

Press Release

Hindustan Fluorocarbons Limited

August 10, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	0.88	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Bank Loan Ratings	5.15	ACUITE B- Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	6.03	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B-**' (read as **ACUITE single B minus**) and the short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.6.03 crore bank facilities of Hindustan Fluorocarbons Limited (HFL). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

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.

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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

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.

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 May 2021	Cash Credit	Long Term	5.15	ACUITE B- (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	0.38	ACUITE A4 (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	0.50	ACUITE A4 (Downgraded and Issuer not co-operating*)
29 Feb 2020	Cash Credit	Long Term	5.15	ACUITE BB Stable (Upgraded from ACUITE C)
	Letter of Credit	Short Term	0.38	ACUITE A4+ (Upgraded from ACUITE A4)

	Bank Guarantee	Short Term	0.50	ACUITE A4+ (Upgraded from ACUITE A4)
04 Jan 2019	Bank Guarantee	Short Term	0.50	ACUITE A4 (Assigned)
	Letter of Credit	Short Term	0.38	ACUITE A4 (Assigned)
	Cash Credit	Long Term	5.15	ACUITE C (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4 Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.15	ACUITE B- Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	0.38	ACUITE A4 Reaffirmed Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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