

## Press Release

### Grospinz Fabz Limited

March 15, 2021

#### Rating Update



<b>Total Bank Facilities Rated*</b>	Rs.116.00 Cr. #
<b>Long Term Rating</b>	ACUITE BB (Downgraded from ACUITE BB+/Stable) 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.

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 Gujrat 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

Acuite 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 <sup>#</sup>	ACUITE BB+/Stable (Reaffirmed)
	Term Loan	Long Term	19.30	ACUITE BB+/Stable (Assigned)
	Foreign Bill Discounting	Short Term	18.00 <sup>@</sup>	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 <sup>#</sup>	ACUITE BB+ (Downgraded; Indicative*)
	Foreign Bill Discounting	Short Term	10.00 <sup>@</sup>	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 <sup>#</sup>	ACUITE BBB-/Stable (Assigned)
	Foreign Bill Discounting	Short Term	10.00 <sup>@</sup>	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

<sup>#</sup>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

<sup>@</sup> 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 <sup>#</sup>	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 <sup>@</sup>	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

<sup>#</sup>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

<sup>@</sup> includes sub limit of Rs.10 Cr of EBR within FBP limit of Rs.10 Cr

## Contacts

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### About Acuité Ratings & Research:

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