

Press Release

Grospinz Fabz Limited

March 15, 2021



Rating Update

Total Bank Facilities Rated*	Rs.116.00 Cr. #
Long Term Rating	ACUITE BB (Downgraded from ACUITE BB+/Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

Refer Annexure for details

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

Acuité has downgraded the long-term rating to '**ACUITE BB** (read as ACUITE double B) from '**ACUITE BB+** (read as ACUITE double B plus) and reviewed the short-term rating of '**ACUITE A4+** (read as ACUITE A four plus) on the Rs.116 Cr bank facilities of Grospinz Fabz Limited. This rating is now an indicative rating and is based on the best available information.

Incorporated in 2006 - Grospinz Fabz Limited (GFL) is a Punjab based company which started commercial production from October 2008 promoted by Mr. Babu Lal Grover, Mr. Supneet Grover and Mr. Navneet Grover. Further, the company started a new plant in Gujarat recently in 2019 with an installed capacity of 21900 spindles per annum. This unit is state of the art and produces 100% cotton yarns from Ne30s to Ne40s.

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 the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an 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 Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.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.

Liquidity Indicators - "No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuite to comment upon."

About the Rated Entity - Key Financials

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

Status of non-cooperation with previous CRA

ICRA, vide its press release dated January 11, 2019 had denoted the rating of Grospinz Fabz Limited as 'ICRA BB/Stable/A4+; Withdrawn, Issuer non-cooperative' on account of lack of adequate information required to monitor the ratings.

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
20-Dec-2019	Term Loan	Long Term	31.40	ACUITE BB+/Stable (Reaffirmed)
	Cash Credit	Long Term	45.00#	ACUITE BB+/Stable (Reaffirmed)
	Term Loan	Long Term	19.30	ACUITE BB+/Stable (Assigned)
	Foreign Bill Discounting	Short Term	18.00@	ACUITE A4+ (Reaffirmed)
	Proposed	Long Term	0.80	ACUITE BB+/Stable (Reaffirmed)
	Bank Guarantee	Short Term	1.50	ACUITE A4+ (Reaffirmed)
24-Oct-2019	Term Loan	Long Term	37.39	ACUITE BB+ (Downgraded; Indicative*)
	Cash Credit	Long Term	35.00#	ACUITE BB+ (Downgraded; Indicative*)
	Foreign Bill Discounting	Short Term	10.00@	ACUITE A4+ (Downgraded; Indicative*)
	Proposed	Long Term	0.81	ACUITE BB+ (Downgraded; Indicative*)
	Bank Guarantee	Short Term	0.80	ACUITE A4+ (Downgraded; Indicative*)
13-Aug-2018	Term Loan	Long Term	37.39	ACUITE BBB-/Stable (Assigned)
	Cash Credit	Long Term	35.00#	ACUITE BBB-/Stable (Assigned)
	Foreign Bill Discounting	Short Term	10.00@	ACUITE A3 (Assigned)
	Proposed	Long Term	0.81	ACUITE BBB-/Stable (Assigned)
	Bank Guarantee	Short Term	0.80	ACUITE A3 (Assigned)

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

#includes sub limit of Rs.32 Cr of EPC/PCFC/FBD and Rs.8 Cr of domestic book debt within CC limit of Rs.35 Cr

@ includes sub limit of Rs.10 Cr of EBR within FBP limit of Rs.10 Cr

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr)	Ratings/Outlook
Term Loan	Not Available	Not Available	Not Available	31.40	ACUITE BB (Downgraded) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	45.00#	ACUITE BB (Downgraded) Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	19.30	ACUITE BB (Downgraded) Issuer not co-operating*
Foreign Bill Discounting	Not Applicable	Not Applicable	Not Applicable	18.00@	ACUITE A4+ Issuer not co-operating*
Proposed	Not Applicable	Not Applicable	Not Applicable	0.80	ACUITE BB (Downgraded) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE A4+ Issuer not co-operating*

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

#includes sub limit of Rs.32 Cr of EPC/PCFC/FBD and Rs.8 Cr of domestic book debt within CC limit of Rs.35 Cr

@ includes sub limit of Rs.10 Cr of EBR within FBP limit of Rs.10 Cr

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About Acuité Ratings & Research:

Acuité Ratings & Research 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 8,374 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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