

Press Release

Gurusharanam Foods

June 21, 2019

Rating Update



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| Total Bank Facilities Rated* | Rs. 6.50 Cr. |
| Long Term Rating | ACUITE BB- Issuer not co-operating* |

* Refer Annexure for details

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

Rating Rationale

Acuite has reviewed the long term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs. 6.50 crore bank facilities of Gurusharanam Foods. This rating is now an indicative rating and is based on best available information.

Gurusharanam Foods (GF) was established in 2008. Currently the partners are Mr. Gian Sagar Sardana and Mr. Mohit Sardana. GF is involved in processing of paddy and processing of semi processed rice. During FY18 the firm has started with trading of rice as well which constitutes to about one-third of the total revenues earned. The company earns around 35-40 per cent of total revenue through export sales through Latin America, America, Europe, etc. The rest is sold to domestic customers who export the product to other countries like Middle East. The installed capacity for paddy processing is 2MT per hour utilised to the tune of 15-20 per cent. The installed capacity for semi-processed rice processing is 6MT per hour utilised to the tune of 50 per cent.

Non-cooperation by the issuer/borrower:

Acuite 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 Acuite's policies.

Applicable Criteria

- Entities in Manufacturing Industries– <https://www.acuite.in/view-rating-criteria-4.htm>
- Default Recognition: <https://www.acuite.in/criteria-default.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). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite 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 requests.

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

None

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 (Up to last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|----------------|---------------------------------|-----------|------------------|------------------------------|
| April 09, 2018 | Cash Credit | Long Term | 6.25 | ACUITE BB-/Stable (Assigned) |
| | Proposed Bank Facility | Long Term | 0.25 | ACUITE BB-/Stable (Assigned) |

*Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings/Outlook |
|------------------------|------------------|----------------|----------------|-----------------------------|-------------------------|
| Cash Credit | Not applicable | Not applicable | Not applicable | 6.25 | ACUITE BB- (Indicative) |
| Proposed Bank Facility | Not applicable | Not applicable | Not applicable | 0.25 | ACUITE BB- (Indicative) |

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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