

## Hindusthan Urban Infrastructure Limited

January 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term / Short Term Bank Facilities	-	-	Reaffirmed at CARE BB; Stable / CARE A4 and removed from Rating Watch with Developing Implications; Stable outlook assigned and Withdrawn
Long Term Bank Facilities	-	-	Reaffirmed at CARE BB; Stable and removed from Rating Watch with Developing Implications; Stable outlook assigned and Withdrawn

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the outstanding ratings of 'CARE BB/CARE A4' assigned to the bank facilities of Hindusthan Urban Infrastructure Limited (HUIL) and removed from Rating Watch with Developing Implications; Stable outlook assigned and withdrawn with immediate effect. This has been done at the request of HUIL and No Objection Certificate (NOC) and No Dues Certificate (NDC) received from the banks that have extended the facilities rated by CareEdge Ratings.

Prior to its withdrawal, the ratings remained constrained due to its PAT level losses, weak return indicators and weak debt coverage indicators for last four years ended FY25 (FY refers to April 01 to March 31); and its stretched liquidity. The ratings are constrained by vulnerability of its profitability to volatile input prices and foreign exchange fluctuation and its presence in an intense competition and fragmented insulator and speciality chemicals industry.

The ratings derived strength from its experienced promoters, long track record with established relationship with its reputed clientele base and moderate scale of operations. The ratings also factor in need-based support from promoter group entities and the company's moderate capital structure. It also notes the successful sale of its stake in Hindusthan Speciality Chemicals Limited (HSCL), a material subsidiary of the company, and the proceeds received from the sale, which have supported the company's stretched liquidity position.

### Analytical approach: Standalone changed from Consolidated

Previously, the consolidated financials of Hindusthan Urban Infrastructure Limited (HUIL) and its subsidiary Hindusthan Speciality Chemicals Limited (HSCL) were considered as both entities were in the same line of business with common promoters and unconditional and irrevocable corporate guarantee extended by HUIL for the bank facilities of HSCL.

However, from August 25, 2025, HUIL sold its entire stake in HSCL and HSCL ceased to be a subsidiary of HUIL, and the analytical approach changed to standalone.

### Outlook: Stable

Stable outlook reflects CARE's view that Hindusthan Urban Infrastructure Limited is likely to sustain its scale of operations along with improvement in profitability supported by its experienced promoters along with need based support extended from promoter group entities.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Continued losses at PAT level in last four years ended FY25

Owing to moderation in scale and lower absorption of overhead costs, HUIL on a standalone basis has reported PAT-level losses in the last four years ended FY25 (FY refers to April 01 to March 31). In FY25, HUIL reported an operating loss of ₹14.87 crore compared to an operating profit of ₹12.97 crore reported in FY24, owing to ₹22.07 crore of bad debt write-off in the year. Adjusting for this, profit before interest, lease rentals, depreciation, and taxation (PBILDT) stood positive at ₹7.20 crore in FY25. Further, HUIL on a standalone basis has reported positive cash profit of ₹0.97 crore and ₹4.67 crore in FY24 and FY25 respectively (against cash loss of ₹4.46 crore reported in FY23).

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications

Further, in H1FY26, HUIL on a standalone level has reported a net loss of ₹43.48 crore, owing to a loss of ₹46.30 crore reported on the sale of investment (shareholding) in its subsidiary Hindusthan Speciality Chemicals Limited. However, operating profit stood positive at ₹10.33 crore in H1FY26.

### **Weak debt coverage indicators and low return indicators**

On account of reported net losses in past four years ended FY25, debt coverage indicators of the company on a standalone basis stood weak with return on capital employed (ROCE) at a low level of 1.30x and negative return on net worth (RONW) in FY25.

### **Vulnerability of its profitability to volatile input prices and foreign exchange fluctuation**

Profitability of the company remains susceptible to volatility in prices of key inputs such as petroleum, coal and metal, depending on its ability to pass on this volatility to customers.

Further, company's profitability is also exposed to foreign exchange fluctuations however, company partially hedges its forex exposure through derivative contracts. In FY25, HUIL had a foreign exchange gain of ₹0.33 crore (₹0.13 crore in FY24).

### **Key strengths**

#### **Experienced promoters and management with need based support from group entities**

HUIL is a part of 'The Hindusthan Group', founded in 1947 by late R. P. Mody, the founder chairman of the group. The group has PAN-India presence with business diversified across verticals such as engineering, chemicals, power and renewable energy, agriculture and education. Promoter group's longstanding presence in the industry has aided HUIL to establish relationship with reputed clientele base and diversify its product profile in a short span of time. Company's key management has three to four decades of experience across diversified business segments. Presently, HUIL is being managed by Mr. Deepak Kejriwal (Managing Director of HUIL group), who is a member of The Institute of Chartered Accountants of India. He has been associated with the company since 1996 and has over 26 years of industrial experience. The management is further supported by a well qualified and an experienced senior management team. Further, Promoters/promoter group entities have provided need-based support as and when required to support the operations and liquidity of HUIL.

