

## Press Release

Hindustan Fluorocarbons Limited

May 12, 2021

### Rating Update



<b>Total Bank Facilities Rated*</b>	Rs.6.03 Cr. #
<b>Long Term Rating</b>	ACUITE B- (Downgraded) Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A4 (Downgraded) Issuer not co-operating*

# Refer Annexure for details

\* The issuer did not co-operate; Based on best available information.

### Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE B-**' (read as **ACUITE single B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) and short term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.6.03 crore bank facilities of Hindustan Fluorocarbons Limited (HFL). The rating is downgraded and flagged as "Issuer Not-Cooperating" on account of information risk.

Hindustan Fluorocarbons Limited (HFL) is a Hyderabad based company incorporated in 1983 by Mr. Tukaram Shankar Gaikwad. The company started commercial production in the year 1987 and is engaged in the manufacture of Poly Tetra Fluoro Ethylene (PTFE) with 500 metric tons per annum (MTPA) and Chloro Di Fluoro Methane (CFM22) with 1265 MTPA. Its manufacturing facility is located at Rudraram, Sanga Reddy Dist. in Telangana State. It is a subsidiary company of Hindustan Organic Chemicals Limited (HOCL).

#### Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>

#### Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

#### Liquidity Indicators

No information provided by the issuer / available for Acuite to comment upon.

#### Rating Sensitivity

No information provided by the issuer / available for Acuite to comment upon.

### About the Rated Entity - Key Financials

The financials obtained from BSE

	Unit	FY20 (Actual)	FY19 (Actual)
Operating Income	Rs. Cr.	31.33	38.95
PAT	Rs. Cr.	(3.63)	1.70
PAT Margin	(%)	(11.60)	4.37
Total Debt/Tangible Net Worth	Times	(0.67)	(0.69)
PBDIT/Interest	Times	(0.07)	2.02

### Status of non-cooperation with previous CRA (if applicable)

CRISIL, vide its press release dated March 31, 2021 had denoted the rating of Hindustan Fluorocarbons Limited as 'CRISIL C/A4; ISSUER NOT COOPERATING' on account of lack of adequate information required for monitoring of ratings.

### Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
29-Feb-2020	Cash Credit	Long Term	5.15	ACUITE BB/Stable (Upgraded)
	Letter of Credit	Short Term	0.38	ACUITE A4+ (Upgraded)
	Bank Guarantee	Short Term	0.50	ACUITE A4+ (Upgraded)
04-Jan-2019	Cash Credit	Long Term	5.15	ACUITE C (Assigned)
	Letter of Credit	Short Term	0.38	ACUITE A4 (Assigned)
	Bank Guarantee	Short Term	0.50	ACUITE A4 (Assigned)

### #Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.15	ACUITE B- (Downgraded) Issuer not Cooperating
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	0.38	ACUITE A4 (Downgraded) Issuer not Cooperating
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4 (Downgraded) Issuer not Cooperating

*\*The issuer did not co-operate; Based on best available information.*

## Contacts

Analytical	Rating Desk
<p>Aditya Gupta Vice President Tel: 022-49294041 <a href="mailto:aditya.gupta@acuited.in">aditya.gupta@acuited.in</a></p> <p>Nagidi Bhavani Analyst - Rating Operations Tel: 040-40042327 <a href="mailto:nagidi.bhavani@acuited.in">nagidi.bhavani@acuited.in</a></p>	<p>Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 <a href="mailto:rating.desk@acuited.in">rating.desk@acuited.in</a></p>

### About Acuite Ratings & Research:

Acuite Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 8,446 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

**Disclaimer:** An Acuite rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuite ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuite, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuite ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuited.in](http://www.acuited.in)) for the latest information on any instrument rated by Acuite, Acuite's rating scale and its definitions.