

Press Release

Himachal Futuristic Communications Limited

August 28, 2018

Rating

Instrument/Facility	Amount (Rs. Crores)	Rating	Rating Action
Issuer rating	N.A.	IVR A- (Is)/Stable Outlook (IVR Single A Minus [Is]with Stable Outlook)	Withdrawn

Details of Facilities are in Annexure I

Rating Action

Infomerics Valuation and Rating Private Limited has withdrawn IVR A-(Is)/Stable Outlook (IVR Single A Minus [Is]with Stable Outlook) rating assigned to Himachal Futuristic Communications Limited, at the request of the company, as the Issuer rating has not been used by the company.

Detailed Rationale

The rating is withdrawn in accordance with Infomerics' policy on withdrawal and as requested by the company.

Analytical approach:-Not applicable

Applicable Criteria

Policy on withdrawal

About the Company:

Himachal Futuristic Communications Limited (HFCL) was incorporated in 1987. Shri Mahendra Nahata, a businessman from Kolkata laid the foundation of the company. The company started with the manufacturing of telecom equipment and then gradually diversified into manufacturing of optic fibre cables and providing turnkey services. Its services majorly encompass carrying out feasibility studies, selection of media, survey, design, planning & engineering of telecom networks, supply & laying of optical fibre cables, installation &

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commissioning of transmission equipment and subscriber access networks, installation of towers, DGs & power plants and operation and maintenance of telecom networks. Debt of the company was restructured under Corporate Debt Restructuring (CDR) mechanism in April 2004, which was subsequently modified in June 2005 with cut - off date as 1st April 2005. CDR Empowered Group (CDR – EG) at its meeting held on 9th February 2011, had approved the rework package of the company with the cut - off date as 1st January 2011. The conditions as stipulated by CDR-EG while sanctioning rework package have been complied with by the company. In view of improved performance of the company, subsequent to the implementation of the rework package the lenders have reset the rate of interest on certain loans. The lenders had the right to claim recompense from the Company on account of various sacrifices and waivers made by them in the CDR rework package upon exit by the company from the CDR. The Company's proposal for exit from CDR was considered by the Monitoring Institution (MI) of lenders which recommended the recompense amount of Rs. 148.47 crores. The said recompense was approved by the CDR-EG by way of its order in March 2016. The Company has paid the recompense amount to the CDR lenders as per exit terms and CDR – EG has given its approval for successful exit of the company from CDR mechanism by way of a letter dated 1 September 2017.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Disclosure:

Rating History for last three years:

Name of Instrument/Facilities	Current Rating (Year 2018-19)			Rating History for the past 3 years		
	Type	Amount outstanding (Rs. Crores)	Rating	Date(s) & Rating(s) assigned in 2017-18	Date(s) & Rating(s) assigned in 2016-17	Date(s) & Rating(s) assigned in 2015-16
Issuer Rating	Long term	Not Applicable	IVR A- (Is) /Stable Outlook (Withdrawn)	IVR A- (Is) /Stable Outlook (July 14, 2017)	--	--

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Long/Short-term Bank Facilities	Long/Short-term	975.57		IVR A- with Stable Outlook/ IVR A2+ (July 25, 2017)		
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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.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

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Annexure I: Details of Facility

Name of Instrument	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crores)	Rating Assigned/ Outlook
Issuer Rating	Not applicable	-	-	Not applicable	IVR A- (Is)/ Stable Outlook (IVR Single A minus [Is] with Stable Outlook) (Withdrawn)