



RATING RATIONALE

07 Jan 2020

Atri Papers Pvt Ltd

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs. 20.96 Cr of Atri Papers Pvt Ltd.

Particulars:

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (Aug 2019)	Present
Fund based			Long Term	BWR BBB- (SO)^ Stable	BWR BBB- (CE)** Stable (Reaffirmation)
Term Loans	10.96	10.96			
Cash Credit	10.00	10.00			
Total	20.96	20.96	INR Twenty Crores and Ninety Six Lakhs Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

^Advisory issued by BWR on 14Sept2019 changing the suffix from (SO) to (CE)

** Standalone (unsupported) ratings assigned at BWR BB with a stable outlook to Atri Papers Pvt Ltd for the bank loan facilities.

Details of bank loan facilities given in Annexure I.

RATING ACTION / OUTLOOK

Bank loan facilities availed by Atri Papers Pvt Ltd ('APPL' or 'the company') were last rated in Aug 2019 and assigned its bank loan ratings of BWR BBB- (SO) with a stable outlook.

The suffix "Structured Obligation" (SO) in the ratings took into account the credit enhancement available in the form of irrevocable corporate guarantee furnished by its group company; Patanjali Ayurved Ltd (rated BWR AA-/A1+ on 05Dec19) in favor of the lenders of the bank loan facilities availed by APPL. The rated debt instruments do not involve structured payment mechanisms. Suffix S.O (Structured Obligation) was later replaced by CE (Credit Enhancement) as per rating advisory dated 14 Sep 2019 by BWR. In compliance with the regulatory guidelines, BWR has assigned unsupported ratings at BWR BB (Stable) to the company for its Bank Loan Facilities. For further details, the previous Rating Rationale may be accessed at

<https://www.brickworkratings.com/Admin/PressRelease/Atri-Papers-BL-14Aug2019.pdf>

COMPANY PROFILE

Atri Papers Private Limited (APPL) was established in the year 2009, presently owned by Mr. Ram Bharat (younger brother of Baba Ramdev) & Mrs. Snehlata Bharat (W/o Mr. Ram Bharat). It is engaged in the manufacturing of corrugated boxes and cardboard cartons (packaging material) which it supplies to its two major Patanjali Group companies i.e. "Patanjali Ayurved Limited" and "Divya Pharmacy". The unit is located within the industrial park of Patanjali Group. The unit has a total installed capacity of



22,000 tons per annum and currently operated at a capacity utilization of 43.36% (P.Y. 71.82%) during FY19.

GUARANTOR PROFILE

PAL is a flagship company of Patanjali Group and is engaged in the manufacturing & trading of FMCG, herbal & ayurvedic products. It was established in 2006 and later converted into a public limited company in 2007. It sells its products under the brand name of “PATANJALI”

PAL’s major three manufacturing units are located in Haridwar along with peas processing unit in Uttarakhand. PAL has set up a new unit at Tezpur (Assam) in 2017 with a total investment of more than Rs. 700 Cr. It also acquired two other units, rice plant (Haryana) and dairy (Nevasa, MH) with a combined investment of around Rs. 175 Cr during 2017. Further, the Patanjali Group is in the process to establish more units in various states to support its growth & increase penetration towards newer markets.

Major (98.54%) of the Company’s shareholding is held by Acharya Balkrishan (Managing Director).

Company’s Financial Performance

Key Parameters	Units	2018 (A)	2019 (A)
Operating Revenue	Rs. crs	53.29	30.94
EBITDA	Rs. crs	4.94	1.17
PAT	Rs. crs	0.29	-3.42
Tangible Net worth	Rs. crs	12.56	9.14
Total Debt/Tangible Net worth	Times	1.46	2.97
Current Ratio	Times	1.07	1.06

Rating History for the last three years (including Withdrawn and Suspended)

S.No	Instrument /Facility	Current Rating			Rating History		
		Type	Amount (₹ Crs)	Rating	14 Aug 2019	28 Mar 2018	2017
1.	Fund Based Term Loans Cash Credit	Long Term	10.96 10.00	BWR BBB - (CE)* Stable (Reaffirmed)	BWR BBB-(SO)^ Stable (Downgrade)	BWR BBB+ (SO) Stable	N.A.
	Total		20.96	INR Twenty Crores and Ninety Six Lakhs Only			

*Standalone (unsupported) rating assigned at BWR BB with a stable outlook to Atri Papers Pvt Ltd. for the bank loan facilities.

^Advisory issued by BWR on 14Sept2019 changing the suffix from (SO) to (CE)

ANNEXURE I

Atri Papers Pvt Ltd Details of Bank Facilities rated by BWR

Sl. No.	Name of the Bank	Type of Facilities	Long Term (₹ Cr)	Short Term (₹ Cr)	Total (₹ Cr)
1	YES Bank	Term Loan	9.35	-	9.35
		Cash Credit	10.00	-	10.00
2	Hero Fincorp	Term Loan	1.61		1.6
TOTAL			20.96	-	20.96

Total Rupees Twenty Crores and Ninety Six Lakhs only.

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)

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