



**Press Release**  
**Gajiwala Sarees**  
**July 19, 2023**

**Rating Reaffirmed and Issuer not co-operating**

| Product                               | Quantum<br>(Rs. Cr) | Long Term Rating                                     | Short Term<br>Rating |
|---------------------------------------|---------------------|------------------------------------------------------|----------------------|
| Bank Loan Ratings                     | 19.00               | ACUITE B+   Reaffirmed   Issuer not<br>co-operating* | -                    |
| Total Outstanding<br>Quantum (Rs. Cr) | 19.00               | -                                                    | -                    |

**Rating Rationale**

Acuite has reaffirmed the long term rating of '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs. 19.00 crore bank facilities of Gajiwala Sarees. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

**About the Company**

The Surat-based, Gajiwala Sarees was established as a proprietorship concern in 2003. Subsequently, its constitution was changed into partnership in 2009 by Gajiwala family. GS is into manufacturing of nonbridal lehenga choli, sarees and other garments. The firm is whole selling the manufactured apparel at Pan India level. The Partners, Mr. Vikram Gajiwala, Mrs. Sweety Gajiwala, Mr. Kishore Gajiwala and Mrs. Nilaben Gajiwala possess a decade of experience in this industry.

**Non-cooperation by the issuer/borrower:**

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

**Limitation regarding information availability:**

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

**Rating Sensitivity**

No information provided by the issuer / available for Acuite to comment upon.

**Material Covenants**

Not Applicable

**Liquidity Position**

No information provided by the issuer / available for Acuite to comment upon.

**Outlook**

Not Applicable

**Other Factors affecting Rating**

Not Applicable

## Key Financials

| Particulars                   | Unit    | FY 18 (Provisional) | FY 17 (Actual) |
|-------------------------------|---------|---------------------|----------------|
| Operating Income              | Rs. Cr. | 100.32              | 105.72         |
| PAT                           | Rs. Cr. | 2.03                | 1.82           |
| PAT Margin                    | (%)     | 2.02                | 1.72           |
| Total Debt/Tangible Net Worth | Times   | 0.87                | 1.17           |
| PBDIT/Interest                | Times   | 1.85                | 1.97           |

### Status of non-cooperation with previous CRA

None

### Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

### Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

| Date        | Name of Instruments/Facilities | Term      | Amount (Rs. Cr) | Rating/Outlook                                      |
|-------------|--------------------------------|-----------|-----------------|-----------------------------------------------------|
| 25 Apr 2022 | Cash Credit                    | Long Term | 19.00           | ACUITE B+ ( Issuer not co-operating*)               |
| 21 Jan 2021 | Cash Credit                    | Long Term | 19.00           | ACUITE B+ (Downgraded and Issuer not co-operating*) |

## Annexure - Details of instruments rated

| Lender's Name  | ISIN           | Facilities  | Date Of Issuance | Coupon Rate    | Maturity Date  | Complexity Level | Quantum (Rs. Cr.) | Rating                                                            |
|----------------|----------------|-------------|------------------|----------------|----------------|------------------|-------------------|-------------------------------------------------------------------|
| Bank of Baroda | Not Applicable | Cash Credit | Not Applicable   | Not Applicable | Not Applicable | Simple           | 19.00             | ACUITE B+<br> <br>Reaffirmed<br>  Issuer<br>not co-<br>operating* |

## Contacts

| Analytical                                                                                                                                                                                                                                                                            | Rating Desk                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Aditya Gupta<br>Vice President-Rating Operations<br>Tel: 022-49294041<br><a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a><br><br>Abhishek Singh<br>Analyst-Rating Operations<br>Tel: 022-49294065<br><a href="mailto:abhishek.s@acuite.in">abhishek.s@acuite.in</a> | Varsha Bist<br>Senior Manager-Rating Operations<br>Tel: 022-49294011<br><a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a> |

### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.