

July 31, 2020

Parijat Industries (India) Private Limited: Ratings Withdrawn

Summary of rating action

Instrument*	Previously Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
LT: Fund-based – Term Loan	6.50	6.50	[ICRA]BBB (Positive); Withdrawn
LT/ST: Fund based Limits	88.00	88.00	[ICRA]BBB (Positive)/A2; Withdrawn
LT/ST: Non-Fund Limits	75.00	75.00	[ICRA]BBB (Positive)/A2; Withdrawn
LT/ST: Interchangeable Limits	(55.00)	(55.00)	[ICRA]BBB (Positive)/A2; Withdrawn
LT/ST: Unallocated	30.50	30.50	[ICRA]BBB (Positive)/A2; Withdrawn
Total	200.00	200.00	

*Instrument details are provided in Annexure-1

Rationale

The long-term and short-term rating assigned to Parijat Industries (India) Private Limited (PIPL) have been withdrawn at the request of the company, based on the No-objection certificate provided by its bankers, and in accordance with ICRA's policy on withdrawal and suspension. ICRA is withdrawing the rating and that it does not have adequate information to suggest that the credit risk has changed since the time the ratings were last reviewed.

Key rating drivers and their description

Key rating drivers have not been captured as the rated instrument(s) are being withdrawn.

Liquidity position

Liquidity Position has not been captured as the rated instrument(s) are being withdrawn.

Rating sensitivities

Rating Sensitivities have not been captured as the rated instrument(s) are being withdrawn.

Analytical approach

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

About the company

PIPL manufactures and sells agrochemicals and has two manufacturing units in Ambala (Haryana). The company is primarily a formulator and sources the active ingredient (i.e. technicals) externally. The company has a presence in both the domestic and export markets (70:30 mix) and sells both under its own brand as well as under bulk sales. PIPL is promoted by the Anand family, which has extensive experience in the agrochemical business. Prior to this, the promoters were engaged in the trading of agrochemicals for close to two decades. Private Equity (PE) investor – India Agri Business Fund II (sponsored by Rabo Bank) – has invested Rs. 50.0 crore in the company in FY2017 and has additional committed lines of Rs. 50.0 crore. On a fully diluted basis, the promoters hold 78.27% stake in the company as on Nov 30, 2018.

Key financial indicators (audited):

	FY2018	FY2019
Operating Income (Rs. crore)	395.4	536.5
PAT (Rs. crore)	12.0	10.0
OPBDIT/ OI (%)	5.6%	4.9%
RoCE (%)	14.1%	12.0%
Total Debt/ TNW (times)	0.5	0.8
Total Debt/ OPBDITA (times)	3.3	4.5
Interest Coverage (times)	3.1	2.5
DSCR	2.6	1.8

Source: PIPL

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
Brickwork Ratings	BWR BBB- /Stable/ BWR A3/ Issuer Non-cooperation; withdrawal	November 29, 2019

Any other information: None

Rating history for last three years

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years		
		Type	Amount Rated (Rs crore)	Amount Outstanding (Rs crore)	Rating	FY2020	FY2019	FY2018
					31-July-20	4-Apr-19	-	23-Mar-18
1	Cash Credit	Long Term/ Short Term	88.00	-	[ICRA]BBB(Positive)/A2; Withdrawn	[ICRA]BBB (Positive)/A2	-	[ICRA]BBB (Stable)/A2
2	Term Loan	Long Term	6.50	-	[ICRA]BBB(Positive); Withdrawn	[ICRA]BBB (Positive)	-	-
3	Non-Fund Based	Long Term/ Short Term	75.00	-	[ICRA]BBB(Positive)/A2; Withdrawn	[ICRA]BBB (Positive)/A2	-	[ICRA]BBB (Stable)/A2
4	Interchangeable Limits	Long Term/ Short Term	55.00	-	[ICRA]BBB(Positive)/A2; Withdrawn	[ICRA]BBB (Positive)/A2	-	-
5	Unallocated	Long Term/ Short Term	30.50	-	[ICRA]BBB(Positive)/A2; Withdrawn	[ICRA]BBB (Positive)/A2	-	-

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 o	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	88.00	[ICRA]BBB (Positive)/A2; Withdrawn
NA	Term Loan	-	-	-	6.50	[ICRA]BBB (Positive); Withdrawn
NA	Non-Fund based	-	-	-	75.00	[ICRA]BBB (Positive)/A2; Withdrawn
NA	Interchangeable limits	-	-	-	55.00	[ICRA]BBB (Positive)/A2; Withdrawn
NA	Unallocated	-	-	-	30.50	[ICRA]BBB (Positive)/A2; Withdrawn

Source: PIPL

Annexure-2: List of entities considered for consolidated analysis

Not Applicable

ANALYST CONTACTS

K. Ravichandran

+91-44-45364301

ravichandran@icraindia.com

Manish Ballabh

+91-124-4545812

manish.ballabh@icraindia.com

Vipin Jindal

+91-124-4545355

vipin.jindal@icraindia.com

Pankaj Khatri

+91-124-4545327

pankaj.khatri@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee

+91 80 4332 6401

jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87
Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore + (91 80) 2559 7401/4049
Ahmedabad+ (91 79) 2658 4924/5049/2008
Hyderabad + (91 40) 2373 5061/7251
Pune + (91 20) 2556 0194/ 6606 9999

© Copyright, 2020 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents