

## H. G. Narayan and Sons

November 15, 2022

### Ratings

Facilities/Instruments	Amount (Rs crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	4.00	CARE BB-; Stable; ISSUER NOT COOPERATING* (Double B Minus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB; Stable; (Double B; Outlook: Stable)
<b>Total Bank Facilities</b>	<b>4.00 (Rs Four Crore Only)</b>		

Details of instruments/facilities in Annexure-1

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

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated September 07, 2021, placed the rating(s) of H. G. Narayan and Sons (HGNS) under the 'issuer non-cooperating' category as HGNS had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. HGNS continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated July 24, 2022, August 03, 2022, August 13, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings assigned to the bank facilities of HGNS have been revised on account of non-availability of requisite information.

### Detailed description of the key rating drivers

Please refer to PR dated [September 07, 2021](#)

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the firm

H. G. Narayan & Sons (HGNS) was established in 1986 by Late Mr. H G Narayan. HGNS is presently running 30 liquor retail stores (all on leased basis) to sell IMFL (Indian Made Foreign Liquor) and Beer in various districts of Karnataka viz; Hassan, Mandya, Chikmagalur etc. The firm started with 2 retail licensed liquor outlets in the year 1986. Over the years, it acquired 28 additional licenses. Presently, the business is run by Mr. Prithvi Narayan. As applicable with all liquor retail shops located in Karnataka, Karnataka State Beverages Corporation (KSBC) is the only supplier for HGNS. The licenses for the stores are required to be renewed annually for all outlets.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	FY22 (A)	H1FY23 (Prov.)
Total operating income	NA	NA	NA	NA
PBILDT	NA	NA	NA	NA
PAT	NA	NA	NA	NA
Overall gearing (times)	NA	NA	NA	NA
Interest coverage (times)	NA	NA	NA	NA

A: Audited; Prov.: Provisional; NA: Not Available

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Status of non-cooperation with previous CRA:** CRISIL has continued the rating assigned to the bank facilities of HGNS into Issuer Not Cooperating category vide press release dated January 20, 2022 on account of its inability to carry out a review in the absence of the requisite information from the company.

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facility:** Annexure-3

**Complexity level of various instruments rated for this firm:** Annexure-4

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan (Proposed)		-	-		4.00	CARE BB-; Stable; ISSUER NOT COOPERATING*

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

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan (Proposed)	LT	4.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (07-Sep-21)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (21-Sep-20) 2)CARE BBB-; Stable; ISSUER NOT COOPERATING* (01-Apr-20)	-
2	Fund-based - LT-Cash Credit	LT	-	-	-	-	1)Withdrawn (01-Apr-20)	-

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

**Annexure 3: Detailed explanation of the covenants of the rated instruments/facilities:** Not Applicable

**Annexure 4: Complexity level of various instruments rated for this firm**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan (Proposed)	Simple

**Annexure 5: Bank Lender Details for this firm**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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**About CARE Ratings Limited:**

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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