

Hindusthan National Glass & Industries Limited

July 08, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	2,063.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	600.00	CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	2,663.00 (₹ Two Thousand Six Hundred Sixty-Three Crore Only)		
Non Convertible Debentures	200.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Long Term Instruments	200.00 (₹ Two Hundred Crore Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

CARE had, vide its press release dated July 12, 2021, continued the ratings of Hindusthan National Glass & Industries Limited (HNG) under the 'issuer non-cooperating' category as HNG 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. HNG continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls, and a letter/email dated June 17, 2022.

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.

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

Detailed description of the key rating drivers

At the time of last rating on July 12, 2021 the following were the rating strengths and weaknesses (updated for the information available from stock exchange fillings):

Key Rating Weakness:

Ongoing delays in debt servicing: There are continuing delays in servicing of debt by the company. The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench, vide its order dated October 21, 2021 has admitted the Company for initiation of Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy code, 2016 (IBC).

Continued losses resulting in stressed liquidity position: The company reported net loss of Rs.348.53 crore on total operating income of Rs.2097 crore in FY22 vis-à-vis net loss of Rs.304.14 crore on total operating income of Rs.1897.64 crore in FY21. The liquidity position of the company continues to remain stressed.

Key Rating Strengths

Long track record of the company with established market presence

HNG, having market presence of over six decades, is an established manufacturer of container glass and has a pan India presence. The promoters have an experience of over two decades in the container glass industry.

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

Analytical approach: Standalone

Applicable criteria

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

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

About the company

HNG, incorporated in February 1946, was promoted by late MR. C.K. Somany of the Kolkata-based Somany family. The company manufactures container glass with seven manufacturing units, spread across the country having an aggregate installed capacity of 15,69,500 tpa (tonne per annum).

Brief Financials (₹ crore)	March 31, 2020 (A)	March 31, 2021 (A)	March 31, 2022 (Abridged)
Total operating income	2287.96	1,897.64	2,097.00
PBILDT	264.22	42.46	-133.20
PAT	-103.03	-304.14	-348.53
Overall gearing (times)	NM	NM	NM
Interest coverage (times)	1.13	0.20	-1.11

A: Audited, NM: Not meaningful, Abridged: Brief results published on the stock exchange

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for the 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	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	565.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	Sep 2025	270.46	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-BG/LC		-	-	-	580.00	CARE D / CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	Sep 2025	1024.99	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	35.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-BG/LC		-	-	-	20.00	CARE D / CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	-	167.55	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE952A07037	November 23, 2011	10.40%	November 23, 2021	100.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE952A07045	February 3, 2012	10.40%	February 3, 2022	100.00	CARE D; ISSUER NOT COOPERATING*

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-Cash Credit	LT	565.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (12-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (22-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (30-Jul-19)
2	Fund-based - LT-Term Loan	LT	270.46	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (12-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (22-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (30-Jul-19)
3	Non-fund-based - LT/ST-BG/LC	LT/ST*	580.00	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (12-Jul-21)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (22-Jul-20)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (30-Jul-19)
4	Debentures-Non Convertible	LT	200.00	CARE D; ISSUER NOT	-	1)CARE D; ISSUER NOT	1)CARE D; ISSUER NOT	1)CARE D; ISSUER NOT

	Debentures			COOPERATIN G*		COOPERATIN G* (12-Jul-21)	COOPERATIN G* (22-Jul-20)	COOPERATIN G* (30-Jul-19)
5	Fund-based - LT- Term Loan	LT	1024.99	CARE D; ISSUER NOT COOPERATIN G*	-	1)CARE D; ISSUER NOT COOPERATIN G* (12-Jul-21)	1)CARE D; ISSUER NOT COOPERATIN G* (22-Jul-20)	1)CARE D; ISSUER NOT COOPERATIN G* (30-Jul-19)
6	Fund-based - LT- Cash Credit	LT	35.00	CARE D; ISSUER NOT COOPERATIN G*	-	1)CARE D; ISSUER NOT COOPERATIN G* (12-Jul-21)	1)CARE D; ISSUER NOT COOPERATIN G* (22-Jul-20)	1)CARE D; ISSUER NOT COOPERATIN G* (30-Jul-19)
7	Non-fund-based - LT/ ST-BG/LC	LT/ST *	20.00	CARE D / CARE D; ISSUER NOT COOPERATIN G*	-	1)CARE D / CARE D; ISSUER NOT COOPERATIN G* (12-Jul-21)	1)CARE D / CARE D; ISSUER NOT COOPERATIN G* (22-Jul-20)	1)CARE D / CARE D; ISSUER NOT COOPERATIN G* (30-Jul-19)
8	Fund-based - LT- Term Loan	LT	167.55	CARE D; ISSUER NOT COOPERATIN G*	-	1)CARE D; ISSUER NOT COOPERATIN G* (12-Jul-21)	1)CARE D; ISSUER NOT COOPERATIN G* (22-Jul-20)	1)CARE D; ISSUER NOT COOPERATIN G* (30-Jul-19)

*Long term/Short term.

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

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

Sr. No.	Name of Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Fund-based - LT-Term Loan	Simple
4	Non-fund-based - LT/ ST-BG/LC	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 for any clarifications.

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