Press Release

Gurusharanam Foods

January 23, 2023

Rating Reaffirmed & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	6.50	ACUITE B+ | Reaffirmed & Withdrawn | Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	6.50	-	-

Rating Rationale

Acuité has reaffirmed & withdrawn the long-term rating of of **'ACUITE B+' (read as ACUITE B plus)** on the Rs.6.50 crore bank facilities of Gurusharanam Foods (GF).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. The rating has been withdrawn on account of request received from the company and NOC received from the banker on Acuite's policy of withdrawal of ratings.

About the Company

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 2018, the firm started trading rice as well, which constitutes 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 noncooperation 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 notcooperating", 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 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 entity has not shared the latest financial statement for Acuite to comment

Rating Sensitivity
"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants
None

Liquidity Position
"No information provided by the issuer / available for Acuite to comment upon.

Outlook
Not Applicable

Other Factors affecting Rating
None

Status of non-cooperation with previous CRA
India Ratings vide its press release dated 20.02.2022, had rated the entity to IND B+/A4; INC

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. Acuite' 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
03 Dec 2021	Cash Credit	Long Term	6.25	ACUITE B+ (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	0.25	ACUITE B+ (Issuer not co-operating*)
07 Sep 2020	Proposed Bank Facility	Long Term	0.25	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	6.25	ACUITE B+ (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
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	6.25	ACUITE B+ | Reaffirmed & Withdrawn | Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	0.25	ACUITE B+ | Reaffirmed & Withdrawn | Issuer not co-operating*

Contacts

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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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