

## Himachal Fibres Limited

September 09, 2021

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	22.00	<b>CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)</b>	Rating continues to remain under <b>ISSUER NOT COOPERATING</b> category
Short Term Bank Facilities	5.00	<b>CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)</b>	Rating continues to remain under <b>ISSUER NOT COOPERATING</b> category
<b>Total Bank Facilities</b>	<b>27.00 (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 August 20, 2020, 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 August 12, 2021, August 16, 2021 and August 18, 2021, 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 August 20, 2020 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 [August 20, 2020](#)

**Analytical Approach**— Standalone:

#### Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)  
[CARE's Policy on Default Recognition](#)

#### 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 definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

**Covenants of rated instrument / facility:** Not Applicable

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)
Total operating income	43.25	15.19
PBILDT	1.48	-0.55
PAT	-2.28	-5.04
Overall gearing (times)	2.47	2.80
Interest coverage (times)	0.46	-0.16

A: Audited

**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 rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3**Complexity level of various instruments rated for this firm:** Annexure 4**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	February 2023	7.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	15.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-ILC/FLC	-	-	-	5.00	CARE D; 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) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Term Loan	LT	7.00	CARE D; ISSUER NOT COOPERATING*	-	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* (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* (20-Aug-20)	1)CARE D; ISSUER NOT COOPERATING* (27-May-19)	-

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

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

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

Sr. No.	Name of the 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**

[Click here to view Bank Lender Details](#)

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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**About CARE Ratings:**

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