and Vareli, they deal in wide range of Polyester Chips, Polyester Filament Yarns (PFY), Preparatory Yarns, Woven (grey) Fabric as well as Dyed and Printed Sarees and Dress Materials. The manufacturing facilities are located in Vareli (weaving unit) and Jolwa (manufacturing unit of chips and yarn), in Surat District. The company is currently under Corporate Insolvency Resolution Process.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	3059.89	3505.80
PBILDT	185.78	194.85
PAT	-88.97	-89.77
Overall gearing (times)	NM	NM
Interest coverage (times)	0.95	0.93

A: Audited, NM: Not Meaningful

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

**Any other information:** Not applicable

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

### 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Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC	-	-	-	0.00	Withdrawn

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

## Annexure-2: Rating History of 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	-	-	1)CARE D; ISSUER NOT COOPERATING* (28-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (15-May-19)	1)CARE D (21-Feb-19)	1)CARE D (14-Feb-18)
2.	Fund-based - LT-Cash Credit	LT	-	-	1)CARE D; ISSUER NOT COOPERATING* (28-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (15-May-19)	1)CARE D (21-Feb-19)	1)CARE D (14-Feb-18)
3.	Non-fund-based - ST-BG/LC	ST	-	-	1)CARE D; ISSUER NOT COOPERATING* (28-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (15-May-19)	1)CARE D (21-Feb-19)	1)CARE D (14-Feb-18)
4.	Non-fund-based - LT-Letter of credit	LT	-	-	-	-	-	1)Withdrawn (14-Feb-18)

## Annexure 3: Complexity level of various instruments rated for this Company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto: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.

### Disclaimer

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**