

NEAPS/BSE ONLINE

26th February, 2021

The Corporate Relationship Dept.
BSE Limited
Phiroze Jeejeebhoy Towers,
1st Floor, New Trading Ring
Rotunda, Dalal Street,
Mumbai - 400 001.

Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, Block-G,
Bandra-Kurla Complex,
Bandra (E) Mumbai - 400 051

Dear Sir/Madam,

Sub: Intimation for withdrawal of rating assigned to the Commercial Paper Issue by CARE Rating on the request of the Company

This is to inform you that on request of the Company for voluntarily withdrawal of credit rating of 'CARE A1+' assigned by CARE Rating on Commercial Paper Issue as the facility has not been used by company to raise funds and there is no outstanding under the said issue as on date, CARE Ratings has withdrawn the rating on the said instrument, effective from 25th February 2021.

The Company's credit ratings for other facilities by CARE Ratings remain unchanged.

Press Release issued by CARE Ratings is attached for general information and reference.

You are requested to take this information on records.

For HSIL Limited



(Pulkit Bhasin)

Company Secretary

Name: Pulkit Bhasin

Address: 301-302, 3rd Floor, Park Centra, Sector-30, NH-8, Gurugram-122001

Membership No.: 27686

Encl: As above

HSIL Limited

Corporate Office: 301-302, 3rd Floor, Park Centra, Sector-30, NH 8, Gurugram, Haryana-122 001, India. T. +91 124 477 9200

Registered Office: 2, Red Cross Place, Kolkata-700001, West Bengal, India. T. +91 33-22487407/5668

hsilinvestors@hsilgroup.com | www.hsilgroup.com | CIN: L51433WB1960PLC024539



CARE/DRO/RL/2020-21/3750

Dr. R K Somany
Chairman and Managing Director
HSIL Limited
301 – 302, IIIrd Floor,
Park Centra, Sector 30,
NH-8, Gurgaon – 122 001

February 25, 2021

Confidential

Dear Sir,

Withdrawal of rating assigned to the Commercial Paper of HSIL Limited

We have noted that HSIL Limited has not raised funds under the aforementioned Commercial Paper issue and there is no outstanding under the said issue as on date. Taking cognizance of this, we hereby withdraw our rating for HSIL Ltd.'s Commercial Paper with immediate effect.

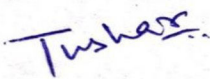
2. As per our normal procedure, we will be announcing the withdrawal of the rating through a Press Release, a copy of which is enclosed. **Meanwhile, please ensure that the ratings are not used hereafter, for any purpose whatsoever.**

3. In case of any future rating requirements, we will be happy to offer our services.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



Tushar Agrawal
Deputy Manager
tushar.agrawal@careratings.com



Ravleen Sethi
Senior Manager
ravleen.sethi@careratings.com

Encl.: As above

CARE Ratings Ltd.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Annexure
Press Release
HSIL Limited

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's Ltd in collaboration with Twyford's 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
PBILD	209.01	285.58
PAT	15.27	48.42

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

Brief Financials (Rs. crore)	FY19 (A) Post Demerger	FY20 (A)
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

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)

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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.

Contact us

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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