#### **Long track record of company with established relationship with its reputed clientele**

HUIL has a long track record spanning over seven decades. HUIL on a standalone basis is engaged in manufacturing high-tension (HT) insulators. Over the years, HUIL has developed strong relationships with its customer base. The conductor business segment has been discontinued due to segmental losses and high volatility in aluminium prices. For the insulator business, the company derives major revenue from transmission and distribution (T&D) companies in the private sector.

#### **Moderate scale of operations primarily driven by chemical business segment**

The scale of operations of HUIL on a standalone basis stood moderate at ₹272.79 crore in FY25 (PY: ₹233.65 crore), with major income contribution from the insulator division and the balance from rentals of its erstwhile conductor business properties. Further, in H1FY26, HUIL on a standalone basis has reported total operating income (TOI) of ₹134.18 crore (₹120.33 crore in H1FY25).

#### **Moderate capital structure**

Capital structure of the company stood moderate on a standalone basis with overall gearing of 0.30x as on March 31, 2025 (PY: 0.46x) with healthy net worth of ₹408.19 crore. Going forward, capital structure is expected to improve as the company has reduced its overall debt exposure using proceeds from the sale of shares in its material subsidiary, Hindusthan Speciality Chemicals Limited (HSCL).

#### **Liquidity Stretched**

The liquidity of HUIL is stretched, marked by high limit utilisation and continued high working capital intensity of operations owing to a sizable credit period offered to reputed clients and sizable inventory holding, resulting in an operating cycle of 160 days as on March 31, 2025 (PY: 228 days). However, liquidity is supported by need-based funding from promoters through unsecured loans. On a standalone basis, promoters and promoter group entities infused unsecured loans of ~₹15 crore in FY24.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

## Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Short Term Instruments](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Diversified	Diversified	Diversified	Diversified

Incorporated in 1959, HUIL (CIN: L31300DL1959PLC003141) was established by the name of 'The Indian Aluminium Cables Limited' and was later renamed to 'Hindusthan Vidyut Products Limited' before being renamed to its current name. The company is part of the Hindusthan Group which is promoted by Mr Rajendra Prasad Mody and family. Company is engaged into manufacturing of HT insulators (mainly Disc, Bushing and Solid Core types of insulators) at its manufacturing facility at Mandideep (Madhya Pradesh) with annual installed capacity of 15,400 MT as on March 31, 2025. The company was into manufacturing of the bare overhead conductors, operations of which have been discontinued since Q4FY23.

HUIL's subsidiary viz. Hindusthan Speciality Chemicals Limited (HSCL) was incorporated on July 11, 2003 and was engaged into manufacturing of Epoxy Resin (ER) at its manufacturing facility at GIDC Industrial Estate of Jhagadia near Ankaleshwar, Gujarat with installed capacity of 17,400 MT. However, from August 25, 2025, HUIL sold its entire stake in HSCL and HSCL ceased to be a subsidiary of HUIL.

Brief Financials (₹ crore) Standalone	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (Prov.)
Total operating income	233.65	272.79	134.18
PBILDT	12.97	(14.87)	10.33
Profit after tax (PAT)	(2.94)	(1.80)	(43.48)
Overall gearing (x)	0.46	0.30	NA
Interest coverage (x)	0.65	NM	1.82

A: Audited Prov.: Provisional, NA: Not available, NM: Not meaningful; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Brickwork has conducted the review based on best available information and has reaffirmed and continued the ratings in "Issuer Not cooperating" category vide its press release dated September 02, 2025, due to its inability to carry out a review in the absence of the company's requisite information.

**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-Cash Credit		-	-	-	0.00	Withdrawn
Fund-based - LT-Working capital Term Loan		-	-	May, 2028	0.00	Withdrawn
Non-fund-based - LT/ ST-BG/LC		-	-	-	0.00	Withdrawn

**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 2025-2026	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
1	Fund-based - LT-Cash Credit	LT	-	-	1) CARE BB (RWD) (23-Jun-25)	1) CARE BB; Stable (05-Jul-24)	1) CARE BB; Stable (26-Apr-23)	-
2	Fund-based - LT-Working capital Term Loan	LT	-	-	1) CARE BB (RWD) (23-Jun-25)	1) CARE BB; Stable (05-Jul-24)	1) CARE BB; Stable (26-Apr-23)	-
3	Fund-based - LT-Term Loan	LT	-	-	-	1) Withdrawn (05-Jul-24)	1) CARE BB; Stable (26-Apr-23)	-
4	Non-fund-based - LT/ ST-BG/LC	LT/ST	-	-	1) CARE BB / CARE A4 (RWD) (23-Jun-25)	1) CARE BB; Stable / CARE A4 (05-Jul-24)	1) CARE BB; Stable / CARE A4 (26-Apr-23)	-
5	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	-	-	-	1) Withdrawn (05-Jul-24)	1) CARE BB; Stable / CARE A4 (26-Apr-23)	-

LT: Long term; LT/ST: Long term/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-Cash Credit	Simple
2	Fund-based - LT-Working capital Term Loan	Simple
3	Non-fund-based - LT/ ST-BG/LC	Simple

**Annexure-5: Lender details**

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

**Note on complexity levels of rated instruments:** CareEdge 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.

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