

## Press Release

G.G. Fashions

June 20, 2018

## Rating Update



<b>Total Bank Facilities Rated</b>	Rs. 14.66 Cr.#
<b>Long Term Rating</b>	ACUITE B Issuer not co-operating*
<b>Short Term Rating</b>	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 reviewed the long-term rating of '**ACUITE B**' (read as **ACUITE B**) and short term rating of **ACUITE A4** (read as **ACUITE A four**) on the Rs. 14.66 crore bank facilities of G.G. Fashions (GGF). This rating is now an indicative rating and is based on best available information.

**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.

## Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.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 endeavoured 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

G.G. Fashions (GGF) is a proprietorship firm established in 1990 by Mr. Kannan. The firm is engaged in the manufacturing of cotton fabric at Salem, Tamil Nadu.

For FY2015-16, GGF reported profit after tax (PAT) of Rs. 0.94 cr on operating income of Rs.45.32 cr as compared with PAT of Rs.1.03 cr on operating income of Rs.41.02 cr for FY2014-15. The net worth as on 31 March 2016 stood at Rs.9.34 cr as compared to Rs. 8.51 cr a year earlier.

## 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 (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
31-Mar-17	Cash Credit	Long term	2.40	ACUITE B (Downgraded)
	WCDL	Long term	9.60	ACUITE B (Assigned)
	Term Loan	Long term	2.47	ACUITE B (Downgraded)
	Bank Guarantee	Short Term	0.09	ACUITE A4 (Reaffirmed)
	Proposed Cash Credit	Long term	0.1	ACUITE B (Assigned)
24-Jul-15	Cash Credit	Long term	7.00	ACUITE B+ (Assigned)
	Bills Discounting	Long term	3.00	ACUITE B+ (Assigned)
	Term Loan	Long term	4.57	ACUITE B+ (Assigned)
	Bank Guarantee	Short Term	0.09	ACUITE A4 (Assigned)

### \*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	2.40	ACUITE B Issuer not co-operating*
WCDL	Not Applicable	Not Applicable	Not Applicable	9.60	ACUITE B Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	2.47	ACUITE B Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.09	ACUITE A4 Issuer not co-operating*
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.1	ACUITE B Issuer not co-operating*

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

## Contacts

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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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