

Hero Corporate Service Private Limited

April 17, 2019

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs crore)	Current Rated Amount (Rs. Crore)	Rating Action
Fund based- Working Capital Facilities	5.0	5.0	[ICRA]A+(Stable); Withdrawn
Non-fund based-Working Capital Facilities	(1.0)	(1.0)	[ICRA]A+(Stable); Withdrawn
Short-term Unallocated Limits	50.0	50.0	[ICRA]A1+; Withdrawn
Total	55.0	55.0	

*Instrument details are provided in Annexure-1

Rationale

The rating assigned to the bank facilities of Hero Corporate Service Private Limited is withdrawn in accordance with ICRA's policy on withdrawal and suspension. The rating has been withdrawn at the request of the company and based on no objection certificate provided by its banker.

Outlook: Not applicable

Key rating drivers

Key rating drivers have not been captured as the rated instruments are being withdrawn.

Liquidity Position

Liquidity position has not been captured as the rated instruments are being withdrawn.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not applicable (ratings withdrawn)
Consolidation / Standalone	Not applicable (ratings withdrawn)

About the company

Incorporated in 1995, Hero Corporate Service Private Limited is engaged in providing strategic advisory services and insurance distribution services via tie ups with general insurance companies. Pursuant to the business realignment among members of the Late Brijmohan Lal Munjal family in August 2016, HCSPL is now a part of the Hero Enterprise Group. At present, Global Ivy Ventures LLP holds 99.99% stake in the company, where Mr. Sunil Kant Munjal has 99.99% share. HCSPL's key investee companies include Hero Management Service Private Limited (HMSPL, business process outsourcing firm that ceased operations in FY2018), Hero Mindmine Institute Private Limited (HMIPL, training services) and Hero Realty Private Limited (real estate).

Key financial indicators (audited)

	FY2017	FY2018
Operating Income (Rs. crore)	80.9	144.5
PAT (Rs. crore)	26.5	30.2
OPBDIT/OI (%)	32.5%	20.7%
RoCE (%)	12.1%	10.4%
Total Debt/TNW (times)	0.1	0.2
Total Debt/OPBDIT (times)	1.1	2.4
Interest coverage (times)	34.7	197.8

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; ROCE: PBIT/Avg (Total Debt + Tangible Net-Worth + Deferred Tax Liability - Capital Work - in Progress); Financial reporting as per Ind-AS

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Instrument		Current Rating (FY2020)			Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2019	Date & Rating in FY2018	Date & Rating in FY2017@
					Apr-19	May-18	-	Mar-17
1	Cash Credit	Long-term	5.0	NA	[ICRA]A+/Stable; Withdrawn	[ICRA]A+/stable	-	[ICRA]A+/stable
2	Bank Guarantee	Long-term	(1.0)	NA	[ICRA]A+/Stable; Withdrawn	[ICRA]A+/stable	-	[ICRA]A+/stable
3	Unallocated Limits	Short-term	50.0	NA	[ICRA]A1+; Withdrawn	[ICRA]A1+	-	[ICRA]A1+

@ Ratings of [ICRA]A+/stable/A1+ reaffirmed in May 2016

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

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	5.0	[ICRA]A+/Stable; Withdrawn
NA	Bank Guarantee	NA	NA	NA	(1.0)	[ICRA]A+/Stable; Withdrawn
NA	Unallocated	NA	NA	NA	50.0	[ICRA]A1+; Withdrawn

Source: HCSPL

Annexure-2: List of entities considered for consolidated analysis – Not Applicable

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