

Patanjali Food Park downgraded over delays

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Mumbai: Patanjali Food & Herbal Park Nagpur has been downgraded by **Brickwork Ratings** after delays in implementation of its Nagpur project.

The delays, which continue to persist due to part disbursal of term loans by its existing lender, are compelling the company to seek other sources of project funding.

Brickwork revised its long term rating on the company's Rs 360-crore term loan from BWR A+ (CE) to BWR BBB+ . The ratings have a credit enhancement (CE) suffix, which reflects the strength derived from the unconditional and irrevocable corporate guarantee extended by Patanjali Ayurved to the lender to ensure timely servicing of rated debt obligations of Patanjali Food & Herbal Park Nagpur. **"Owing to the required term loan not being tied up as yet, project implementation remains tardy. Thus, the ability of the company to achieve timely financial closure required for project implementation according to the revised commercial operation date would remain crucial for the rating," Brickwork said in a statement.**

The company is a 100% subsidiary of Patanjali Ayurved, established in 2017. It has proposed to set up a mega food park at Nagpur under the Mega Food Park Scheme of ministry of food processing industries. The project is being set up on 234 acres of land at Mihan (Multi-Model International Cargo Hub & Airport) Non-SEZ, Nagpur.

The scope of the proposed unit has been changed to citrus fruit juice processing, multi-fruit juice processing, amla peel drying plant and tetra pack packaging line. According to the revised assessment, the total revised project cost is estimated to be Rs 625 crore, which is proposed to be funded through term loan of Rs 360 crore while remaining Rs 266 crore will come through equity contribution.

"Till date, it has already incurred Rs 406 crore (Rs 140 crore debt and Rs 265 crore equity) and needs to raise another Rs 220 crore through debt funding to complete the rest of the project," Brickwork said.