

October 16, 2019

Patanjali Ayurved Limited: Ratings withdrawn

Summary of rated instruments

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based - Cash Credit Limit	300.0	300.0	[ICRA]BBB(Stable) ISSUER NOT COOPERATING*; withdrawn
Non-fund Based Limits	20.0	20.0	[ICRA]A3+ ISSUER NOT COOPERATING*; withdrawn
Total	320.0	320.0	

^{*}Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The ratings have been withdrawn in accordance with ICRA's policy on withdrawal and suspension, and as desired by the company on receipt of no objection certificate provided by the bank.

Key rating drivers

Key rating drivers have not been captured as the rated instruments are being withdrawn.

Liquidity position

Liquidity position has not been captured as the rated instruments are being withdrawn.

Rating sensitivities

Rating sensitivities have not been captured as the rated instruments are being withdrawn.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not applicable
Consolidation / Standalone	Standalone

About the company:

Incorporated in 2006, Patanjali Ayurved Limited (PAL) is engaged in producing and selling staples, herbal/ayurvedic and FMCG products. PAL has three manufacturing units located in Haridwar. PAL is part of the Patanjali Group setup by Baba Ramdev. Majority (~93%) of the company's shareholding is held by Acharya Balkrishna. PAL sells its brand under the 'Patanjali' brand.

In FY2018, PAL reported a net profit of Rs. 342.6 crore on an OI of Rs. 8,155.6 crore compared with a net profit of Rs. 1190.4 crore on an OI of Rs. 8,964.0 crore in the previous year.

Key financial indicators (audited)

	FY2017	FY2018
Operating Income (Rs. crore)	8,964.0	8,155.6
PAT (Rs. crore)	1,190.4	342.6
OPBDIT/OI (%)	18.2%	9.2%
RoCE (%)	55.3%	14.1%
Total Outside Liabilities/Tangible Net Worth (times)	1.6	1.7
Total Debt/OPBDIT (times)	1.3	3.6
Interest Coverage (times)	24.9	4.2
DSCR	20.3	3.3

Status of non-cooperation with previous CRA

Not applicable

Any other information

Not applicable

Rating history for past three years

	Instrument	Current Rating (FY2020)						Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating			FY2019	FY2018	FY2017
					16-Oct-2019	4-Oct-2019	18-Apr-2019	24-May -2018	16-Jan-2018	9-Jan-2017
1	Fund Based - Cash Credit Limit	Long Term	300.0	-	[ICRA]BBB (Stable) ISSUER NOT COOPERATING; withdrawn	[ICRA]BBB (Stable) ISSUER NOT COOPERATING	[ICRA]A+ (Stable) ISSUER NOT COOPERATING	[ICRA]A+ (Stable) ISSUER NOT COOPERATING	[ICRA]A+ (Stable) ISSUER NOT COOPERATING	[ICRA]A+(Stable)
2	Non-fund Based Limits	Short Term	20.0	-	[ICRA]A3+ ISSUER NOT COOPERATING; withdrawn	[ICRA]A3+ ISSUER NOT COOPERATING	[ICRA]A1 ISSUER NOT COOPERATING	[ICRA]A1 ISSUER NOT COOPERATING	[ICRA]A1 ISSUER NOT COOPERATING	[ICRA]A1

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 No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund Based - Cash Credit Limit	300.0	-	-	300.0	[ICRA]BBB(Stable) ISSUER NOT COOPERATING; withdrawn
NA	Non-fund Based Limits	20.0	-	-	20.0	[ICRA]A3+ ISSUER NOT COOPERATING; withdrawn

Source: Patanjali Ayurved Limited

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
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