

## Press Release

Gurusharanam Foods

September 07, 2020



### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs.6.50 Cr.#
<b>Long Term Rating</b>	ACUITE B+ (Downgraded from ACUITE BB-) 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 B+**' (**read as ACUITE B plus**) from '**ACUITE BB-**' (**read as ACUITE double B minus**) on the Rs.6.50 crore bank facilities of Gurusharanam Foods. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

Gurusharanam Foods (GF) was established in 2008. Currently, the partners are Mr. Gian Sagar Sardana and Mr. Mohit Sardana. GF is involved in the 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:

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.

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>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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.

#### 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

Acuité 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
21-June-19	Cash Credit	Long Term	6.25	ACUITE BB- Issuer not co-operating*
	Proposed Bank facility	Long Term	0.25	ACUITE BB- Issuer not co-operating*
09-April-18	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. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.25	ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.25	ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating*

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

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**About Acuité Ratings & Research:**

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