September 16, 2024

Dhanuka Agritech Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Fund-based - Cash credit	30.00	30.00	[ICRA]AA (Stable); withdrawn
Short term – Non-fund based - Others	33.35	33.35	[ICRA]A1+; withdrawn
Total	**63.35**	**63.35**	

**Instrument details are provided in Annexure I*

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Dhanuka Agritech Limited (DAL) at the request of the company based on the No Objection Certificate received from its bankers and in accordance with ICRA's policy on withdrawal. 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rating drivers, liquidity position and rating sensitivities have not been captured as the rated instruments are being withdrawn.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	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings Methodology For Agrochemicals
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the consolidated financial profile of the rated entity

About the company

DAL is a part of the Delhi-based Dhanuka Group. It is involved in the formulation and marketing of agro-chemicals like insecticides, pesticides, herbicides, etc. The company's manufacturing facilities are at Sanand (Gujarat), Udhampur (Jammu and Kashmir) and Keshwana (Rajasthan).

Key financial indicators (audited)

DAL	FY2023	FY2024
Operating income (Rs. crore)	1700.2	1758.5
PAT (Rs. crore)	233.5	239.1
OPBDIT/OI (%)	16.4%	18.6%
PAT/OI (%)	13.7%	13.6%
Total outside liabilities/Tangible net worth (times)	0.3	0.3
Total debt/OPBDIT (times)	0.0	0.0
Interest coverage (times)	89.4	106.1

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 rating (FY2025) Date & rating in Sep-16-2024	Chronology of rating history for the past 3 years FY2024 Date	FY2024 Rating	FY2023 Date	FY2023 Rating	FY2022* Date	FY2022* Rating
1	**Fund based - Cash credit**	Long Term	30.00	[ICRA]AA (Stable); Withdrawn	28-Nov-23	[ICRA]AA (Stable)	04-Oct-22	[ICRA]AA (Stable)	06-Sep-21	[ICRA]AA (Stable)
2	**Non-fund based - Others**	Short Term	33.35	[ICRA]A1+; Withdrawn		[ICRA]A1+		[ICRA]A1+		[ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund-based - Cash credit	Simple
Non-fund based - Others	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 Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long Term-Fund Based-Cash Credit	-	-	-	30.00	[ICRA]AA(Stable); Withdrawn
NA	Short Term-Non Fund Based-Others	-	-	-	33.35	[ICRA]A1+; Withdrawn

Source: Company

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

Company	DAL Ownership	Consolidation Approach
Dhanuka Agritech Limited	100.00% (Rated entity)	Full Consolidation
Dhanuka Agri solutions private Limited	100.00%	Full Consolidation

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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