**RATING RATIONALE**

**16 Sept 2025**

**Patanjali Yogpeeth (Trust)**

**Brickwork Ratings revises & removes the long-term rating from ISSUER NOT COOPERATING category for the Bank Loan Facilities of Rs.111.13 Crores, based on the available information & Assigns a long rating for the Bank Loan Facilities of Rs. 99.95 Crores of Patanjali Yogpeeth (Trust).**

**Particulars:**

| Facilities | Amount (Rs. Cr) | | Tenure | Previous Rating (23, Dec 2024) | Present Rating# |
|---|---|---|---|---|---|
| | Previous | Present | | | |
| **Fund Based** | 174.63 | **111.13** | Long Term | BWR BB /Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded | **BWR BBB (Stable)/ Removed from ISSUER NOT COOPERATING* category/ Upgraded** |
| **Fund Based** | 0.00 | **99.95** | Long Term | - | **BWR BBB (Stable) Assigned** |
| **Total** | 174.63 | **211.08** | **Rupees Two Hundred Eleven crores and Eight Lakhs only** | | |

*Issuer did not cooperate, based on the best available information.
#Please refer to the BWR website **www.brickworkratings.com/** for the definition of the ratings.
Details of bank loan facilities are given in Annexure I.

## RATING ACTION / OUTLOOK

Brickwork Rating (BWR) revises the long term rating to BWR BBB/Stable and removes it from the Issuer not cooperating category for a bank loan facility of Rs. 111.13 Crores, and assigns a long term rating of BWR BBB/Stable for a bank loan facility of Rs. 99.95 Crores based on the audited financial up to FY24, management certified provisional financials for FY25, and operational and other information provided by the trust.

The revision / assignment of ratings factors in its established education activities and patient treatments with sustained income from donations received from Patanjali Group and other donors. The operating receipts have increased in the past two years and are likely to excel during FY26 & FY27. PYT's financial risk profile remains comfortable with sizable corpus funds and adequate cash accruals to support the debt repayments. Patanjali Yogpeeth Trust (PYT) benefits from ongoing support, including commitment letters and corporate guarantees from Patanjali Ayurved Limited (PAL) and Divya Yog Mandir Trust (DYMT) to PYT's lenders. This continuous backing further strengthens PYT's rating.

The ratings are, however, constrained by the current small scale of operations of the verticals University of Patanjali (UOP), Acharyakulam (AHS) and Kanya Gurukulam, coupled with the relatively large debt size. Hence, going further the continuous support by the PYT's other activities for meeting its upcoming debt obligations. The rating is also constrained by the reputational risk associated with the brand name.

BWR believes that PYT's business risk profile will be maintained over the medium term. The Stable outlook indicates a low likelihood of a rating change over the medium term.

**KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED**

The key covenants are the standard terms as stipulated in the sanction letters of the rated facilities

## KEY RATING DRIVERS

**Credit Strengths-:**

**Established position of the Trust:**

Patanjali is an established brand name, and is well known both domestically and internationally. The educational institutes run by the Trust gain from this image, specifically in the areas of yoga, vedic and Sanskrit education.

**Modest operations and financial risk profile:**

The trust has reported an operating income of Rs. 479.62 Crores in FY24 & Rs. 452.99 Crores in FY25 (Prov), on account of consistent donations and increased income from patient treatments. Operating surplus margins deteriorated to 30% in FY25 (Prov) ( FY23 & FY24: 44-45%) due to increased operational expenses and donations. Nonetheless, the Interest Service Coverage Ratio remained comfortable at 5.9x (FY25) and 12.75x (FY24) and Debt Service Coverage Ratio (DSCR) remained at 1.69x (FY24) and 2.68x (FY25) and further expected to remain above 2x which shows an adequate operating surplus to repay the debt. The trust reports a steady deleveraging trend in total debt level from ₹317 Cr (FY23) to ₹225.58 Cr (FY25), despite the addition of a new term loan of Rs. 120 Crs (for Kanya Gurukulam, Roorkee, Haridwar in 2023) The corpus fund is steadily growing with a low gearing ratio at 0.27x in FY25 (Prov) (FY24 : 0.32x).

**Continued group support by providing Corporate guarantees:** The borrowings are mainly on account of infrastructure set ups of the University/School/Gurukul run by the trust which is yet to scale up its operations, and is likely to be serviced by the cash flows generated from other operations of the trust. The explicit support provided by PAL and DYMT in the form of corporate guarantees for the Trust's rated bank loan limits, shall also provide support to timely servicing of the said facilities. Both PAL and DYMT have requisite assets or capacity to provide financial support to the trust, as and when required.

**Credit Risks-:**

**Reputation Risk:** In the past couple of years, Patanjali Group's key management personnel have faced many litigation due to legal proceedings and several cases. However, these litigations haven't materially impacted the operations yet, although they pose a continuous risk, and any negative developments could harm the Patanjali brand. BWR notes that the company has confirmed that most of these litigations are now either closed / resolved and the pending litigations, if any, are unlikely to have any significant impact either on the performance of the company or its brand reputation.

