

October 19, 2020

Azim Premji Trust: Rating withdrawn

Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|----------------------------|--------------------------------------|-------------------------------------|----------------------|
| Commercial Paper Programme | 2,000.00 | - | [ICRA]A1+; Withdrawn |
| Total | 2,000.00 | - | |

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the rating for the Rs. 2,000.00-crore commercial paper (CP) programme at the request of the company and in accordance with ICRA's policy on withdrawal and suspension of credit rating. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The previous detailed rating rationale is available on the following link: [Click here](#)

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|---|
| Applicable Rating Methodologies | ICRA's Credit Rating Methodology for Non-Banking Finance Companies ICRA Policy on Withdrawal and Suspension of Credit Rating |
| Parent/Group Support | Not applicable |
| Consolidation/Standalone | Combined view of Azim Premji Trust and group entities given the strong interlinkages and the common investment and management team for these entities. |

About the company

Azim Premji Trust (APT) is a discretionary trust with Azim Premji Philanthropic Initiatives Private Limited and Azim Premji Foundation for Development as its beneficiaries. The trustee for APT is Azim Premji Trustee Company Private Limited. APT is the endowment vehicle for the Premji Family's philanthropic initiatives and holds direct stake (13.22% as on June 30, 2019) in and is an indirect beneficiary of Wipro Limited shares. During FY2019, the trust reported a net profit of Rs. 1,527.7 crore on a total income of Rs. 1,817.1 crore as compared to a net profit of Rs. 6,583.7 crore on a total income of Rs. 6,587.5 crore in FY2018.

Key financial indicators

| | FY2018 | FY2019 |
|-------------------------------------|----------|----------|
| Total income (Rs. crore) | 6,857.5 | 1,817.1 |
| Profit After Tax (Rs. crore) | 6,583.7 | 1,527.7 |
| Net worth (Rs. Crore) | 12,986.8 | 15,574.4 |
| Total Managed Portfolio (Rs. Crore) | - | - |
| Total Managed Assets (Rs. Crore) | 14,200.2 | 16,977.9 |
| Return on Managed Assets (%) | 66.5% | 9.8% |
| Return on Net worth (%) | 75.0% | 10.7% |
| Gearing (times) | 0.1 | 0.1 |
| Gross NPA (%) | - | - |
| Net NPA (%) | - | - |
| Capital Adequacy Ratio (%) | - | - |

Source: Company & ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| | Instrument | Current Rating (FY2021) | | | | Rating History for the Past 3 Years | | |
|---|------------------|-------------------------|--------------|--------------------|----------------------|-------------------------------------|-------------|-------------|
| | | Type | Amount Rated | Amount Outstanding | Rating | FY2020 | FY2019 | FY2018 |
| | | | | | 19-Oct-2020 | 23-Sep-2019 | 06-Nov-2018 | 09-Oct-2017 |
| 1 | Commercial Paper | Short Term | - | - | [ICRA]A1+; withdrawn | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ |

Amount in Rs. crore

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 [click here](#)

Annexure-1: Instrument details

| ISIN | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|------|------------------|-----------------------------|-------------|---------------|--------------------------|----------------------------|
| NA | Commercial Paper | NA | NA | 7-365 days | - | [ICRA]A1+; withdrawn |

Source: Azim Premji Trust

Annexure-2: List of entities considered for consolidated analysis

Not applicable

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