

## Heavy Metals and Tubes Limited

October 21, 2022

### Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	192.92	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	11.50	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Facilities</b>	<b>204.42</b> <b>(Rs. Two Hundred Four Crore and Forty-Two Lakhs Only)</b>		

*Details of instruments/facilities in Annexure-1*

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

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated August 18, 2021, placed the rating(s) of Heavy Metals and Tubes Limited (HMTL) under the 'issuer non-cooperating' category as HMTL 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. HMTL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated July 04, 2022, July 14, 2022, July 24, 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 [August 18, 2021](#)

**Analytical approach:** Standalone

### Applicable Criteria

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

[Policy on default recognition](#)

### About the Company

Incorporated in 1991, HMTL is currently engaged in the manufacturing of Hot Finished Seamless (HFS) tubes and Oil Country Tubular Goods (OCTG) tubes. HMTL's products find application across industries like oil & gas refineries, steel plants, power plants and fertilizers. Post reporting subdued operating performance in FY14, HMTL's lenders had approved the restructuring of its debt repayment obligations in March 2015. During FY17, HMTL demerged Unit – I (manufacturing of stainless-steel pipes & tubes), corporate house & one windmill and sold these assets for a consideration of Rs.32.50 crore. The sales proceeds from the demerger were utilized for pre-payment of principal obligations till June 2018. Further, in March 2018, HMTL demerged Unit – II and sold it for a consideration of Rs.17.00 crore.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	FY22 (Prov.)	H1FY23 (Prov.)
Total operating income	NA	NA	NA	NA
PBILDT	NA	NA	NA	NA
PAT	NA	NA	NA	NA
Overall gearing (times)	NA	NA	NA	NA
Interest coverage (times)	NA	NA	NA	NA

*A: Audited; Prov.: Provisional; NA: Not Available*

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

**Any other information:** 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

**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 (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	46.35	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Working Capital Limits		-	-	-	11.50	CARE D; ISSUER NOT COOPERATING*
Term Loan-Long Term		-	-	2024	146.57	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) 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	Term Loan-Long Term	LT	146.57	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (19-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (28-Jun-19)
2	Fund-based - LT-Cash Credit	LT	46.35	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (19-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (28-Jun-19)
3	Non-fund-based - ST-Working Capital Limits	ST	11.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (19-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (28-Jun-19)

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

**Annexure-3: Detailed explanation of the covenants of the rated instruments/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-Working Capital Limits	Simple
3	Term Loan-Long Term	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 for any clarifications.

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### About CARE Ratings Limited:

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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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