

## Hindustan Coils Limited

September 30, 2022

### Ratings

| Facilities/Instruments       | Amount (Rs. crore)  | Rating <sup>1</sup>   | Rating Action  |
|------------------------------|---|---|--|
| Long Term Bank Facilities    | 56.50   | CARE BB-; Stable; ISSUER NOT COOPERATING*<br>(Double B Minus; Outlook: Stable; ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| <b>Total Bank Facilities</b> | <b>56.50<br/>(Rs. Fifty-Six Crore and Fifty Lakhs Only)</b> |   |  |

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated August 05, 2021, placed the rating(s) of Hindustan Coils Limited (HCL) under the 'issuer non-cooperating' category as HCL 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. HCL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 21, 2022, July 01, 2022, July 11, 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 05, 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

Hindustan Coils Ltd (HCL), incorporated in June 2015 by the Agrasen group (Agrawal family) of Raipur with the objective of manufacturing wires/TMT. The company started construction of the project of 1,20,000 MTPA of coils (with direct charging of billet and continuous casting) in Feb 2016. The COD of the project was achieved in a phased-manner in FY18.

| Brief Financials (Rs. crore) | FY20 (A) | FY21 (A) | FY22 (Prov.) | Q1FY23 (Prov.) |
|------------------------------|----------|----------|--------------|----------------|
| Total operating income       | 341.54   | 358.54   | NA           | NA             |
| PBILD                        | 18.52    | 22.01    | NA           | NA             |
| PAT                          | 4.37     | 5.26     | NA           | NA             |
| Overall gearing (times)      | 1.24     | 2.00     | NA           | NA             |
| Interest coverage (times)    | 3.24     | 2.77     | NA           | NA             |

A: Audited, Prov.: Provisional, NA: Not 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:** Annexure - 3

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

<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

**Annexure-1: Details of instruments/facilities**

| Name of the Instrument      | IS IN | Date of Issuance | Coup on Rate | Maturity Date  | Size of the Issue (Rs. crore) | Rating Assigned along with Rating Outlook |
|-----------------------------|-------|------------------|--------------|----------------|-------------------------------|---|
| Fund-based - LT-Term Loan   |       | -                | -            | September 2024 | 36.50                         | CARE BB-; Stable; ISSUER NOT COOPERATING* |
| Fund-based - LT-Cash Credit |       | -                | -            | -              | 20.00                         | CARE BB-; Stable; 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 (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      | Fund-based - LT-Term Loan                | LT              | 36.50                          | CARE BB-; Stable; ISSUER NOT COOPERATING * | -   | 1)CARE BB-; Stable; ISSUER NOT COOPERATING *<br>(05-Aug-21) | 1)CARE BB+; Stable; ISSUER NOT COOPERATING *<br>(01-Jul-20) | 1)CARE BBB-; Stable; ISSUER NOT COOPERATING *<br>(06-Jan-20) |
| 2      | Fund-based - LT-Cash Credit              | LT              | 20.00                          | CARE BB-; Stable; ISSUER NOT COOPERATING * | -   | 1)CARE BB-; Stable; ISSUER NOT COOPERATING *<br>(05-Aug-21) | 1)CARE BB+; Stable; ISSUER NOT COOPERATING *<br>(01-Jul-20) | 1)CARE BBB-; Stable; ISSUER NOT COOPERATING *<br>(06-Jan-20) |

\*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       | Fund-based - LT-Term Loan   | 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 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.

**Contact us****Media Contact**

Mr. Mradul Mishra

Contact No.: +91-22-6837 4424

Email ID – [mradul.mishra@careedge.in](mailto:mradul.mishra@careedge.in)

**Analyst Contact**

Ms. Shachee Vyas

Contact No.: +91-79-4026 5665

Email ID – [shachee.tripathi@careedge.in](mailto:shachee.tripathi@careedge.in)

**Relationship Contact**

Name -Lalit Sikaria

Contact no. -9830386869

Email ID: [lalit.sikaria@careedge.in](mailto:lalit.sikaria@careedge.in)

**About CARE Ratings Limited:**

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

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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