



Press Release

Grospinz Fabz Limited
September 06, 2023

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	96.50	ACUITE BB Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	19.50	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	116.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) and the short-term rating of '**ACUITE A4+**' (read as **ACUITE A Four plus**) on the Rs. 116.00 crore bank facilities of Grospinz Fabz Limited (GFL). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

Grospinz Fabz Limited (GFL) is incorporated in 2006. it 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 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.

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.

Rating Sensitivity

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

All Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	470.52	317.71
PAT	Rs. Cr.	10.86	6.43
PAT Margin	(%)	2.31	2.02
Total Debt/Tangible Net Worth	Times	2.03	2.34
PBDIT/Interest	Times	3.98	3.26

Status of non-cooperation with previous CRA

Not Applicable

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. Acuité'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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
13 Jun 2022	Term Loan	Long Term	19.30	ACUITE BB (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	0.80	ACUITE BB (Issuer not co-operating*)
	Bills Discounting	Short Term	18.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	45.00	ACUITE BB (Issuer not co-operating*)
	Bank Guarantee	Short Term	1.50	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	31.40	ACUITE BB (Issuer not co-operating*)
15 Mar 2021	Bank Guarantee	Short Term	1.50	ACUITE A4+ (Issuer not co-operating*)
	Bills Discounting	Short Term	18.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	45.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	0.80	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	31.40	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	19.30	ACUITE BB (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
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	1.50	ACUITE A4+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	Simple	18.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	45.00	ACUITE BB Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	0.80	ACUITE BB Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	31.40	ACUITE BB Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	19.30	ACUITE BB Reaffirmed Issuer not co-operating*

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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.

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