

June 15, 2020

HIL (India) Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund-Based/Non-Fund Based	150.00	150.00	[ICRA]BB+(Stable); Withdrawn
Short Term-Fund Based/ Non-Fund based	50.00	50.00	[ICRA]A4+; Withdrawn
Long Term/ Short Term Unallocated	100.00	100.00	[ICRA]BB+(Stable)/ [ICRA]A4+; Withdrawn
Total	300.00	300.00	

*Instrument details are provided in Annexure-1

Rationale

The ratings assigned to the bank facilities of HIL (India) Limited have been withdrawn at the request of the company and based on no objection certificate (NOC) provided by the lenders. Withdrawal of rating is in line with ICRA's policy on withdrawal and suspension of credit rating. ICRA is withdrawing the rating and that it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. ICRA has withdrawn the Stable outlook on the long-term rating.

Key rating drivers and their description: NA

Liquidity position: NA

Rating sensitivities: NA

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating Rating Methodologies for entities in Agrochemical Industry
Parent/Group Support	Parent/Group Company: 100% GoI enterprise
Consolidation/Standalone	The rating is based on standalone financial statements financial statements of the company.

About the company

Incorporated in 1954, HIL (India) Limited, formerly Hindustan Insecticides Limited) was initially set up with the objective of supplying DDT for National Malaria Eradication Programme launched by the Government of India. The company gradually diversified into agrochemicals followed by Seeds and Fertilisers businesses.

The company is wholly owned by GoI and falls under the administrative control of Ministry of Chemicals & Petrochemicals. It has three plants viz Rasayani (Maharashtra), Udyogamandal (Kerala) & Bathinda (Punjab) and Six regional offices viz. Chandigarh, Kolkata, Ahmedabad, Hyderabad, Pune & Coimbatore.

The company was also registered as sick company by The Board for Industrial and Financial Reconstruction (BIFR) in Mar 2004. However, company came out of BIFR in 2005.

Key financial indicators (audited)

	FY2018	FY2019
Operating Income (Rs. crore)	404.6	450.7
PAT (Rs. crore)	3.4	3.6
OPBDIT/OI (%)	4.2%	5.6%
RoCE (%)	7.3%	7.7%
Total Outside Liabilities/Tangible Net Worth (times)	4.5	4.6
Total Debt/OPBDIT (times)	13.4	8.7
Interest Coverage (times)	1.3	1.2
DSCR	0.4	0.4

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Rating (FY2021)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Current Rating	FY2020	FY2019	FY2018
					15-June-2020			
1	Fund-Based /Non-Fund Based	Long Term	150.0	-	[ICRA]BB+(Stable); withdrawn	-	[ICRA]BB+(Stable)	-
2	Fund Based/ Non-Fund Based	Short Term	50.0	-	[ICRA]A4+; withdrawn	-	[ICRA]A4+	-
3	Unallocated	Long Term/ Short Term	100.0	-	[ICRA]BB+(Stable)/ [ICRA]A4+; withdrawn	-	[ICRA]BB+(Stable)/ [ICRA]A4+	-

Amount in Rs. Crore

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	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
	Long Term-Fund Based/Non-Fund Based	-	-	-	150.0	[ICRA]BB+(Stable); withdrawn
	Short Term-Fund Based/ Non-Fund based	-	-	-	50.0	[ICRA]A4+; withdrawn
	Long Term/ Short Term Unallocated	-	-	-	100.0	[ICRA]BB+(Stable)/ [ICRA]A4+; withdrawn

Source: HIL (India) Limited

Annexure-2: List of entities considered for consolidated analysis: NA

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