

May 28, 2024

Gajavelli Spinning Mills Private Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	70.00	70.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Long Term-Fund Based-Term Loan	11.64	11.64	[ICRA]B+(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Long Term-Non Fund Based-Others	1.00	1.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Long Term-Unallocated	0.87	0.87	[ICRA]B+(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Total	83.51	83.51	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the long-term rating of Gajavelli Spinning Mills Private Limited in the 'Issuer Not Cooperating' category. The rating is denoted as [ICRA]B+(Stable); ISSUER NOT COOPERATING"

As part of its process and in accordance with its rating agreement with Gajavelli Spinning Mills Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Rating Methodology - Textiles - Spinning
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Gajavelli Spinning Mills Private Limited (GSPL), incorporated as private limited company in April 2006 by Mr. Gajavelli Venkateswara Rao and Mr. Gajavelli Poornachandra Rao, is primarily engaged in producing cotton yarn. The mill is located in Guntur district of Andhra Pradesh and has a capacity of 35184 spindles. Cotton yarn, cotton waste and lint are the major products of the company. GSPL produces carded and combed yarn of 32's count.

Key Financial Indicator

	FY2022 (in crore)	FY2023 (in crore)
Operating income	642.29	182.79
PAT	23.75	5.07
OPBDIT/OI	4.4%	5.9%
PAT/OI	3.7%	2.8%
RoCE (%)	25.0%	6.9%
Total outside liabilities/Tangible net worth (times)	1.63	1.25
Total debt/OPBDIT (times)	2.14	5.70
Interest coverage (times)	6.28	3.14

Source: MCA

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
Brickworks	[BWR] BB-(Stable)/[BWR] A4; ISSUER NOT COOPERATING	July 26, 2023.

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2025)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
					May 28, 2024	Mar 27, 2023	Jan 24, 2022	Dec 08, 2020	
1	Cash Credit	Long Term	70.00	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	
2	Term Loan	Long Term	11.64	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	
3	Non-Fund based	Long Term	1.00	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	
4	Unallocated	Long Term	0.87	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple
Non-Fund based	Very Simple
Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	70.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Term Loan	-	-	-	11.64	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Non-Fund based	-	-	-	1.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	0.87	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: Gajavelli Spinning Mills Private Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

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