



Press Release

Harman Finochem Limited

June 16, 2023

Ratings

Instrument Facility /	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities – Fund Based – Cash Credit	50.00	IVR BB- / Negative; ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING*)	Revised and continues to remain under ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities – Non-Fund Based – Letter of Credit	10.00	IVR A4 (ISSUER NOT COOPERATING*) (IVR A Four; ISSUER NOT COOPERATING*)	Reaffirmed and continues to remain under ISSUER NOT COOPERATING category	Simple
Total	60.00 (Rupees Sixty Crore Only)			

**Issuer did not cooperate; Based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

The revision as well as reaffirmation in the ratings assigned to the bank facilities of Harman Finochem Limited (HFL) reflects lack of adequate information available, non-payment of annual surveillance fees and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lender, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data, results to monitor its assigned rating to the bank facilities, vide E-mail communications dated



Press Release

April 17, 2023, May 03 22, 2023, May 12, 2023 and May 19, 2023 and also concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details required for monitoring the ratings. Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the ratings for the bank facilities of HFL aggregating Rs.60.00 crore has been continued under the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB-/Negative; Issuer Not Co-operating* / IVR A4; Issuer Not Co-operating*; Based on best available information.

Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what Constitute Non-Cooperation by Client](#)

[Criteria of assigning Rating Outlook](#)

[Rating Methodology – Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

About the Company

Harman Finochem Limited is a Pharmaceutical Company which specializes in the manufacture and export of more than 45 Active Pharmaceutical Ingredients (APIs) & Intermediates of which 10 are Essential Drugs as per the WHO Model List. The company was incorporated in the year of 1983. Initially it is incorporated as a private limited company, however in the year of 2000 the company changed its constitution as a Limited Company. The Company is promoted by Mr. Bhupinder Singh Jagdev Singh Manhas. He is a dedicated pharma professional since past 40 years. The company has 2 manufacturing units located at MIDC, Aurangabad. The manufacturing facilities comply with cGMP requirement as per ICH Q7 A, with customized particle size options viz. Milling & Micronizing. The in-house QC laboratories are equipped with sophisticated instruments to assure high quality standards of APIs. The Company exports its products to more than 35 countries across the globe. The company is in the process of commissioning a new R&D facility at Navi Mumbai, Maharashtra, India.



Press Release

Financials (Standalone)*:

(Rs. Crore)

For the year ended / As on	31-Mar-2020 (Audited)	31-Mar-2021 (Audited)
Total Operating Income	631.80	766.43
EBITDA	200.11	280.88
PAT	122.03	168.32
Total Debt	29.47	95.08
Tangible Net worth	675.08	843.56
EBITDA Margin (%)	31.67	36.65
PAT Margin (%)	19.31	21.96
Overall Gearing Ratio (times)	0.04	0.11

*Classification as per Infomerics standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument / Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2020-21
	PR Date				06-Apr-2022	12-Feb-2021	29-Jul-2020
1.	Fund Based – Cash Credit	Long Term	50.00	IVR BB- / Negative; Issuer not cooperating*	IVR BB / Issuer not cooperating*	IVR BB+ / Issuer not cooperating*	IVR A- / Stable Outlook / Issuer not cooperating*
2.	Non-Fund Based – Letter of Credit	Short Term	10.00	IVR A4 / Issuer not cooperating*	IVR A4 / Issuer not cooperating*	IVR A4+ / Issuer not cooperating*	IVR A2+ / Issuer not cooperating*

*Issuer did not cooperate; Based on best available information

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Press Release

About Infomerics:

Infomerics Valuation and Rating Private Limited (Infomerics) was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



Press Release

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Fund Based – Cash Credit	–	–	–	50.00	IVR BB- / Negative; ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING*)
Short Term Bank Facilities – Non-Fund Based – Letter of Credit	–	–	–	10.00	IVR A4 (ISSUER NOT COOPERATING*) (IVR A Four; ISSUER NOT COOPERATING*)

** Issuer did not cooperate; Based on best available information*

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.