

**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.

## Contact List:

Media/Business Development	Analytical Contacts	Rating Desk
Mr. Sanjay Kher Head - Sales, Corporate Ratings Tel : +91-22-67141193 Cell : +91-9819136541 Email : <a href="mailto:sanjay.kher@smera.in">sanjay.kher@smera.in</a> Web: <a href="http://www.smera.in">www.smera.in</a>	Mr. Umesh Nihalani Head - Corporate Ratings Tel: +91-22-67141106 Cell: +91-9833651336 Email: <a href="mailto:umesh.nihalani@smera.in">umesh.nihalani@smera.in</a>	Tel: +91-22-67141170 Email: <a href="mailto:ratingdesk@smera.in">ratingdesk@smera.in</a>

**Disclaimer:** A SMERA 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. SMERA 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, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA 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. SMERA 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.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.