

January 15, 2020 <sup>Revised</sup>

## Venky's (India) Limited: Ratings withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term loan	114.15	114.15	[ICRA]A-(Stable); withdrawn
Cash credit	350.00	350.00	[ICRA]A-(Stable); withdrawn
Non-fund based	7.50	7.50	[ICRA]A2+; withdrawn
<b>Total</b>	<b>471.65</b>	<b>471.65</b>	

\*Instrument details are provided in Annexure-1

### Rationale

The long-term and the short-term ratings assigned to Venky's India Limited (VIL) have been withdrawn at the request of the company, based on the no-objection certificate provided by its banker. ICRA is withdrawing the rating and that it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. ICRA has withdrawn the Stable outlook on the long-term rating

### Key rating drivers and their description

Key rating drivers have not been captured as the rating is being withdrawn.

**Liquidity position:** Not captured as the rating is being withdrawn.

### Rating sensitivities

Not captured as the rating is being withdrawn.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">ICRA's Policy on Withdrawal and Suspension of Credit Rating</a>
Parent/Group Support	Parent/Group Company: Not applicable
Consolidation/Standalone	Not applicable

### About the company

Venky's (India) Limited (VIL) is a part of the VH group which is the largest and most integrated poultry player in India with strong presence in poultry broiler as well as layer segment along with sizeable presence in value added segments like animal healthcare products and processed chicken. The VH group was promoted by late Dr. B.V. Rao and started its operations in 1971 as a sole franchisee in India of Babcock Farm Inc., USA. The group's operations

span the entire spectrum of poultry activities from pure-line breeding, grandparent and parent breeding and sale of commercial day-old chicks (DOCs) to contract commercial farming.

The company derives 50% of its business from poultry and poultry products with rest coming from animal healthcare products (AHP) and oil seed division. Within poultry division, company sells broiler/layer DOC, commercial grown up birds, processed chicken and SPF (specific pathogen free) eggs. VIL is one of the largest manufacturers of SPF eggs in India and these eggs are used for manufacturing poultry and human vaccines.

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

In FY2019, the company reported a net profit of Rs. 174.1 crore on an operating income of Rs. 3043.1 crore compared to a net profit of Rs. 199.7 crore on an operating income of Rs. 2688.8 crore in the previous year.

### **Key financial indicators- Standalone (audited)**

	<b>FY2018</b>	<b>FY2019</b>
Operating Income (Rs. crore)	2688.8	3043.1
PAT (Rs. crore)	199.7	174.1
OPBDIT/OI (%)	14.5%	10.2%
RoCE (%)	39.1%	30.4%
Total Outside Liabilities/Tangible Net Worth (times)	1.0	0.8
Total Debt/OPBDIT (times)	0.9	0.9
Interest Coverage (times)	7.8	9.9
DSCR	2.3	7.5

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### 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	
					15-January 2020	05-Nov 2018	03-Nov 2017	21-March 2017	03-Nov 2016
1	Term loan	Long-term	114.15	65.20	[ICRA]A-(Stable) withdrawn	[ICRA]A-(Stable)	[ICRA]BBB+(Stable)	[ICRA]BBB(Positive)	[ICRA]BBB(Stable)
2	Cash credit	Long-term	350.00	325.00	[ICRA]A-(Stable) withdrawn	[ICRA]A-(Stable)	[ICRA]BBB+(Stable)	[ICRA]BBB(Positive)	[ICRA]BBB(Stable)
3	Non-fund based	Short-term	7.50	7.50	[ICRA]A2+withdrawn	[ICRA]A2+	[ICRA]A2	[ICRA]A3+	[ICRA]A3+

Amount in Rs. crore; \*- as of September 30, 2019

### 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](http://www.icra.in)

### Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan	NA	NA	NA	114.15	[ICRA]A-(Stable) withdrawn
NA	Cash credit	NA	NA	NA	350.00	[ICRA]A-(Stable) withdrawn
NA	Non-fund based	NA	NA	NA	7.50	[ICRA]A2+withdrawn

### Annexure-2: List of entities considered for consolidated analysis- NA

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## Corrigendum:

Previously published rating rationale dated January 15, 2020 has been corrected with revisions as detailed below:  
Revision on Page 1: ICRA Policy on withdrawal and suspension of credit rating has been added

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For more information, visit [www.icra.in](http://www.icra.in)

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