

## Handicraft & Handloom Export Corporation of India Limited

September 21, 2022

### Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	5.00	<b>CARE C; Stable; ISSUER NOT COOPERATING* (Single C; Outlook: Stable ISSUER NOT COOPERATING*)</b>	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	18.40	<b>CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)</b>	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Facilities</b>	<b>23.40 (Rs. Twenty-Three Crore and Forty Lakhs Only)</b>		

*Details of facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated July 20, 2021, placed the rating(s) of Handicraft & Handloom Export Corporation of India Limited (HHECOIL) under the 'issuer non-cooperating' category as HHECOIL 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. HHECOIL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 05, 2022, June 15, 2022, June 25, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'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 rating(s).**

### Detailed description of the key rating drivers

Please refer to PR dated [July 20, 2021](#)

**Analytical approach:** Standalone

### Applicable Criteria

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

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

HHEC was established in 1958 and presently operates as an independent Public Sector Undertaking (PSU) under the administrative control of Ministry of Textile (MoT). HHEC operates under two segments, namely, handicraft and handloom segment (H&H segment) and bullion segment. H&H segment involves direct export sale of handicraft, handloom & carpets etc, and indirect export (through exhibitions and fairs) and sale of gold and silver jewellery. HHEC also has a manufacturing facility at Noida (Uttar Pradesh) and Chennai (Tamil Nadu) for manufacturing ready-to-wear garments.

Brief Financials (Rs. crore)	FY20(A)	FY21(A)	FY22(Prov.)	Q1FY23(Prov.)
Total operating income	17.62	NA	NA	NA
PBILDT	-9.83	NA	NA	NA
PAT	-10.27	NA	NA	NA
Overall gearing (times)	NM	NA	NA	NA
Interest coverage (times)	NM	NA	NA	NA

*A - Audited, Prov. Provisional, NA – Not Available, NM – Not Meaningful*

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

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE Ratings Ltd.'s publications

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

**Any other information:** Not Applicable

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

**Covenants of rated instrument/facility:** 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		-	-	-	5.00	CARE C; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	18.40	CARE A4; 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 (₹ crore)	Rating	Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	5.00	CARE C; Stable; ISSUER NOT COOPERATING*	-	1)CARE C; Stable; ISSUER NOT COOPERATING* (20-Jul-21)	1)CARE C; Stable; ISSUER NOT COOPERATING* (22-May-20)	-
2	Non-fund-based - ST-BG/LC	ST	18.40	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (20-Jul-21)	1)CARE A4; ISSUER NOT COOPERATING* (22-May-20)	-

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

**Annexure-3: Detailed explanation of covenants of the rated instrument / 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	Non-fund-based - 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 instrument:** CARE Ratings Ltd. 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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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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