

December 30, 2022

## Indian Potash Limited: Ratings withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term: Term Loans	225.50	225.50	[ICRA]AA- (Stable); withdrawn
Long-term: Fund Based Limits	1,500.00	1,500.00	[ICRA]AA- (Stable); withdrawn
Short-term: Non Fund-Based Facilities	6,540.00	6,540.00	[ICRA]A1+; withdrawn
Short-term: Commercial Paper	800.00	800.00	[ICRA]A1+; withdrawn
Long-term/ Short-term: Fund/Non Fund-based Limits	1,815.00	1,815.00	[ICRA]AA- (Stable)/[ICRA]A1+; withdrawn
Long-term/ Short-term: Unallocated Limits	252.50	252.50	[ICRA]AA- (Stable)/[ICRA]A1+; withdrawn
<b>Total</b>	<b>11,133.00</b>	<b>11,133.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

ICRA has withdrawn the ratings assigned to bank facilities and commercial paper of Indian Potash Limited at the request of the company and based on the no-objection certificate received from the bankers. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers, liquidity position, rating sensitivities and key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology for Fertiliser Entities</a> <a href="#">Policy on Withdrawal of Credit Ratings</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of IPL. As on March 31, 2022, the company has one subsidiary and an associate company, which are all enlisted in Annexure-2.

### About the company

Indian Potash Limited (IPL) was incorporated as Indian Potash Supply Agency (IPSA) in 1955 for the import, handling, marketing and promotion of potash fertilisers. The company was initially promoted by private sector companies, such as EID Parry, Rallis India and Shaw Wallace. On the recommendations of the National Commission on Agriculture, the Government of India (GoI) expanded the equity base of the company with majority shareholding with cooperatives and public sector fertiliser companies in 1970. Thereafter, IPSA was converted into IPL. Currently, the co-operative and public sector companies own 70.21% and 20.55%, respectively, in IPL; with IFFCO being the largest shareholder with a 33.98% stake. The company is involved in the import and trading of muriate of potash (MOP), urea, di-ammonium phosphate (DAP), and sulphate of potash (SOP), besides

indigenously produced fertilisers, such as single super phosphate (SSP) and other products like gypsum. The company's distribution network reaches six lakh villages in India, out of a total of 6.5 lakh villages, enabling 90% coverage throughout the country. IPL has its own warehousing facility at all major ports and outsourced warehousing facilities throughout India.

IPL is also involved in the production of cattle feed and milk processing with a plant in Uttar Pradesh. The company has entered into an agreement with Mother Dairy, a leading supplier of sachet milk in the National Capital Region (NCR) for its milk processing business. The company also operates six sugar mills in Uttar Pradesh with a capacity of 20,500 TCD. Five mills were bought in 2011 and one in November 2016. These other divisions generate ~10% to the overall revenues of the company but form a major part of its fixed asset base.

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### Rating history for past three years

Instrument	Current rating (FY2023)					Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs. crore)	Amount outstanding as on Mar 31, 2022 (Rs. crore)	Date & rating in FY2023		Date & rating in FY2022	Date & rating in FY2021	Date & rating in FY2019					
				Dec 30, 2022	Jul 29, 2022	Jul 13, 2021	Aug 10, 2020	Mar 22, 2019	Jan 11, 2019	Sep 07, 2018	May 23, 2018		
1	Non-Convertible Debentures	Long Term	-	-	-	-	-	-	-	Withdrawn	Provisional [ICRA]AA- (SO) (Stable)	Provisional [ICRA]AA- (SO) (Stable)	Provisional [ICRA]AA- (SO) (Stable)
2	Fund Based Limits	Long Term	1500.00	-	[ICRA]AA- (Stable); Withdrawn	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]A+ (Positive)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
3	Term Loans	Long Term	225.50	69.11	[ICRA]AA- (Stable); Withdrawn	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]A+ (Positive)	[ICRA]A+ (Stable)	-	-	-	-
4	Non Fund-Based Facilities	Short Term	6540.00	-	[ICRA]A1+; Withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
5	Unallocated Limits	Short Term	-	-	-	-	-	-	[ICRA]A1+	-	-	-	-
6	Commercial Paper	Short term	800.00	-	[ICRA]A1+; Withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
7	Fund /Non Fund-based Limits	Long Term/Short Term	1815.00	-	[ICRA]AA- (Stable)/ [ICRA]A1+; Withdrawn	[ICRA]AA- (Stable)/ [ICRA]A1+	[ICRA]AA- (Stable)/ [ICRA]A1+	[ICRA]A+ (Positive)/ [ICRA]A1+	-	-	-	-	-
8	Unallocated Limits	Long Term/Short Term	252.50	-	[ICRA]AA- (Stable)/ [ICRA]A1+; Withdrawn	[ICRA]AA- (Stable)/ [ICRA]A1+	[ICRA]AA- (Stable)/ [ICRA]A1+	[ICRA]A+ (Positive)/ [ICRA]A1+	-	-	-	-	-

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term: Term Loans	Simple
Long Term: Fund Based Limits	Simple
Short Term: Non Fund-Based Facilities	Simple
Short Term: Commercial Paper	Very Simple
Long-Term/Short-Term: Fund /Non Fund-based Limits	Simple
Long-Term/Short-Term: Unallocated Limits	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 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	Long Term: Term Loans I	Aug 2018	NA	Aug 2021	97.50	[ICRA]AA- (Stable); Withdrawn
NA	Long Term: Term Loans II	Jan 2020	7.05%	Jun 2025	86.40	[ICRA]AA- (Stable) ; Withdrawn
NA	Long Term: Term Loans II	Jan 2020	7.55%	Jun 2025	41.60	[ICRA]AA- (Stable) ; Withdrawn
NA	Long Term: Fund Based Limits	-	-	-	1500.00	[ICRA]AA- (Stable) ; Withdrawn
NA	Short Term: Non Fund-Based Facilities	-	-	-	6540.00	[ICRA]A1+; Withdrawn
Unplaced	Short Term: Commercial Paper	-	-	-	800.00	[ICRA]A1+; Withdrawn
NA	Long-Term/Short-Term: Fund /Non Fund-based Limits	-	-	-	1815.00	[ICRA]AA- (Stable)/ [ICRA]A1+; Withdrawn
NA	Long-Term/Short-Term: Unallocated Limits	-	-	-	252.50	[ICRA]AA- (Stable)/ [ICRA]A1+; Withdrawn

Source: Company

**Annexure II: List of entities considered for consolidated analysis**

Company Name	IPL Ownership	Consolidation Approach
Indian Potash Limited	100.00% (rated entity)	Full Consolidation
IPL Sugars and Allied Industries Limited	100.00%	Full Consolidation
Jordan Phosphate Mines Company	27.38%	Equity Method

Source: IPL annual report FY2022

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