**Exposure to intense competition:**

The trust faces intense competition from reputed public and private institutes. This puts pressure on attracting / retaining talented students and faculty. However, this risk is partly mitigated by the Group’s established track record in operating educational & medical institutions and diversified geographical presence in Uttarakhand, Kolkata and Northeast.

**ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA**

To arrive at its ratings, BWR has considered the PYT’s standalone financial and has applied its rating methodology on a standalone basis as detailed in the Rating Criteria.

**RATING SENSITIVITIES**

**Upward**:

- Overall operating surplus margins of PYT above 40% on a sustained basis.
- Improvement in revenues and liquidity profile of UoP, AHS, Gurukul when they become self-sustaining in meeting loan repayment obligations and without the support of PYT would support upward rating action.

**Downward:**

- Any large debt funded capital expenditure or delay in receipt of fees or reduction in the donations more than 10% of existing annual level, thereby impacting its liquidity and financial risk profile.

**LIQUIDITY: Adequate**

BWR expects the liquidity position to remain adequate in the near-to-medium term. PYT’s unencumbered cash and bank balance stood at Rs. 19.51 Crores as on September 11, 2025. The trust has been managing its working capital requirements through its collections of the Patients Treatment Charges, fee receipts from courses, and donations. Besides free cash and bank balance, the trust has maintained a DSRA equivalent to one quarterly installment and 3 months’ interest. A net cash accrual remained Rs. 130-214 Crs for the past two fiscals, further, expected to remain around Rs. 200 Crs approximately. The cash flow from operations to remain positive and more than sufficient to absorb its principal repayment commitments of Rs. 58-64 Crores along with the associated interest cost in FY26 & FY27.

**TRUST PROFILE:**

| Macro Economic Indicator | Sector | Industry | Basic Industry |
|---|---|---|---|
| Consumer Discretionary | Consumer Services | Leisure Services | Wellness |
| Consumer Discretionary | Other Consumer Services | Education | Education |

PYT is a charitable trust, established in Feb 2005 by Swami Ramdev at Haridwar. The other major trustees are Acharya Balkrishna and Swami Muktanand. PYT was set up for the purpose of propagating yoga at pan-India level, study & research of Vedic traditions of yoga and conduct different activities & projects related to it. Presently, major activities run by PYT are yoga science camps, yoga training through TV programs, yoga, naturopathy and panchkarma treatment centers, UOP and AHS.

**FINANCIAL PERFORMANCE:**

| Key Parameters | Units | 2023 (A) | 2024 (A) | 2025 (Prov) |
|---|---|---|---|---|
| Operating Revenue | Rs. crs | 466.04 | 479.62 | 452.99 |
| Operating Surplus | Rs. crs | 205.97 | 215.84 | 137.67 |
| Net Surplus | Rs. crs | 113.32 | 138.85 | 41.78 |
| Total Corpus Funds | Rs. crs | 659.59 | 794.64 | 837.14 |
| Total Debt/Total Corpus Funds | Times | 0.48 | 0.32 | 0.27 |
| Current Ratio | Times | 1.08 | 1.30 | 1.21 |

**Status of non-cooperation with previous CRA-** Not Applicable

**Any other information:** Nil

## Rating History for the last three years (including withdrawn and suspended)

| Facilities | Current Rating (2025) | | | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|---|---|---|
| Type | Tenure | Amount (Rs.Crs.) | Rating | Date | Rating | Date | Rating | Date | Rating |
| Fund Based | LT | 111.13 | BWR BBB/ Stable Removed from ISSUER NOT COOPERATING* category/ Upgraded | 23Dec 2024 | BWR BB Stable (ISSUER NOT COOPERATING* /Downgrade) (Rs. 174.63 Crs) | 10Nov 2023 | BWR BB+ Stable (ISSUER NOT COOPERATING* /Downgrade) (Rs. 174.63 Crs) | 05Sep 2022 | BWR BBB Stable (Reaffirmation) (Rs. 214.13 Crores) |
| Fund Based | LT | 99.95 | BWR BBB/ Stable Assigned | - | - | - | - | - | - |
| Grand Total | | 211.08 | (Rupees Two Hundred Eleven crores and Eight Lakhs Only) | | | | | | |

*Issuer did not Cooperate, based on best available information

**COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple**
For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

**Hyperlink/Reference to applicable Criteria**

- General Criteria
- Approach to Financial Ratios
- Service sector
- Education Sector

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## Patanjali Yogpeeth Trust

## ANNEXURE I

## Details of Bank Facilities rated by BWR

| S. No. | | Type of Facilities | Long term (Rs. Crs) | Short Term (Rs. Crs) | Total (Rs. Cr) | Complexity |
|---|---|---|---|---|---|---|
| 1. | **Punjab National Bank** | **Fund Based**<br>Term Loan I<br>Term Loan II<br>Term Loan III | <br>82.16<br>28.97<br>99.95 | - | <br>82.16<br>28.97<br>99.95 | Simple |
| **Total (Rs. Crs)** | | | **211.08** | **-** | **211.08** | |

**#Term loans outstanding as on 6th September, 2025.**
**For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf**

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