

## Hindusthan National Glass & Industries Limited

June 24, 2024

| Facilities/Instruments                 | Amount<br>(₹ crore) | Rating <sup>1</sup>                      | Rating Action  |
|--|---------------------|--|--|
| Long Term Bank Facilities              | 2,063.00            | CARE 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* | Rating continues to remain under ISSUER NOT COOPERATING category |
| Non Convertible Debentures             | 200.00              | CARE D; ISSUER NOT COOPERATING*          | Rating continues to remain under 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 had, vide its press release dated July 06, 2023, 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 phone calls and letters/emails dated May 21, 2024, and June 10, 2024, among others.

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 06, 2023, the following were the rating strengths and weaknesses (updated for the information available from stock exchange filings):

#### Key weaknesses

**Ongoing delays in debt servicing:** 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). Mr. Girish Siriram Juneja was appointed as the Resolution Professional (RP) and he is being supported in the CIRP by EY Restructuring LLP as the Insolvency Professional Entity. As the Company has been admitted for initiation of CIRP process under the IBC code, it has been granted a moratorium from paying off the debts till the approval of resolution plan.

**Modest financial risk profile:** The company reported net profit of ₹163.38 crore on total operating income (TOI) of ₹2552.35 crore in FY24 vis-à-vis net loss of ₹233.32 crore on TOI of ₹2460.88 crore in FY23. However, networth remained negative in view of significant past losses.

#### Key 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.

**Analytical approach:** Standalone

<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

## Applicable criteria

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

[Rating Outlook and Rating Watch](#)

[Definition of Default](#)

[Financial Ratios – Non financial Sector](#)

[Criteria for Short Term Instruments](#)

[Care’s methodology for manufacturing companies](#)

## About the company and industry

### Industry classification

| Macro Economic Indicator | Sector            | Industry          | Basic Industry   |
|--------------------------|-------------------|-------------------|------------------|
| Consumer Discretionary   | Consumer Durables | Consumer Durables | Glass - Consumer |

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, 2023 (A) | March 31, 2024 (Abridged) |
|----------------------------|--------------------|---------------------------|
| Total operating income     | 2,460.88           | 2,552.35                  |
| PBILDT                     | -109.68            | 290.27                    |
| PAT                        | -233.32            | 163.37                    |
| Overall gearing (times)    | NM                 | NM                        |
| Interest coverage (times)  | -4.01              | 66.77                     |

A: Audited, NM: Not Meaningful; Note: 'the above results are latest financial results 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 rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

### 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 |
|---------------------------------|--------------|------------------|-----------------|---------------|-----------------------------|---|
| 10.4% Non Convertible Debenture | INE952A07037 | 23-Nov-2011      | 10.40%          | 23-Nov-2021   | 100.00                      | CARE D; ISSUER NOT COOPERATING*           |
| Non Convertible Debenture       | INE952A07045 | 03-Feb-2012      | 10.40%          | 03-Feb-2022   | 100.00                      | CARE D; ISSUER NOT COOPERATING*           |
| Fund-based - LT-Cash Credit     | -            | -                | -               | -             | 565.00                      | CARE D; ISSUER NOT COOPERATING*           |

| 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  |      | -                | -               | -             | 35.00                       | CARE D; ISSUER NOT COOPERATING*           |
| Fund-based - LT-Term Loan    |      | -                | -               | Sep 2025      | 1024.99                     | CARE D; ISSUER NOT COOPERATING*           |
| Fund-based - LT-Term Loan    |      | -                | -               | Sep 2025      | 167.55                      | 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*  |
| Non-fund-based - LT/ST-BG/LC |      | -                | -               | -             | 20.00                       | CARE D / CARE D; ISSUER NOT COOPERATING*  |

