

September 27, 2024

Girijashankar Cotton 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-Unallocated	1.00	1.00	[ICRA]B+(Stable);ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Cash Credit	7.00	7.00	[ICRA]B+(Stable);ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	8.00	8.00	

*Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has kept the Long-Term ratings for the Bank Facility of Girijashankar Cotton Private Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]B+(Stable); ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Girijashankar Cotton 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
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

GCPL is a group company of Tayal Group, spread across at Madhya Pradesh and Maharashtra and engaged in the cotton ginning. The group as a whole has ginning capacity of 850 bales per day. The group enjoys locational advantage due to proximity to the cotton producing states. The group is entirely managed by Mr. Gaurav Tayal and family. The group concerns are closely related and enjoy operational synergies. The following is the table depicting the financial snapshot of the company.

Key financial indicators:

Standalone	FY 2022	FY 2023
Operating Income (Rs. crore)	48.88	38.04
PAT (Rs. crore)	0.90	0.76
OPBDITA/OI (%)	3.75%	3.34%
PAT/OI (%)	1.85%	1.99%
Total Outside Liabilities/Tangible Net Worth (times)	1.41	0.16
Total Debt/OPBDITA (times)	4.44	0.57
Interest Coverage (times)	3.90	4.23

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortization

Source: MCA

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount Rated (Rs. Crore)	Current Rating (FY2025)	Chronology of Rating History for the past 3 years			
			Date & Rating in	Date & Rating in	Date & Rating in	Date & Rating in	
			Sep 27 2024	26 Jul 2023	28 Jun 2022	27 Apr 2021	
1 Unallocated	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	
2 Fund Based-Cash Credit	Long Term	7.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Unallocated	Not Applicable
Fund Based-Cash Credit	Simple

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-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Unallocated	-	-	-	1.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Fund Based-Cash Credit	-	-	-	7.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: Girijashankar Cotton Private Limited

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

ANALYST CONTACTS

Shamsher Dewan

+91 12 4454 5328

shamsherd@icraindia.com

Subhechha Banerjee

+91 33 7150 1130

subhechha.banerjee@icraindia.com

Sweety Shaw

+91-033 7150 1180

sweety.shaw@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91-022-61693300

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



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