

July 18, 2024

Halonix Technologies Pvt. Ltd.: Change in limits

Summary of rating(s) outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long-term – Fund-based – Cash Credit	93.00	125.00	[ICRA]BBB+ (Positive); Outstanding
Long-term – Fund-based – Term Loan	5.00	0.05	[ICRA]BBB+ (Positive); Outstanding
Short-term – Non-fund based	60.00	32.00	[ICRA]A2; Outstanding
Long-term / Short-term – Unallocated	2.00	2.95	[ICRA]BBB+ (Positive)/ [ICRA]A2; Outstanding
Total	160.00	160.00	

*Instrument details are provided in Annexure-1

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the company.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, the liquidity position and rating sensitivities: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the standalone financial profile of the company

About the company

Incorporated in 2013, HTPL manufactures and trades in general lighting lamps, consumer lumes, LED products and fans under the brand, Halonix. The company's manufacturing unit is located in Haridwar, Uttarakhand. HTPL has a strong pan-India distribution network comprising ~800 dealers and distributors and around 1,00,000 direct and indirect retail touch points, besides an established presence in the institutional segment with corporates and government organisations as its customers.

HTPL was incorporated post an agreement to spin off and sell the general lighting division of Phoenix Lamps Limited (PLL; erstwhile Halonix Limited). In August 2013, PLL transferred its general lighting business to its subsidiary, HTPL, and sold it to Actis Capital affiliates. The ownership of HTPL once again changed hands in March 2016, when Actis Capital sold its stake to NewQuest Capital Partners (now TPG NewQuest Capital Partners), which now owns the entire stake in the company. TPG NewQuest Capital Partners is a leading private equity investor having a diversified investment portfolio in India and other emerging economies in the Asia Pacific region with a focus on five core sectors which include business services, consumer, financial services, healthcare and TMT.

The Indian operations of the fund are managed by Mr. Sachin Khandelwal, the Managing Director and Head Portfolio Manager. Mr. Khandelwal has more than 15 years of consulting experience. The investor is actively involved in strategic decision making for the company. HTPL's operations are managed by a professional board of directors – led by Mr. Rakesh Zutshi (Managing Director), who has a significant experience in the domestic lighting industry.

Key financial indicators (audited)

Standalone	FY2022	FY2023	FY2024*
Operating income	521	571	550
PAT	16	19	35
OPBDIT/OI	6.1%	7.4%	9.4%
PAT/OI	3.1%	3.3%	6.3%
Total outside liabilities/Tangible net worth (times)	1.7	1.2	0.7
Total debt/OPBDIT (times)	1.8	1.2	0.1
Interest coverage (times)	3.7	4.7	11.4

Source: Company, ICRA Research; * Provisional numbers; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2025)			Chronology of Rating History for the past 3 years		
	Type	Amount Rated (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
			Jul 18, 2024	Aug 18, 2023	Oct 12, 2022	Oct 04, 2021
1 Fund-based – Cash Credit	Long-term	125.00	[ICRA]BBB+ (Positive)	[ICRA]BBB+ (Positive)	[ICRA]BBB+ (Stable)	[ICRA]BBB (Positive)
2 Fund-based – Term Loan	Long-term	0.05	[ICRA]BBB+ (Positive)	[ICRA]BBB+ (Positive)	[ICRA]BBB+ (Stable)	[ICRA]BBB (Positive)
3 Non-Fund based	Short term	32.00	[ICRA]A2	[ICRA]A2	[ICRA]A2	[ICRA]A3+
4 Unallocated	Long-term/ short-term	2.95	[ICRA]BBB+ (Positive)/ [ICRA]A2	[ICRA]BBB+ (Positive)/ [ICRA]A2	[ICRA]BBB+ (Stable)/ [ICRA]A2	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term Fund-based – Cash Credit	Simple
Long-term Fund-based – Term Loan	Simple
Short-term – Non-fund based	Very Simple
Long-term / Short-term – Unallocated	Not applicable

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: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term Fund-based – Cash Credit	NA	NA	NA	125.00	[ICRA]BBB+(Positive)
NA	Long-term Fund-based – Term Loan	FY2023	NA	FY2025	0.05	[ICRA]BBB+(Positive)
NA	Short-term – Non Fund based	NA	NA	NA	32.00	[ICRA]A2
NA	Long-term / Short-term – Unallocated	NA	NA	NA	2.95	[ICRA]BBB+(Positive)/ [ICRA]A2

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

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