

Press Release

HARMONY PLASTICS PRIVATE LIMITED

May 24, 2023

Rating Reaffirmed and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	31.90	ACUITE BB+ Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	0.10	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	32.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB+**' (read as **ACUITE Double B Plus**) and the short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.32.00 Cr bank facilities of Harmony Plastics Private Limited. The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

Rajasthan based Harmony Plastics Private Limited was incorporated in 2005 as a joint venture between Mewar group and Alpha Protech Engineered product Inc. (USA). The company is engaged in manufacturing of PP woven fabrics (Coated and uncoated). In the year 2011 company started a new SEZ unit in Sachin (Surat) for manufacturing of disposable garments and shoe covers made from non-woven fabrics. As of now, the company have an annual capacity of 12500 MT per annum for PP fabric and 11 crore pieces per annum for disposable garments.

About the Group

Mewar group was established in 1979 by Mr. B.H. Bapna. The group currently consist of 4 companies, namely Harmony Plastics Private Limited, Mewar Polytex Limited, Plasti Weave Industry LLP and Sun Polytex Private Limited. The group is engaged in the business of manufacturing and export of polypropylene based woven and non-woven fabrics and sack bags.

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 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 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.

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	680.94	526.78
PAT	Rs. Cr.	34.84	19.04
PAT Margin	(%)	5.12	3.61
Total Debt/Tangible Net Worth	Times	0.71	0.63
PBDIT/Interest	Times	17.06	8.11

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.

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
23 Feb 2022	Proposed Cash Credit	Long Term	1.10	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	17.50	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	0.10	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	2.75	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.39	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	5.61	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	3.55	ACUITE BB+ (Downgraded and Issuer not co-operating*)
03 Dec 2020	Term Loan	Long Term	0.39	ACUITE A- Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	1.10	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	1.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	17.50	ACUITE A- Stable (Reaffirmed)
	Bank Guarantee	Short Term	0.10	ACUITE A1 (Reaffirmed)
	Term Loan	Long Term	3.55	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	5.61	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	2.75	ACUITE A- Stable (Reaffirmed)
13 Nov 2020	Term Loan	Long Term	5.61	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	0.39	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	2.75	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	3.55	ACUITE A- Stable (Assigned)
	Proposed Bank Facility	Long Term	1.10	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	1.00	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	17.50	ACUITE A- Stable (Assigned)
	Bank Guarantee	Short Term	0.10	ACUITE A1 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	0.10	ACUITE A4+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	17.50	ACUITE BB+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	1.10	ACUITE BB+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	3.55	ACUITE BB+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.39	ACUITE BB+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.00	ACUITE BB+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	5.61	ACUITE BB+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	2.75	ACUITE BB+ Reaffirmed Issuer not co-operating*

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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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