

March 13, 2014

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	22.50	SMERA D (Assigned)
Term Loans	4.92	SMERA D (Assigned)
Bank Guarantee/Letter of Credit	2.50	SMERA D (Assigned)

SMERA has assigned a rating of '**SMERA D**' to the Rs.29.92 crore bank facilities of Himachal Fibres Limited (HFL). The rating reflects the company's delays in servicing debt obligations on account of weak liquidity position. The rating factors in the management's long-standing experience in the textile industry.

In May 2010, HFL was taken over by the Shiva Group, which comprises Shiva Texfabs Limited (SMERA D), Shiva Speciality Yarns Limited (SMERA D), Yogindera Worsted Limited (SMERA D), KK Fibers Limited (SMERA C/SMERA A4), Shiva Spin-N-Knit Limited and Indian Yarns Limited.

About the company

HFL, incorporated in 1980, is a Ludhiana-based company engaged in manufacturing of synthetic blended yarns, polyester fibre and acrylic fibre. HFL has a manufacturing unit in Barotiwala, Baddi (Himachal Pradesh), with an installed capacity of 20,344 spindles and 504 rotors.

For FY2012–13 (refers to financial year, April 01 to March 31), HFL reported PAT of Rs.0.66 crore on net sales of Rs.120.95 crore, as compared with PAT of Rs.1.29 crore on net sales of Rs.103.61 crore for FY2011–12. HFL's net worth stood at Rs.30.68 crore as on March 31, 2013, as compared with Rs.23.65 crore a year earlier.

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