November 14, 2019

Hemang Resources Limited: Rating continues to be under 'Issuer Not Cooperating' category

Summary of Rated Instrument:

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based bank facilities: Cash Credit	12.00	12.00	[ICRA]D ISSUER NOT COOPERATING*; Rating continues to be under 'Issuer Not Cooperating' category
Long term Non Fund-based bank facilities	6.28	6.28	[ICRA]D ISSUER NOT COOPERATING*; Rating continues to be under 'Issuer Not Cooperating' category
Short term Non-Fund based Bank Facilities	77.00	77.00	[ICRA]D ISSUER NOT COOPERATING*; Rating continues to be under 'Issuer Not Cooperating' category
Short term Unallocated	104.72	104.72	[ICRA]D ISSUER NOT COOPERATING*; Rating continues to be under 'Issuer Not Cooperating' category
Total	**200.00**	**200.00**	

*Issuer did not co-operate; based on best available information.

Rationale

The ratings for the Rs. 200.00-crore bank facilities of Hemang Resources Limited continue to be under 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]D/[ICRA]D; ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance, 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 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.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Policy in respect of non-cooperation by the rated entity Policy on default recognition
Parent/Group Support	Not Applicable
Consolidation / Standalone	The ratings are based on the standalone financial profile of the company

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.

The previous detailed rating rationale is available on the following link: Click here

Key financial indicators (audited)

	FY2018	FY2019
Operating Income (Rs. crore)	125.75	37.1
PAT (Rs. crore)	-11.95	-12.1
OPBDIT/OI (%)	-6.17%	-39.0%
RoCE (%)	-12.1%	-26.8%
Total Outside Liabilities/Tangible Net Worth (times)	4.8	8.6
Total Debt/OPBDIT (times)	-2.1	-2.8
Interest Coverage (times)	-1.7	-6.1
DSCR	-0.8	-5.9

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating 14-Nov-2019	FY2019 9-August-2018	FY2018 03-August-2017	FY2017 21-Sep-2016
1	Fund- based Bank Facilities	Long Term	12.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	[ICRA]B
2	Non Fund-based Bank Facilities	Long Term	6.28	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	[ICRA]B
3	Non Fund-based Bank Facilities	Short Term	77.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	[ICRA]A4
4	Unallocated Limits	Short Term	104.72	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	[ICRA]A4

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Analyst Contacts

Jayanta Roy
+91 33 7150 1100
jayanta@icraindia.com

Nidhi Marwaha
+91 124 4545 337
nidhim@icraindia.com

Pratika Bhandari
+91-124- 4545321
pratika.bhandari@icraindia.com

Relationship Contact

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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

ICRA Limited

Corporate Office
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Registered Office
1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50

Branches

Mumbai	+ (91 22) 24331046/53/62/74/86/87
Chennai	+ (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata	+ (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
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