

October 15, 2024

Himadri Speciality Chemical Limited: Change in limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – fund based – Term loan	31.25	25.00	[ICRA]AA-(Stable); Outstanding
Long term/short term – Fund based/non-fund based	1745.0	1780.00	[ICRA]AA-(Stable)/ [ICRA]A1+; Outstanding
Long term/short term Unallocated Limits	39.61	10.86	[ICRA]AA-(Stable)/ [ICRA]A1+; Outstanding
Short term - Commercial paper	300.00	300.00	[ICRA]A1+; Outstanding
Total	2,115.86	2,115.86	

*Instrument details are provided in Annexure-I

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 Chemicals
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financial profile of the company. The details of subsidiaries are enlisted in Annexure II

About the company

HSCL is an integrated manufacturer of various carbon-based products, starting with coal tar. The company operates 5,00,000-MTPA coal tar distillation units. Various distillates of the plant are used to manufacture CTP, various types of carbon blacks (CB), sodium naphthalene formaldehyde (SNF) and other advanced carbon-based materials. The coal tar distillation unit is the single-largest such facility in India, and the company commands a leading position in the domestic CTP and CB markets. The manufacturing capacity of carbon black is 1,20,000 MTPA and of speciality CB is 60,000 MTPA.

HSCL along with Dalmia Bharat Refractories Limited (DBRL), acquired BTL in October 2023 through the National Company Law Tribunal (NCLT) proceedings under the corporate insolvency resolution process of the Insolvency and Bankruptcy Code (IBC).

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)		Chronology of rating history for the past 3 years							
			Date & rating in FY2025		Date & rating in FY2024					Date & rating in FY2023		Date & rating in FY2022
			Oct 15, 2024	Jul 9, 2024	Mar 28, 2024	Dec 12, 2023	Oct 9, 2023	Aug 31, 2023	July 7, 2023	Nov 29, 2022	Nov 23, 2021	Aug 24, 2021
1	Term loans	25.00	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Positive)	[ICRA]A+(Positive)	[ICRA]A+(Positive)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]AA-(Negative)
2	Fund based/ Non-fund based facilities	1780.00	[ICRA]AA-(Stable)/[ICRA]A1+	[ICRA]AA-(Stable)/[ICRA]A1+	[ICRA]A+(Stable)/[ICRA]A1	[ICRA]A+(Stable)/[ICRA]A1	[ICRA]A+(Positive)/[ICRA]A1	[ICRA]A+(Positive)/[ICRA]A1	[ICRA]A+(Positive)/[ICRA]A1	[ICRA]A+(Stable)/[ICRA]A1	[ICRA]A+(Stable)/[ICRA]A1	-
3	Commercial Paper	300.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1+
5	Unallocated	10.86	[ICRA]AA-(Stable)/[ICRA]A1+	[ICRA]AA-(Stable)/[ICRA]A1+	-	-	-	-	-	-	-	-
6	Fund-based facilities	-	-	-	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Positive)	[ICRA]A+(Positive)	[ICRA]A+(Positive)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]AA-(Negative)
7	Non-fund based facilities	-	-	-	[ICRA]A+(Stable)/[ICRA]A1	[ICRA]A+(Stable)/[ICRA]A1	[ICRA]A+(Positive)/[ICRA]A1	[ICRA]A+(Positive)/[ICRA]A1	[ICRA]A+(Positive)/[ICRA]A1	[ICRA]A+(Stable)/[ICRA]A1	[ICRA]A+(Stable)/[ICRA]A1	[ICRA]AA-(Negative)/[ICRA]A1+

Instrument	Type	Current rating (FY2025)			Chronology of rating history for the past 3 years								
		Amount rated (Rs. crore)	Date & rating in FY2025			Date & rating in FY2024				Date & rating in FY2023	Date & rating in FY2022		
			Oct 15, 2024	Jul 9, 2024	Mar 28, 2024	Dec 12, 2023	Oct 9, 2023	Aug 31, 2023	July 7, 2023	Nov 29, 2022	Nov 23, 2021	Aug 24, 2021	
8	Unallocated	Long term	-	-	-	-	[ICRA]A+ (Stable)	[ICRA]A+ (Positive)	[ICRA]A+ (Positive)	[ICRA]A+ (Positive)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]AA- (Negative)
9	NCD	Long term	-	-	-	-	-	-	-	-	-	-	[ICRA]AA- (Negative) Withdrawn

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term fund-based – Term loan	Simple
Long term/short term – Fund based/non-fund-based facilities	Simple
Long term/short term Unallocated Limits	Not applicable
Short term - Commercial paper	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 – I	Sep 30, 2021	NA	Sep 30, 2026	25.00	[ICRA]AA-(Stable)
NA	Fund based/Non-fund based facilities	NA	NA	NA	1780.00	[ICRA]AA-(Stable)/ [ICRA]A1+
*	Commercial paper	NA	NA	NA	250.00	[ICRA]A1+
INE019C14607	Commercial paper	22-07-2024	7.20%	18-10-2024	50.00	[ICRA]A1+
NA	Unallocated	NA	NA	NA	10.86	[ICRA]AA-(Stable)/ [ICRA]A1+

Source: Company; *Yet to be placed;

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

Annexure II: List of entities considered for consolidated analysis

Company Name	HSCL Ownership	Consolidation Approach
Himadri Speciality Chemical Limited	100.00% (rated entity)	Full Consolidation
AAT Global Limited	100.00%	Full Consolidation
Shandong Dawn Himadri Chemical Industry Limited	94.00%	Full Consolidation
Combe Projects Private Limited	100.00%	Full Consolidation
Himadri Clean Energy Limited	100.00%	Full Consolidation
Himadri Future Material Technology Limited	100.00%	Full Consolidation
Himadri Birla Tyre Manufacturer Private Limited	Group entity	Full Consolidation

Source: HSCL annual report FY2024

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