

October 18, 2010

**CARE HAS UPGRADED THE LT RATING AND REAFFIRMED
THE ST RATING OF HINDUSTHAN NATIONAL GLASS & INDS LTD.**

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	726.7 (enhanced from Rs.511.6 crore)	'CARE AA+' (Double A Plus)	Revised from CARE AA (Double A)
Short-term Bank Facilities	110.0 (enhanced from Rs.100.0 crore)	'PR 1+' (PR One Plus)	Reaffirmed
Total Facilities	836.7 (enhanced from Rs.611.6 crore)		
Ongoing Short Term Debt (including CP)*	175.0	'PR 1+' (PR One Plus)	Reaffirmed
NCD-I	100.0	'CARE AA+' (Double A Plus)	Revised from CARE AA (Double A)
NCD-II	25.0		

* carved out of working capital limits

Rating Rationale

The long term rating has been upgraded in view of consistent satisfactory performance over the years, improvement in most of the financial parameters in FY10, comfortable debt-equity & overall gearing ratios, despite capital intensive nature of business, and market leadership position in the container glass industry. The ratings assigned also draw strength from the company's long & satisfactory track record, experience of promoters, broad product mix, updated technology, diversified & satisfactory client base, modest growth in major user industries, pan-India presence, satisfactory financials with steady growth in revenue & gross cash accruals, high & improved profitability margins and comfortable interest coverage. The ratings also factor in the requirement of periodical refurbishment of furnaces involving substantial capital outlay & temporary shutdown of production, volatility in raw material & fuel prices, threat of substitute products and risk associated with the on-going projects. Successful completion of on-going projects, sustained growth in major user industries and timely reaping of benefits from periodical refurbishment of furnaces will remain the key rating sensitivities.

Company Profile

HNG, incorporated in February 1946, is engaged in manufacturing of container glass & tumblers at six locations, with an aggregate capacity of 10,30,925 tpa, being the largest in the country. The company has a diversified customer base with good clientele.

¹Complete definition of the ratings assigned are available at www.careratings.com and in other CARE publications.

On total operating income of Rs.1,363.1 crore, HNG earned a PAT of Rs.125.0 crore in FY10 and the leverage ratios continued to remain below unity and improved further as on Mar.31, 2010 from Mar.31, 2009. The performance of the company during the three months ended Jun.30, 2010 (Q1FY11) was satisfactory.

Analyst Contact

Name: Priti Agarwal/Avinava Adhikary

Tel # 033-22831800

Mobile # 9831967110/9836230249

Email: priti.agarwal@careratings.com / avinava.adhikary@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

HEAD OFFICE: MUMBAI

Mr. D.R. Dogra

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Mr. P N Sathees Kumar

Executive Vice President – Marketing

Mobile: +91-9820416004

mail:sathees.kumar@careratings.com

Mr. Ankur Sachdeva

Vice President – Marketing (SME)

Mobile: +91-9819698985

E-mail: ankur.sachdeva@careratings.com

Mr. Vivek Palan

Manager – Banking & Finance

Mobile: +91-98206 06406

E-mail:vivek.palan@careratings.com

4 Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

Website: www.careratings.com

OFFICES

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Pralhadnagar Corporate Road, Satellite, Ahmedabad - 380 015. Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's Place No. 6, Raja Ram Mohan Roy Road, Richmond Circle, Bangalore - 560 025. Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai 600 002 Tel: 044 2849 7812/2849 0811 Mobile – 98407 54521 E-mail : Pradeep.kumar@careratings.com</p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar Hyderabad - 500 029 Tel – 040 40102030 Mobile – 91766 47599 E-mail: ashwini.jani@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3 Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : swati.agrawal@careratings.com</p>