

HSIL Limited
February 25, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Rating Action
Commercial Paper (Carved out)	-	-	Withdrawn

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the outstanding ratings of 'CARE A1+' assigned to the Commercial paper issue of HSIL Limited with immediate effect. The above action has been taken at the request of HSIL Limited on intimation that there is no outstanding against CARE rated facilities.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

HSIL, incorporated in February 1960, was promoted by Kolkata-based Somany brothers and, currently, the management control vests with Dr. R K Somany. The company was originally incorporated as Hindustan Twyford Ltd in collaboration with Twyford Ltd., UK, to introduce vitreous china ceramic sanitaryware in India. It was renamed as Hindustan Sanitaryware & Industries Ltd. in 1967 and renamed to the present one in 2009. HSIL diversified into the manufacture of glass containers through the acquisition of Associated Glass Industries Limited (AGI) in 1981. PET bottles business was added through the acquisition of Garden Polymers Private Limited (GPPL) in 2011. Packaging Products Division further expanded its business and launched counterfeit-resistant caps and closures under the brand 'AGI Clozure'. During FY18, the Board approved a scheme of arrangement for demerger of the Company's businesses. The objective of the demerger is to unlock value by creating distinct entities for three of its business undertakings, thereby ensuring sharper focus on and better alignment to its customers. The Marketing and Distribution business of Consumer Products Division and Retail Division into a separate entity, Somany Home Innovation Limited (SHIL), and the Marketing and Distribution business of Building Products Division into a separate entity, Brilloca Limited (Brilloca), each as a going concern. The scheme has been approved by the Hon'ble Kolkata Bench of National Company Law Tribunal vide its order dated June 26, 2019. The scheme was effective from the Appointment date i.e. April 01, 2018.

HSIL is having 11 manufacturing facilities across the country. HSIL is having two sanitaryware plants at Bahadurgarh in Haryana and Bibinagar in Telangana; two faucet plants at Kaharani and Bhiwadi in Rajasthan; and One plastic pipes and fittings plant at Sangareddy in Telangana. Also, in the Packaging division, company is having two glass container facilities at Sanathnagar and Bhongir in Telangana, three PET bottles and products facilities at Selaqui in Uttarakhand, Dharwad in Karnataka, and Sangareddy in Telangana and one security caps and closures facility at Sangareddy in Telangana.

Brief Financials (Rs. crore)	FY19 (A) Post Demerger	FY20 (A)
Total operating income	1637.81	1873.55
PBILDT	209.01	285.58
PAT	15.27	48.42
Overall gearing (times)	0.75	0.86
Interest coverage (times)	3.54	3.89

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Commercial Paper-Commercial Paper (Carved out)	-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	747.50	-	-	1)CARE A+; Stable (27-Feb-20)	1)CARE A+; Stable (28-Jan-19) 2)CARE A+; Stable (20-Nov-18) 3)CARE AA- (CWD) (04-Oct-18)	1)CARE AA- (CWD) (09-Feb-18) 2)CARE AA- (CWD) (21-Nov-17) 3)CARE AA-; Stable (27-Apr-17)
2.	Commercial Paper-Commercial Paper (Carved out)	ST	-	-	-	1)CARE A1+ (27-Feb-20)	1)CARE A1+ (28-Jan-19) 2)CARE A1+ (20-Nov-18) 3)CARE A1+ (CWD) (04-Oct-18)	1)CARE A1+ (CWD) (21-Nov-17) 2)CARE A1+ (01-Aug-17) 3)CARE A1+ (27-Apr-17)
3.	Fund-based - LT-Cash Credit	LT	458.00	-	-	1)CARE A+; Stable (27-Feb-20)	1)CARE A+; Stable (28-Jan-19) 2)CARE A+; Stable (20-Nov-18) 3)CARE AA- (CWD) (04-Oct-18)	1)CARE AA- (CWD) (21-Nov-17) 2)CARE AA-; Stable (27-Apr-17)
4.	Non-fund-based - ST-BG/LC	ST	230.00	-	-	1)CARE A1+ (27-Feb-20)	1)CARE A1+ (28-Jan-19) 2)CARE A1+ (20-Nov-18) 3)CARE A1+ (CWD) (04-Oct-18)	1)CARE A1+ (CWD) (21-Nov-17) 2)CARE A1+ (27-Apr-17)

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: NA**Annexure 4: Complexity level of various instruments rated for this Company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Commercial Paper-Commercial Paper (Carved out)	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

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