

Hari & Co International LLP

February 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	31.50	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	3.00	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking No Default Statement from Hari & Co International LLP (HCI) to monitor the ratings vide email communications/letters dated January 21, 2025, January 27, 2025, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite No Default Statement for monitoring the ratings. 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. The rating on Hari & Co International LLP (HCI) bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING***.

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

The ratings have been revised on account of non-receipt of monthly No default statement for the month of November 2024 and December 2024 despite repeated requests. The rating assigned to the bank facilities of Hari & Co International LLP (HCI) factors in delays in servicing of debt obligations. The rating further continues to be constrained by the highly leveraged capital structure and tight liquidity position of the entity.

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of key rating drivers:

At the time of previous rating published on April 29, 2024, the following were the key rating drivers. The same has been updated with latest available information.

Key weaknesses

Delay in debt servicing

The company has been delaying in servicing the availed loan facilities.

Highly leveraged capital structure

The capital structure of HCI is highly leveraged. The overall gearing as on March 31, 2024 stood at 5.92x (PY: 5.02x) and the total debt to Gross Cash Accruals (GCA) remains weak at 72.82x in FY24 (PY: 27.75x), due to higher dependence on external borrowings to fund the operations.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Working capital intensive operations

The average collection period has elongated to 350 days in FY24 from 339 days in FY23 and the operating cycle has elongated to 173 days in FY24.

Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial Services & Supplies	Trading & Distributors

Hari & Co. International LLP (HCI) was incorporated in May 2016 and is being managed by promoters, Mr. Hariharan and Mr. Annamalaisamy. HCI is involved in trading/exporting perishable food (fruits & vegetables), non-perishable food (food staple such as rice, wheat, sugar, etc.) and construction materials such as boulders, steel bars, cement, aggregate, etc., as well.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	87.88	101.43	70.89
PBILDT	8.07	7.74	5.78
PAT	1.29	1.63	0.62
Overall gearing (times)	3.70	5.02	5.92
Interest coverage (times)	1.48	1.60	1.39

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	1.50	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-PC/Bill Discounting		-	-	-	30.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	3.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Bank Overdraft	LT	1.50	CARE D; ISSUER NOT COOPERATING*	1)CARE D (29-Apr-24)	1)CARE BB-; Stable (07-Sep-23) 2)CARE BB-; Stable; ISSUER NOT COOPERATING* (21-Jul-23)	1)CARE BB; Stable (12-Jul-22)	-
2	Fund-based - LT-Proposed fund based limits	LT	-	-	-	1)Withdrawn (07-Sep-23) 2)CARE BB-; Stable; ISSUER NOT COOPERATING* (21-Jul-23)	1)CARE BB; Stable (12-Jul-22)	-
3	Fund-based - LT-PC/Bill Discounting	LT	30.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D (29-Apr-24)	1)CARE BB-; Stable (07-Sep-23) 2)CARE BB-; Stable; ISSUER NOT COOPERATING*	1)CARE BB; Stable (12-Jul-22)	-

						(21-Jul-23)		
4	Non-fund-based - ST-Bank Guarantee	ST	3.00	CARE D; ISSUER NOT COOPERATING *	1)CARE D (29-Apr-24)	1)CARE A4 (07-Sep-23) 2)CARE A4; ISSUER NOT COOPERATING * (21-Jul-23)	1)CARE A4 (12-Jul-22)	-

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term;

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Fund-based - LT-PC/Bill Discounting	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

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

Contact us

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About us:

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Disclaimer:

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