



Press Release

Hindusthan Speciality Chemicals Limited

February 03, 2025

Ratings:

Instrument/ Facility	Amount (Rs. Crores)	Current Rating	Previous Rating	Rating Action	Complexity Indicator
Long Term Bank Facilities- Term Loan	150.42	IVR B/Negative; ISSUER NOT COOPERATING* [IVR Single B with Negative Outlook; Issuer Not Cooperating*]	IVR B+/Negative; ISSUER NOT COOPERATING* [IVR Single B Plus with Negative Outlook; Issuer Not Cooperating*]	Rating downgraded and continued under Issuer Not Cooperating	Simple
Short Term Non-Fund Based Facilities	109.00	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating*)	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating*)	Rating reaffirmed and continued under Issuer Not Cooperating	Simple
Total	259.42	(INR Two hundred fifty-nine crore and forty-two lakhs only)			

**Issuer did not cooperate; Based on best available information*

Details of Facilities are in Annexure 1. Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

Ratings

The aforesaid long-term rating has been downgraded and has been continued under 'ISSUER NOT COOPERATING' category due to non-submission of information and lack of management cooperation.

Detailed Rationale

The aforesaid rating action to the bank facilities of Hindusthan Speciality Chemicals Limited reflects lack of adequate information available about the performance of the company and hence the uncertainty around its credit risk. Infomerics Ratings assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.



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Infomerics Ratings has rated the bank loan facilities of Hindusthan Speciality Chemicals Limited in December 2023. Despite close follow up through telephone calls and mails dated December 26, 2024, January 03, 2025, January 07, 2025, January 08, 2025, January 10, 2025, January 13, 2025, and concurrently over multiple phone calls for submission of required information for review and failure to submit minimum required information for a review is considered as an act of non-cooperation. In the absence of adequate information from the company, Infomerics Ratings is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the Company. Based upon the same Infomerics Ratings has downgraded the long-term rating to IVR B/Negative; ISSUER NOT COOPERATING.

Non-Cooperation by Issuer:

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics Ratings has to assign the rating based on the best available information. Accordingly, the bank loan facilities of Hindusthan Speciality Chemicals Limited, aggregating to Rs. 259.42 crores have been continued to 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR B/Negative; ISSUER NOT COOPERATING.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Criteria for assigning Rating Outlook](#)

[Instrument/Facility wise Default Recognition & Post-Default Curing Period](#)

Liquidity: Unable to comment due to lack of adequate information.



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About the Firm

Hindusthan Speciality Chemicals Limited (HSCL) is producers of Epoxy Resins, Reactive Diluents, Curing agents and specialised Epoxy systems in India. HSCL has set up chemical project with state-of-the-art manufacturing facility for Epoxy Resins and allied products at Jhagadia Industrial Estate, Bharuch, Gujarat. The commercial production of the plant started from March 2019. The products of the company are widely used in civil construction, coatings, electrical, & electronics, composites, laminations, adhesives, tooling, and other niche end use segments. HSCL mainly deals into 2 types of product categories i.e., Industrial and Speciality products.

Financials:

	(Rs. Crore)	
For the Year ended*/ As on	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	188.45	450.86
EBIDTA	27.89	48.22
PAT	-5.87	8.87
Total Debt	152.09	152.34
Adjusted Tangible Net Worth	117.59	136.76
EBITDA Margin (%)	14.80	10.69
PAT Margin (%)	-3.09	1.96
Overall Gearing Ratio (x)	1.29	1.11
Interest Coverage(x)	1.26	2.15

**Classification as per Infomerics` Standard*

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating History for last three years:



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Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Dec 07,2023	Sep 12 ,2022	July 29,2021
1.	Long Term Bank Facilities-Term Loan	Long Term	150.42	IVR B/Negative; ISSUER NOT COOPERATING*	IVR B+/Negative; ISSUER NOT COOPERATING* (June 15 ,2023) IVR BB-/Negative	IVR BBB-/Stable	Supported: IVR BBB-(CE)/Stable Outlook Unsupported: IVR BB+/Stable
2.	Short Term Bank Facilities	Short Term	109.00	IVR A4; ISSUER NOT COOPERATING*	IVR A4; ISSUER NOT COOPERATING* (June 15 ,2023) IVR A4	IVR A3/Stable	Supported: IVR A3(CE) Unsupported: IVR A4+

* Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit



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ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs Crore)	Rating Assigned/ Outlook
Long Term- Term Loan	-	-	NA**	137.42	IVR B/Negative; INC
Long Term- Cash Credit	-	-	-	13.00	IVR B/Negative; INC
Short Term-Letter of Credit	-	-	-	109.00	IVR A4; INC

* Issuer did not cooperate; based on best available information.

**Latest information not available

Annexure 2: Facility wise lender details- Not Applicable

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.