Press Release

Harman Rice Private Limited

April 13, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	30.00	ACUITE D | Downgraded | Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	30.00	-	-

Rating Rationale

Acuité has Downgraded the long-term rating to **'ACUITE D' (read as ACUITE D)' from ACUITE B+ (Read as ACUITE B plus)** on the Rs.30.00 crore bank facilities of HARMAN RICE PRIVATE LIMITED.
The rating continues to be an indicative rating. The downgrade is based on the public reports mentioning the account as an NPA and "downgraded on account of Information Risk"

About the Company

Punjab-based HARMAN RICE PRIVATE LIMITED (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, Goniana, 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 domestic markets are from Delhi, and Gujarat.

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 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.

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 has endeavoured 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.

Rating Sensitivity

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

Material Covenants
None

Liquidity Position
Not Applicable

Outlook:
Not Applicable

Other Factors affecting Rating
None

Status of non-cooperation with previous CRA
CARE Ratings , vide its press release dated 13-10-2022 had denoted rating of Harman Rice Private Limited as 'CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING' on account of lack of adequate information required for monitoring of ratings.

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

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
06 Jul 2022	Cash Credit	Long Term	15.00	ACUITE B+ (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	4.20	ACUITE B+ (Issuer not co-operating*)
	Cash Credit	Long Term	10.80	ACUITE B+ (Issuer not co-operating*)
07 Apr 2021	Proposed Bank Facility	Long Term	4.20	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	15.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	10.80	ACUITE B+ (Downgraded and Issuer not co-operating*)
29 Jan 2020	Cash Credit	Long Term	10.80	ACUITE BB- | Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BB- | Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	4.20	ACUITE BB- | Stable (Reaffirmed)

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	10.80	ACUITE D | Downgraded | Issuer not co-operating*
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	15.00	ACUITE D | Downgraded | Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	4.20	ACUITE D | Downgraded | 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.