

Press Release

Globe Precision Industries Private Limited

February 06, 2020

Rating Update



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|-------------------------------------|---|
| Total Bank Facilities Rated* | Rs.29.00 Cr.# |
| Long Term Rating | ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating* |
| Short Term Rating | ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating* |

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Rating Rationale

Acuité has revised the long-term rating to '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and the short term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.29.00 crore bank facilities of Globe Precision Industries Private Limited. This rating is now an indicative rating and is based on best available information.

GPIPL was incorporated in 1986 by Mr. Vinod Aggarwal and Mrs. Urmil Aggarwal. It is engaged in the business of manufacturing of Axles, Gears and Shafts for Tractors and other automotive applications.

Non-cooperation by the issuer/borrower: Acuité 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 due date.

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

Acuité 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.

Applicable Criteria

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

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). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity- Key Financials

The rated entity has not shared the latest financial statements despite repeated attempts.

Status of non-cooperation with previous CRA (if applicable)

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.

Rating History (Up to last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr) | Ratings/Outlook |
|-------------------|---------------------------------|------------|-----------------|-------------------------------|
| 27-November-2018 | Cash Credit | Long Term | 14.00 | ACUITE BB-/Stable (Upgraded) |
| | Term Loan I | Long Term | 9.57 | ACUITE BB-/Stable (Upgraded) |
| | Term Loan II | Long Term | 4.43 | ACUITE BB-/Stable (Upgraded) |
| | Letter of Credit | Short Term | 1.00 | ACUITE A4+ (Upgraded) |
| 20-September-2018 | Cash Credit | Long Term | 14.00 | ACUITE B+/Stable (Reaffirmed) |
| | Term Loan I | Long Term | 9.57 | ACUITE B+/Stable (Assigned) |
| | Term Loan II | Long Term | 4.43 | ACUITE B+/Stable (Reaffirmed) |
| | Letter of Credit | Short Term | 1.00 | ACUITE A4 (Reaffirmed) |
| 23-October-2017 | Cash Credit | Long Term | 12.00 | ACUITE B+/Stable (Reaffirmed) |
| | Term Loan | Long Term | 2.00 | ACUITE B+/Stable (Reaffirmed) |
| | Letter of Credit | Short Term | 7.00 | ACUITE A4 (Reaffirmed) |

*Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings/Outlook |
|------------------------|------------------|----------------|----------------|-------------------------------|---|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 14.00 | ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating* |
| Term Loan I | Not Applicable | Not Applicable | Not Applicable | 9.57 | ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating* |
| Term Loan II | Not Applicable | Not Applicable | Not Applicable | 4.43 | ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 1.00 | ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating* |

*The issuer did not co-operate; based on best available information.

Contacts

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| Analytical | Rating Desk |
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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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