\*Issuer did not cooperate; 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 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-Cash Credit             | LT              | 565.00                       | CARE D; ISSUER NOT COOPERATING*          | -   | 1)CARE D; ISSUER NOT COOPERATING* (06-Jul-23)          | 1)CARE D; ISSUER NOT COOPERATING* (08-Jul-22)          | 1)CARE D; ISSUER NOT COOPERATING* (12-Jul-21)          |
| 2       | Fund-based - LT-Term Loan               | LT              | 270.46                       | CARE D; ISSUER NOT COOPERATING*          | -   | 1)CARE D; ISSUER NOT COOPERATING* (06-Jul-23)          | 1)CARE D; ISSUER NOT COOPERATING* (08-Jul-22)          | 1)CARE D; ISSUER NOT COOPERATING* (12-Jul-21)          |
| 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* (06-Jul-23) | 1)CARE D / CARE D; ISSUER NOT COOPERATING* (08-Jul-22) | 1)CARE D / CARE D; ISSUER NOT COOPERATING* (12-Jul-21) |
| 4       | Debentures- Non Convertible Debentures  | LT              | 200.00                       | CARE D; ISSUER NOT COOPERATING*          | -   | 1)CARE D; ISSUER NOT COOPERATING* (06-Jul-23)          | 1)CARE D; ISSUER NOT COOPERATING* (08-Jul-22)          | 1)CARE D; ISSUER NOT COOPERATING*                      |

|   |                              |        |         |  |   |  |  |  |
|---|------------------------------|--------|---------|--|---|--|--|--|
|   |                              |        |         |  |   |  |  | (12-Jul-21)  |
| 5 | Fund-based - LT-Term Loan    | LT     | 1024.99 | CARE D; ISSUER NOT COOPERATING*          | - | 1)CARE D; ISSUER NOT COOPERATING* (06-Jul-23)          | 1)CARE D; ISSUER NOT COOPERATING* (08-Jul-22)          | 1)CARE D; ISSUER NOT COOPERATING* (12-Jul-21)          |
| 6 | Fund-based - LT-Cash Credit  | LT     | 35.00   | CARE D; ISSUER NOT COOPERATING*          | - | 1)CARE D; ISSUER NOT COOPERATING* (06-Jul-23)          | 1)CARE D; ISSUER NOT COOPERATING* (08-Jul-22)          | 1)CARE D; ISSUER NOT COOPERATING* (12-Jul-21)          |
| 7 | Non-fund-based - LT/ST-BG/LC | LT/ST* | 20.00   | CARE D / CARE D; ISSUER NOT COOPERATING* | - | 1)CARE D / CARE D; ISSUER NOT COOPERATING* (06-Jul-23) | 1)CARE D / CARE D; ISSUER NOT COOPERATING* (08-Jul-22) | 1)CARE D / CARE D; ISSUER NOT COOPERATING* (12-Jul-21) |
| 8 | Fund-based - LT-Term Loan    | LT     | 167.55  | CARE D; ISSUER NOT COOPERATING*          | - | 1)CARE D; ISSUER NOT COOPERATING* (06-Jul-23)          | 1)CARE D; ISSUER NOT COOPERATING* (08-Jul-22)          | 1)CARE D; ISSUER NOT COOPERATING* (12-Jul-21)          |

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

\*Long term/Short term.

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

**Annexure-4: Complexity level of the various instruments rated**

| Sr. No. | Name of the 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: Lender details**

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

**Note on the 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.

## Contact us

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| <p><b>Media Contact</b></p> <p>Name: Mradul Mishra<br/>Director<br/><b>CARE Ratings Limited</b><br/>Phone: +91-22-6754 3596<br/>E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Saikat Roy<br/>Senior Director<br/><b>CARE Ratings Limited</b><br/>Phone: 91 22 6754 3404<br/>E-mail: <a href="mailto:saikat.roy@careedge.in">saikat.roy@careedge.in</a></p> | <p><b>Analytical Contacts</b></p> <p>Name: Hardik Manharbhai Shah<br/>Director<br/><b>CARE Ratings Limited</b><br/>Phone: +91-22-6754 3591<br/>E-mail: <a href="mailto:hardik.shah@careedge.in">hardik.shah@careedge.in</a></p> <p>Name: Richa Bagaria<br/>Associate Director<br/><b>CARE Ratings Limited</b><br/>Phone: +91-33-4018 1653<br/>E-mail: <a href="mailto:richa.jain@careedge.in">richa.jain@careedge.in</a></p> <p>Name: Preeti Baid<br/>Analyst<br/><b>CARE Ratings Limited</b><br/>E-mail: <a href="mailto:preeti.baid@careedge.in">preeti.baid@careedge.in</a></p> |
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### About us:

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