

## Haritha Fertilisers Limited

March 14, 2019

### Summary of rated instruments

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term- Cash Credit	31.00	31.00	[ICRA]D ISSUER NOT COOPERATING*; Revised from [ICRA]C and continues under 'Issuer Not Cooperating' category
Long Term/Short Term- Unallocated Limits	4.00	4.00	[ICRA]D ISSUER NOT COOPERATING*; Revised from [ICRA]C/[ICRA]A4 and continues under 'Issuer Not Cooperating' category
<b>Total</b>	<b>35.00</b>	<b>35.00</b>	

*\*Issuer did not cooperate; based on best available information.*

*<sup>^</sup>Instrument details are provided in Annexure-1*

### Rating action

ICRA has revised the rating of bank facilities of Haritha Fertilisers Limited (HFL) to [ICRA]D (pronounced ICRA D) from [ICRA]C (pronounced ICRA C)/[ICRA]A4 (pronounced ICRA A Four). ICRA has also moved the ratings to the 'Issuer Not Cooperating' category. The rating is now denoted as "[ICRA]D ISSUER NOT COOPERATING"

ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

### Rationale

The rating downgrade follows the delays in debt servicing by HFL to the lender(s), as confirmed by them to ICRA and company's stretched working capital cycle.

### Analytical approach

For arriving at the ratings, ICRA has applied its rating methodologies/policies as indicated below:

### Links to applicable criteria:

[Corporate Credit Ratings: A Note on Methodology](#)

[Policy on default recognition](#)

[Policy in respect of non-cooperation by the rated entity](#)

### About the company:

Incorporated in 2006, HFL is involved in the manufacturing of nitrogen-phosphorous-potassium (NPK) fertilisers. The company has two manufacturing facilities with installed capacity of 1.50 lakh metric tonne per annum each. The unit-I is located at Ankireddypalli village in Ranga Reddy district and unit-II is located at Damaracherla village in Nalgonda district of Telangana. The company sells products under own brand "Nandi" in Telangana.

### Key financial indicators:

	FY2017	FY2018
Operating Income (Rs. crore)	15.73	10.43
PAT (Rs. crore)	-0.22	-1.41
OPBDIT/OI (%)	41.16%	43.33%
RoCE (%)	6.25%	3.65%
Total Debt/TNW (times)	2.27	2.49
Total Debt/OPBDIT (times)	6.79	9.87
Interest coverage (times)	1.44	1.14

### Status of non-cooperation with previous CRA

Not applicable

### Any other information

Not applicable

### Rating history for last three years

Instrument	Type	Current Rating (FY2019)		Chronology of Rating History for the past 3 years						
		Amount Rated	Amount Outstanding	Date & Rating	Date & Rating	Date & Rating in FY2018	Date & Rating in FY2017		Date & Rating in FY2016	
		(Rs. crore)	(Rs Crore)	Mar 2019	Jan 2019	Sep 2017	Oct 2016	Aug 2016	NA	
1	Cash Credit	Long Term	31.00	NA	[ICRA]D ISSUER NOT COOPERATING	[ICRA]C ISSUER NOT COOPERATING	[ICRA]C	[ICRA]B	NA	NA
2	Unallocated Limits	Long Term/ Short Term	4.00	NA	[ICRA]D ISSUER NOT COOPERATING	[ICRA]C/A4 ISSUER NOT COOPERATING	[ICRA]C/A4	[ICRA]B/A4	[ICRA]B/A4	NA

### 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](http://www.icra.in)

## Annexure-1 Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	31.00	[ICRA]D ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	4.00	[ICRA]D ISSUER NOT COOPERATING

Source: Haritha Fertilisers Limited

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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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For more information, visit [www.icra.in](http://www.icra.in)

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