

## Tata Chemicals Limited

July 25, 2019

### Ratings

Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Non-Convertible Debentures (NCD)	-	-	Withdrawn

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE has withdrawn the outstanding rating of 'CARE AA+ Stable [Double A Plus; Outlook: Stable]' assigned to the Non-Convertible Debentures (NCDs) of **Tata Chemicals Limited (TCL)** with immediate effect as there is no outstanding against the said NCDs. The above action has been taken on receipt of no due certificate from Debenture trustee indicating that said NCD's are repaid and redeemed in full on the due date.

### Analytical approach:

For arriving at the ratings, CARE has considered the audited consolidated financial statements published in the FY18 annual report. TCL has various subsidiaries, and associates and joint ventures. These companies are fully consolidated due to operational and financial linkages, fungible cash-flows and support provided by TCL to various subsidiaries/associates/etc. List of companies that are consolidated to arrive at the ratings are given in Annexure 3 below.

### Applicable Criteria

[Policy on withdrawal of rating](#)

### About the Company

Tata Chemicals Limited (TCL), established in 1939 is a part of the USD 109 billion Tata Group. TCL's business segments include basic chemistry products, consumer products and specialty products. TCL is currently third largest producer of soda ash in the world and also the fifth largest manufacturer of sodium bicarbonate in the world. Besides, it is a pioneer and India's market leader in the Indian branded iodized salt segment with an overall market share of 25.50% in FY18. Also, it has an established market presence in the crop protection business through its subsidiary Rallis India Ltd. Additionally, TCL is increasing its footprint in the consumer product business primarily through brands like Tata Salt, Tata Swach, Tata I-Shakti, and under the Tata Sampann brand the pulses and spices business.

Brief Financials (Rs. Crore)	FY18 (A)	FY19 (A)
Total operating income	10,408	11,707
PBILDT	2,336	2,507
PAT	2,702	1,387
Overall gearing (times)	0.44	0.34
Interest coverage (times)	7.17	6.91

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

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and 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
Debentures-Non Convertible Debentures (INE092A08055)	July 31, 2009	10%	July 02, 2019	-	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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Cash Credit	LT	1897.00	CARE AA+	-	1)CARE AA+; Stable (07-Jan-19) 2)CARE AA+; Stable (05-Apr-18)	-	1)CARE AA+; Stable (07-Feb-17) 2)CARE AA+ (11-Apr-16)
2.	Non-fund-based - ST-BG/LC	ST	2448.00	CARE A1+	-	1)CARE A1+ (07-Jan-19) 2)CARE A1+ (05-Apr-18)	-	1)CARE A1+ (07-Feb-17) 2)CARE A1+ (11-Apr-16)
3.	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE AA+; Stable (07-Jan-19) 2)CARE AA+; Stable (05-Apr-18)	-	1)CARE AA+; Stable (07-Feb-17)

**Annexure-3: List of entities considered for consolidation as on March 31, 2019**

Subsidiaries		
Sr. No.	Name of the entity	%Holding
	<b>Direct</b>	
1	Rallis India Limited ('Rallis')	50.06%
2	Bio Energy Venture - 1 ( Mauritius) Pvt. Ltd	100.00%
3	Ncourage Social Enterprise Foundation	100.00%
	<b>Indirect</b>	
4	Rallis Chemistry Exports Limited	100.00%
5	Metahelix Life Sciences Limited	100.00%
6	Zero Waste Agro Organics Limited ('ZWAOL')	100.00%
7	PT Metahelix Lifesciences Indonesia ('PTLI')	65.77%
8	Valley Holdings Inc.	100.00%
9	Tata Chemicals North America Inc.('TCNA')	100.00%
10	General Chemical International Inc.	100.00%
11	NHO Canada Holdings Inc.	100.00%
12	Tata Chemicals (Soda Ash) Partners ('TCSAP')	75.00%
13	Tata Chemicals (Soda Ash) Partners Holdings ('TCSAPH')	75.00%
14	TCSAP LLC	75.00%
15	Homefield Pvt UK Limited	100.00%
16	TCE Group Limited	100.00%
17	Tata Chemicals Africa Holdings Limited	100.00%
18	Natrium Holdings Ltd.	100.00%
19	Tata Chemicals Europe Limited	100.00%
20	Winnington CHP Limited	100.00%
21	Brunner Mond Group Limited	100.00%
22	Tata Chemicals Magadi Limited	100.00%
23	Northwich Resource Management Limited	100.00%
24	Gusiute Holdings (UK) Limited	100.00%
25	TCNA (UK) Limited	100.00%
26	British Salt Limited	100.00%
27	Cheshire Salt Holdings Limited	100.00%
28	Cheshire Salt Limited	100.00%
29	Brinefield Storage Limited	100.00%
30	Cheshire Cavity Storage 2 Limited	100.00%
31	Cheshire Compressor Limited	100.00%
32	Irish Feeds Limited	100.00%
33	New Cheshire Salt Works Limited	100.00%
34	Tata Chemicals International Pte. Limited ('TCIPL')	100.00%
35	Tata Chemicals (South Africa) Proprietary Limited	100.00%
36	Magadi Railway Company Limited	100.00%

Joint Ventures		
Sr. No.	Name of the entity	%Holding
	<b>Direct</b>	
1	Indo Maroc Phosphore S. A.	33.33%
	<b>Indirect</b>	
2	The Block Salt Company Limited (Holding by New Cheshire Salt Works Limited)	50.00%

3	JOil (S) Pte. Ltd and its subsidiaries (Holding by TCIPL)	33.78%
4	Tata Industries Ltd.	9.13%
5	Alcad	50.00%

**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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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