

Press Release

Hariom Industries Limited

July 12, 2021



Rating Downgraded & Withdrawn

Total Bank Facilities Rated#	Rs.84.00 Cr.
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB- / Negative) Withdrawn; Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has downgraded & withdrawn the long term rating to '**ACUITE BB+**' (**read as ACUITE double B plus**) from '**ACUITE BBB-**' (**read as ACUITE triple B minus**) on the Rs.84.00 Cr. bank facilities of Hariom Industries Limited (HIL). The rating is now flagged as an 'Issuer Not-Cooperating' based on best available information.

The rating is being withdrawn on account of the request received from the company and the NOC received from the banker as per Acuité's policy on withdrawal of ratings.

About the Entity

Uttar Pradesh based, HIL was incorporated in 2009, by Mr. Surendra Kumar Gupta, Mr Virendra Kumar Gupta, Mr. Rajendra Kumar Gupta. HIL is engaged in the manufacturing of Kraft Paper via the manufacturing unit located at Kanpur with an installed capacity of 240 tons per day. The company is currently in the process of expanding its installed capacity to 280 tons per day along with establishing a cogeneration power plant of 5 MW capacity for meeting the internal power consumption needs.

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.

Applicable Criteria

- Default Recognition – <https://www.acuite.in/view-rating-criteria-52.htm>
- 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). 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.

Liquidity Position

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

Rating Sensitivities

No information provided by the issuer / available for Acuité 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

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
28-Sept-2021	Cash Credit	Long Term	25.00	ACUITE BBB- / Negative (Reaffirmed; Outlook revised from Stable)
	Term Loan	Long Term	3.15	ACUITE BBB- / Negative (Reaffirmed; Outlook revised from Stable)
	Term Loan	Long Term	55.00	ACUITE BBB- / Negative (Assigned)
	Proposed Long Term Loan	Long Term	0.85	ACUITE BBB- / Negative (Assigned)
06-Feb-2019	Cash Credit	Long Term	20.00	ACUITE BBB- / Stable (Assigned)
	Term Loan	Long Term	4.00	ACUITE BBB- / 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
Cash Credit	Not Applicable	Not Available	Not Applicable	25.00	ACUITE BB+ (Downgraded from ACUITE BBB- /Negative) Withdrawn; Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	3.15	ACUITE BB+ (Downgraded from ACUITE BBB- /Negative) Withdrawn; Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	55.00	ACUITE BB+ (Downgraded from ACUITE BBB- / Negative) Withdrawn; Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.85	ACUITE BB+ (Downgraded from ACUITE BBB- /Negative) Withdrawn; Issuer not co-operating*

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

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 8,780 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.

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