

Press Release

Harman Rice Private Limited

April 07, 2021

Rating Update



Total Bank Facilities Rated*	Rs.30.00 Cr. #
Long Term Rating	ACUITE B+ (Downgraded from BB-/ Stable) Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuite 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.30.00 Cr. bank facilities of Harman Rice Private Limited (HRPL). The rating is now an indicative rating and is based on the best available information.

About the company

Punjab-based HRPL was incorporated in 2006 by Mr. Dalip Singh and his son Mr. Bhupinder Singh. The company is engaged in the production of both basmati and non-basmati rice with their manufacturing facilities located in Bhatinda, Gonia, with capacity of 6 tons per hour. The company generates its revenues via both exports and domestic sales. The exports are towards Middle East countries, New Zealand, Canada, US and domestically it sells majorly in Delhi and Gujarat.

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 the due date.

Acuite 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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Entities in Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.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 has endeavoured 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.

Liquidity Position

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

Rating Sensitivities

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 (if applicable)

Not Applicable

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
29-Jan-2020	Cash Credit	Long Term	10.80	ACUITE BB-/ Stable (Reaffirmed)
	Warehouse facility	Long Term	15.00	ACUITE BB-/ Stable (Reaffirmed)
	Proposed bank facility	Long Term	4.20	ACUITE BB-/ Stable (Reaffirmed)
30-Nov-2018	Cash Credit	Long Term	10.80	ACUITE BB-/ Stable (Assigned)
	Warehouse facility	Long Term	15.00	ACUITE BB-/ Stable (Assigned)
	Proposed bank facility	Long Term	4.20	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	10.80	ACUITE B+ (Downgraded from BB-/ Stable) Issuer not co-operating*
Warehouse facility	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE B+ (Downgraded from BB-/ Stable) Issuer not co-operating*
Proposed bank facility	Not Applicable	Not Applicable	Not Applicable	4.20	ACUITE B+ (Downgraded from BB-/ Stable) Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
------------	-------------

<p>Aditya Gupta Vice President – Corporate Ratings Tel: 022 – 49294041 aditya.gupta@acuite.in</p> <p>Isha Palekar Analyst – Rating Operations Tel: 022 – 49294000 isha.palekar@acuite.in</p>	<p>Varsha Bist Senior Manager – Rating Desk Tel: 022 – 49294011 rating.desk@acuite.in</p>
--	--

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 8,563 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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Acuité's rating scale and its definitions.