



## Press Release

### Harman Finochem Ltd

July 29, 2020

#### Ratings

Sl. No.	Instrument / Facility	Amount (INR Crores)	Rating	Rating Action
1.	Long Term Fund Based Facilities	50.00	IVR A-/Stable Outlook ISSUER NOT COOPERATING* (IVR Single A Minus with Stable Outlook ISSUER NOT COOPERATING)	Re-affirmed and moved to ISSUER NOT COOPERATING category
2.	Short Term Non Fund Based Facilities	10.00	IVR A2+ ISSUER NOT COOPERATING* (IVR A Two Plus ISSUER NOT COOPERATING)	Re-affirmed and moved to ISSUER NOT COOPERATING category

*\*Issuer not cooperating, based on best available information*

#### Details of Facilities are in Annexure 1

#### Detailed Rationale

The aforesaid rating action to the bank facilities of Harman Finochem Ltd reflects lack of adequate information available about the performance of the company 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 lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the rating revision.

#### Note on non-cooperation

Infomerics has repeatedly followed up with the company to provide information to monitor the rating(s) vide e-mails dated April 16, 2020; April 23, 2020; April 27, 2020; May 07, 2020; May 20, 2020, May 27, 2020 and July 15, 2020. However, despite repeated requests, the company has failed to submit "No Default Statement", Audited financial statements for FY19, and other data for review. In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics is re-affirming and revising the long term rating for the bank loan



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facilities of Harman Finochem Ltd aggregating to INR60.00 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR A-/Stable Outlook ISSUER NOT COOPERATING (pronounced IVR Single A Minus with Stable Outlook ISSUER NOT COOPERATING) and IVR A2+ ISSUER NOT COOPERATING (pronounced IVR A Two Plus ISSUER NOT COOPERATING). Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

### **Analytical Approach & Applicable Criteria**

Standalone

Rating Methodology for Manufacturing Sector Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Guidelines on what constitutes Non-Cooperation by Clients

### **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.



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### Financials\*

(INR crore)

For the year ended/ As On	31-03-18 (Audited)	31-03-19 (Audited)
Total Operating Income	387.12	533.85
EBITDA	114.05	135.63
PAT	33.54	74.85
Total Debt	13.70	52.90
Tangible Network	479.32	553.92
<b>Ratios</b>		
EBITDA Margin (%)	29.46	25.41
PAT Margin (%)	8.66	13.74
Overall Gearing Ratio (x)	0.03	0.10

\*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Sl. No.	Name of Instrument/ Facilities	Type	Current Rating (Year 2020-21)		Rating History for the past 3 years		
			Amount outstanding (INR crore)	Assigned Rating	Date(s) & Rating(s) assigned in 19-20 (May 08, 2019)	Date(s) & Rating(s) assigned in 18-19	Date(s) & Rating(s) assigned in 17-18 (January 18, 2018)
1.	Long Term Fund Based Facilities	Long Term	50.00	IVR A-/Stable Outlook ISSUER NOT COOPERATING	IVR A- / Stable Outlook	-	-
2.	Short Term Non Fund Based Facilities	Short Term	10.00	IVR A2+ ISSUER NOT COOPERATING	IVR A2+	-	-

**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](http://www.infomerics.com).



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### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

**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, suspend 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.

### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Fund Based Facilities	--	--	--	50.00	IVR A-/Stable Outlook ISSUER NOT COOPERATING
Short Term Non Fund Based Facilities	--	--	--	10.00	IVR A2+ ISSUER NOT COOPERATING