

## Himachal Fibres Limited

December 07,2022

### Ratings

Facilities/ Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	22.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	5.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>27.00</b> <b>(Rs. Twenty- Seven Crore Only)</b>		

Details of instruments/facilities in Annexure-1.

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated September 09 2021, placed the rating(s) of Himachal Fibres Limited (HFL) under the 'issuer non-cooperating' category as HFL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. HFL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and emails dated November 08, 2022, November 10, 2022 and November 17, 2022, etc. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The ratings on bank facilities of Himachal Fibres Limited will 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 rating(s).***

At the time of last rating on September 09,2021 the following was the rating weaknesses (updated for the information available from stock exchange):

#### Key Rating Weaknesses

Ongoing delays in debt servicing: There are ongoing delays in the servicing of the debt obligations of the company

#### Detailed description of the key rating drivers

Please Refer to PR dated [September 09,2021](#)

#### Analytical Approach– Standalone

#### Applicable criteria

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

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Short Term Instruments](#)

[Cotton Textile](#)

[Manufacturing Companies](#)

#### About the company

Set up in 1980, Himachal Fibres Limited (HFL) was promoted by Mr. BK Garodia in collaboration with Himachal Pradesh Minerals & Industrial Development Corporation Limited. It was subsequently acquired by the 'Shiva' group in 2010. The product profile of HFL was also changed from cotton yarn to include polyester spun yarn, acrylic yarn, blended yarns and knitted cloth. HFL operates from its manufacturing facility in Baddi, Himachal Pradesh at an installed capacity of 20,344 spindles and 504 rotors as on March 31, 2015. The debt of the company was restructured in March-2015 due to liquidity constraints.

<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

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	H1FY23 (UA)
Total operating income	14.54	27.29	14.45
PBILDT	-0.71	3.98	1.64
PAT	-5.04	-6.87	-0.14
Overall gearing (times)	3.47	7.86	NA
Interest coverage (times)	0.46	-0.21	0.87

A: Audited; UA: Unaudited; NA: Not Available

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

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

**Covenants of the rated instruments/facilities:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

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

#### 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 along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	15.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	31-03-2025	7.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-ILC/FLC		-	-	-	5.00	CARE D; ISSUER NOT COOPERATING*

\* Issuer not cooperating; based on best available information

#### Annexure-2: Rating history for the 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 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	LT	7.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (09-Sep-21)	1)CARE D; ISSUER NOT COOPERATING* (20-Aug-20)	1)CARE D; ISSUER NOT COOPERATING* (27-May-19)
2	Fund-based - LT-Cash Credit	LT	15.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (09-Sep-21)	1)CARE D; ISSUER NOT COOPERATING* (20-Aug-20)	1)CARE D; ISSUER NOT COOPERATING* (27-May-19)
3	Non-fund-based - ST-ILC/FLC	ST	5.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (09-Sep-21)	1)CARE D; ISSUER NOT COOPERATING* (20-Aug-20)	1)CARE D; ISSUER NOT COOPERATING* (27-May-19)

\* Issuer not cooperating; based on best available information

LT: Long Term; ST: Short Term

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

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

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-ILC/FLC	Simple

**Annexure-5: Bank lender details for this company**

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

**Note on complexity levels of the rated instruments:** CARE Ratings 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](mailto:care@careedge.in) for any clarifications.

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