

November 20, 2020

## Hindustan Hydraulics Private Limited: Continues to remain in the issuer not cooperating category, Ratings downgraded based on best available information

### Summary of rated instruments

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based/ CC	5.10	5.10	[ICRA]B+(Stable) ISSUER NOT COOPERATING* Rating downgraded from [ICRA]BB-(Stable) and continues to remain in the 'Issuer Not Cooperating' category
Long Term - Fund Based TL	1.10	1.10	[ICRA]B+(Stable) ISSUER NOT COOPERATING* Rating downgraded from [ICRA]BB-(Stable) and continues to remain in the 'Issuer Not Cooperating' category
Long Term - Unallocated	3.80	3.80	[ICRA]B+(Stable) ISSUER NOT COOPERATING* Rating downgraded from [ICRA]BB-(Stable) and continues to remain in the 'Issuer Not Cooperating' category
Short Term – Non-Fund Based	10.00	10.00	[ICRA]A4; ISSUER NOT COOPERATING*; Continues to remain under the 'Issuer Not Cooperating' category
<b>Total</b>	<b>20.00</b>	<b>20.00</b>	

<sup>\*</sup>Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

The ratings downgrade is because of lack of adequate information regarding Hindustan Hydraulics Private Limited's performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at [www.icra.in](http://www.icra.in). The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Hindustan Hydraulics Private Limited, 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. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

## About the company:

Incorporated in 1971, HHPL manufactures special purpose presses, tools and automation for press-based machines, hydraulic presses, press brakes, and shearing machines. The company has its manufacturing facility located in Jalandhar, Punjab.

## Key financial indicators:

	FY2018	FY2019	FY2020
Operating Income (Rs. crore)	80.46	91.78	86.69
PAT (Rs. crore)	5.76	14.03	6.10
OPBDIT/OI (%)	15.53%	15.98%	13.90%
RoCE (%)	52.41%	42.12%	16.65%
Total Outside Liabilities/Tangible Net Worth (times)	0.61	0.50	0.46
Total Debt/OPBDIT (times)	0.08	0.17	0.15
Interest Coverage (times)	32.44	46.09	32.32
DSCR	24.13	33.67	25.41

Source: MCA

## Status of non-cooperation with previous CRA

CRA	Status	Date of release
CRISIL	CRISIL BB+(Stable)/A4+ (Issuer Not Cooperating); Migrated	June, 2020

## Any other information

Not applicable

## Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2021)			Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating	FY2020	FY2019	FY2018
					20-Nov-2020	30-Aug-2019	30-Aug-2018	31-May-2017
1	Cash Credit	Long Term	5.10	-	[ICRA]B+(Stable) ) ISSUER NOT COOPERATING	[ICRA]BB-(Stable) ) ISSUER NOT COOPERATING	[ICRA]BB-(Stable) ) ISSUER NOT COOPERATING	[ICRA]BB-(Stable) ) ISSUER NOT COOPERATING
2	Term Loan	Long Term	1.10	-	[ICRA]B+(Stable) ) ISSUER NOT COOPERATING	[ICRA]BB-(Stable) ) ISSUER NOT COOPERATING	[ICRA]BB-(Stable) ) ISSUER NOT COOPERATING	[ICRA]BB-(Stable) ) ISSUER NOT COOPERATING
3	Unallocated	Long Term	3.80	-	[ICRA]B+(Stable) ) ISSUER NOT COOPERATING	[ICRA]BB-(Stable) ) ISSUER NOT COOPERATING	[ICRA]BB-(Stable) ) ISSUER NOT COOPERATING	[ICRA]BB-(Stable) ) ISSUER NOT COOPERATING
4	Non-Fund Based	Short Term	10.00	-	[ICRA]A4; ) ISSUER NOT COOPERATING	[ICRA]A4; ) ISSUER NOT COOPERATING	[ICRA]A4; ) ISSUER NOT COOPERATING	[ICRA]A4; ) ISSUER NOT COOPERATING

### Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as “Simple”, “Complex” and “Highly Complex”. The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure-1 Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	5.10	[ICRA]B+(Stable) ISSUER NOT COOPERATING
NA	Term Loan				1.10	[ICRA]B+(Stable) ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	3.80	[ICRA]B+(Stable) ISSUER NOT COOPERATING
NA	Non-Fund Based	-	-	-	10.00	[ICRA]A4; ISSUER NOT COOPERATING

Source: Hindustan Hydraulics Private Limited

## Analyst Contacts

**K Ravichandran**

+91 44 4596 4301

[ravichandran@icraindia.com](mailto:ravichandran@icraindia.com)

**Manish Ballabh**

+91 124 4545 812

[manish.ballabh@icraindia.com](mailto:manish.ballabh@icraindia.com)

**Sruthi Vinesh**

+91-80-49225513

[sruthi.vinesh@icraindia.com](mailto:sruthi.vinesh@icraindia.com)

**Satarupa Majumder**

+91 033 71501151

[satarupa.majumder@icraindia.com](mailto:satarupa.majumder@icraindia.com)

## Relationship Contact

**Jayanta Chatterjee**

+91 80 4332 6401

[jayantac@icraindia.com](mailto:jayantac@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

### Helpline for business queries:

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

[info@icraindia.com](mailto: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.

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For more information, visit [www.icra.in](http://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](mailto:info@icraindia.com)

Website: [www.icra.in](http://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,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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