

Press Release
Gurusharanam Foods

December 03, 2021



Rating Reaffirmed and Issuer not co-operating

| Product | Initial Quantum (Rs. Cr.) | Net Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------|------------------------------|-------------------------|--|----------------------|
| Bank Loan Ratings | 6.50 | 6.50 | ACUITE B+ Reaffirmed Issuer not co-operating* | |
| Total | - | 6.50 | - | - |

Refer Annexure for details

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

Rating Rationale

Acuité has reviewed the long-term rating of '**ACUITE B+**' (**read as ACUITE B plus**) on the Rs.6.50 crore bank facilities of Gurusharanam Foods (GF). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Firm

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 percent 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 percent. The installed capacity for semi-processed rice processing is 6MT per hour utilised to the tune of 50 percent.

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

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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

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.

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|-----------|-----------------|---|
| 07 Sep 2020 | Cash Credit | Long Term | 6.25 | ACUITE B+ (Downgraded and Issuer not co-operating*) |
| | Proposed Bank Facility | Long Term | 0.25 | ACUITE B+ (Downgraded and Issuer not co-operating*) |
| 21 Jun 2019 | Proposed Bank Facility | Long Term | 0.25 | ACUITE BB- (Issuer not co-operating*) |
| | Cash Credit | Long Term | 6.25 | ACUITE BB- (Issuer not co-operating*) |
| 09 Apr 2018 | Cash Credit | Long Term | 6.25 | ACUITE BB- Stable (Assigned) |
| | Proposed Long Term Loan | Long Term | 0.25 | ACUITE BB- Stable (Assigned) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Initial Quantum (Rs. Cr.) | Net Quantum (Rs. Cr.) | Rating |
|----------------------|----------------|----------------------------------|-------------------------|--------------------|----------------------|----------------------------------|------------------------------|--|
| Punjab National Bank | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 6.25 | 6.25 | ACUITE B+ Reaffirmed Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Long Term Bank Facility | Not Applicable | Not Applicable | Not Applicable | 0.25 | 0.25 | ACUITE B+ Reaffirmed Issuer not co-operating* |

Contacts

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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 8,850 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 Kanjurmarg, Mumbai.

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