April 13, 2022

Hemang Resources Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based- Cash Credit	12.00	12.00	[ICRA]D;ISSUER NOT COOPERATING*; Rating continues to remain under the 'Issuer Not Cooperating' category
Non Fund Based	6.28	6.28	[ICRA]D;ISSUER NOT COOPERATING*; Rating continues to remain under the 'Issuer Not Cooperating' category
Unallocated	104.72	104.72	[ICRA]D;ISSUER NOT COOPERATING*; Rating continues to remain under the 'Issuer Not Cooperating' category
Non Fund based	77.00	77.00	[ICRA]D;ISSUER NOT COOPERATING*; Rating continues to remain under the 'Issuer Not Cooperating' category
Total	**200.00**	**200.00**	

**Issuer did not cooperate; based on best available information.*
^Instrument details are provided in Annexure-1

Rationale

ICRA has retained the ratings for the bank facilities of Hemang Resources Limited. in the 'Issuer Not Cooperating' category. The rating is denoted as [ICRA]D/[ICRA]D; ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, **Click here.** ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Policy on Default Recognition
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Hemang Resources Limited (erstwhile Bhatia Industries and Infrastructure Limited) is promoted by the Bhatia Group of Indore, and is involved in coal trading, wherein coal is imported from coalfields in Indonesia and South Africa and is sold to domestic companies. It was initially incorporated as BCC Finance Limited and was involved in asset financing business. Subsequently in the year FY2007, it surrendered its NBFC certificate and changed the name to Bhatia Industries and Infrastructure Limited before being renamed HRL from March 2015 onwards. Since then, the company has been trading in coal as the main commodity, apart from commodities such as sand and soybean (which is now discontinued). Within the Bhatia Group, HRL is vested with the 'stock and sale' business with focus on catering to small corporate entities and dealers.

Status of non-cooperation with previous CRA: NA

Any other information: None

Key financial indicators (audited)

Particular	FY2020	FY2021
Operating Income (Rs. crore)	1.0	-
PAT (Rs. crore)	-30.0	-29.9
OPBDIT/OI (%)	-666.7%	-10250.0%
RoCE (%)	-15.8%	-18.5%
Total Outside Liabilities/Tangible Net Worth (times)	12.7	-121.1
Total Debt/OPBDIT (times)	-6.54	-4.67
Interest Coverage (times)	-2.2	-0.5

Source: - Ace Equity

Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
					April 13, 2022	-	February 26, 2021	November 14,2019
1	Fund Based / Cash Credit	long-term	12.00	-	[ICRA]D; ISSUER NOT COOPERATING	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING
2	Non Fund Based	Long-term	6.28	-	[ICRA]D; ISSUER NOT COOPERATING	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING
3	Unallocated	Short Term	104.72	-	[ICRA]D; ISSUER NOT COOPERATING	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING
4	Non Fund Based	Short Term	77.00	-	[ICRA]D; ISSUER NOT COOPERATING	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Non Fund Based	Very Simple
Unallocated	Not Applicable
Non Fund Based	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	12.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Non Fund Based	-	-	-	6.28	[ICRA]D; ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	104.72	[ICRA]D; ISSUER NOT COOPERATING
NA	Non Fund Based	-	-	-	77.00	[ICRA]D; ISSUER NOT COOPERATING

Source : Hemang Resources Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable.

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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