

September 16, 2024

Haldia Petrochemicals Limited: Change in limits

Summary of rating(s) action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term limits- Term loans	2,691.0	2,730.0	[ICRA]A+ (Negative); outstanding
Long-term limits - Fund-based	500.0	500.0	[ICRA]A+ (Negative); outstanding
Short-term limits - Non-fund based limits	2,500.0	2,500.0	[ICRA]A1; outstanding
Long term – Non-fund based	3,508.0	3,200.0	[ICRA]A+ (Negative); outstanding
Long-term/Short-term unallocated	4,859.0	5,128.0	[ICRA]A+ (Negative)/[ICRA]A1; outstanding
Issuer rating	-	-	[ICRA]A+ (Negative); outstanding
Short term – Commercial paper programme^	100.0	100.0	[ICRA]A1; outstanding
Total	14,158.0	14,158.0	

*Instrument details are provided in Annexure-I ^-Company has not placed any CP in recent times

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 entity.

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

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in the Chemicals Industry
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of HPL. As on March 31, 2024, the company had subsidiaries as listed in Annexure II

About the company

Haldia Petrochemicals Limited (HPL) was set up as a joint venture (JV) between the Dr. Purnendu Chatterjee-led Chatterjee Petrochem (Mauritius) and the Government of West Bengal (GoWB). With the sale of the first tranche of shares by GoWB in December 2015, the majority shareholding as well as the management control of the JV is now with The Chatterjee Group (TCG). HPL manufactures commodity polymers like high-density polyethylene (HDPE), linear low-density polyethylene (LLDPE), and polypropylene (PP), as well as chemicals/fuels like benzene and butadiene with intermediates sourced from a naphtha cracker (capacity: 700 KTA of ethylene) at Haldia, West Bengal. The company is the fourth-largest player in the domestic polyolefins market after Reliance Industries Limited, Indian Oil Corporation and ONGC Petro Additions Limited.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount rated (Rs crore)	Current (FY2025)			Chronology of rating history for the past 3 years					
			FY2025			FY2024		FY2023		FY2022	
			Sep 16, 2024	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	2730.0	[ICRA]A+ (Negative)	23-Aug-24	[ICRA]A+ (Negative)	21-Feb-24	[ICRA]AA- (Negative)	30-Sep-22	[ICRA]AA- (Stable)	27-Sep-21	[ICRA]AA- (Stable)
						22-Sep-23	[ICRA]AA- (Stable)				
Fund-based	Long term	500.0	[ICRA]A+ (Negative)	23-Aug-24	[ICRA]A+ (Negative)	21-Feb-24	[ICRA]AA- (Negative)	30-Sep-22	[ICRA]AA- (Stable)	27-Sep-21	[ICRA]AA- (Stable)
						22-Sep-23	[ICRA]AA- (Stable)				
Non-fund-based limits	Short term	2500.0	[ICRA]A1	23-Aug-24	[ICRA]A1	21-Feb-24	[ICRA]A1+	30-Sep-22	[ICRA]A1 +	27-Sep-21	[ICRA]A1+
						22-Sep-23	[ICRA]A1+				
Non-fund based	Long term	3200.0	[ICRA]A+ (Negative)	23-Aug-24	[ICRA]A+ (Negative)	21-Feb-24	[ICRA]AA- (Negative)	30-Sep-22	[ICRA]AA- (Stable)	27-Sep-21	[ICRA]AA- (Stable)
						22-Sep-23	[ICRA]AA- (Stable)				
Unallocated	Long term / Short term	5128.0	[ICRA]A+ (Negative) / [ICRA]A1	23-Aug-24	[ICRA]A+ (Negative) / [ICRA]A1	21-Feb-24	[ICRA]AA- (Negative) / [ICRA]A1+	30-Sep-22	[ICRA]AA- (Stable) / [ICRA]A1 +	27-Sep-21	[ICRA]AA- (Stable) / [ICRA]A1+
						22-Sep-23	[ICRA]AA- (Stable) / [ICRA]A1+				
Issuer rating	Long term	-	[ICRA]A+ (Negative)	23-Aug-24	[ICRA]A+ (Negative)	21-Feb-24	[ICRA]AA- (Negative)	30-Sep-22	[ICRA]AA- (Stable)	27-Sep-21	[ICRA]AA- (Stable)
						22-Sep-23	[ICRA]AA- (Stable)				
Commercial paper programme	short term	100.0	[ICRA]A1	23-Aug-24	[ICRA]A1	21-Feb-24	[ICRA]A1+	30-Sep-22	[ICRA]A1 +	27-Sep-21	[ICRA]A1+
						22-Sep-23	[ICRA]A1+				
						22-Sep-23	-				

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term limits - Term loans	Simple
Long-term limits - Fund-based	Simple
Short-term limits - Non-fund based limits	Very Simple
Long term non-fund based	Very Simple
Long-term/Short-term unallocated	Not Applicable
Issuer rating	Not Applicable
Short term – Commercial paper programme	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 are available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loans	January 2015	2.5 -7.5%	March 2031	2730.0	[ICRA]A+ (Negative)
NA	Fund-based	-	-	-	500.0	[ICRA]A+ (Negative)
NA	Non-fund based limits	-	-	-	2500.0	[ICRA]A1
NA	Non-fund based	-	-	-	3200.0	[ICRA]A+ (Negative)
NA	Unallocated	-	-	-	5128.0	[ICRA]A+ (Negative)/ [ICRA]A1
NA	Issuer rating	-	-	-	-	[ICRA]A+ (Negative)
NA	Commercial paper programme*	-	-	7-90 Days	100.0	[ICRA]A1

Source: Company * - Not placed as of now

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

Annexure-II: List of entities considered for consolidated analysis

Company Name	HPL Ownership	Consolidation Approach
Haldia Riverside Estates Limited	100%	Full Consolidation
HPL Global Pte Limited	100%	Full Consolidation
Advance Performance Materials Private Limited	100%	Full Consolidation
HPL GO Private Limited	100%	Full Consolidation
HPL Technologies B.V. Netherlands	100%	Full Consolidation
SIO2P Private Limited	100%	Full Consolidation
HPL Industrial Parks Limited	100%	Full Consolidation
HPL Industrial Estates Limited	100%	Full Consolidation

Source: HPL financials FY2024

Note: For arriving at the ratings, ICRA has considered the consolidated financials of HPL.

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