

B. M. CHATURVEDI & Co.

CHARTERED ACCOUNTANTS

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Independent Auditor's Report on asset cover and compliance with all covenants as at 30th September, 2021 under regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for submission to IDBI Trusteeship Services Limited (the 'Debenture Trustees')

To

**The Board of Directors
Patanjali Ayurved Limited**

1. We M/s B.M.Chaturvedi & Co., Chartered Accountants, are the statutory auditors of the **Patanjali Ayurved Limited** having its registered office at **D-26, Pushpanjali, Bijwasan Enclave, New Delhi – 110 061** and have been requested by the Company to examine the accompanying Statement showing 'Asset Cover, in terms of information memorandum and debenture trust deed executed between company & debenture trustee as per **Annexure 1** as at **30th September, 2021** (hereinafter the "Statement") which has been prepared by the company and for arriving at the secured Fixed Assets Coverage Ratio (FACR), immovable assets offered are considered at their fair market value and movable fixed assets at their book value from the unaudited standalone Ind AS financial results and other relevant records including valuation report dated 5th May 2021, of its land & building of Tezpur plant done by Govt. approved Valuer **M/s LBM Valuers & Engineers** and documents maintained by the Company as at and for the half year ended 30th September, 2021 pursuant to the requirements of the Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (hereinafter the "SEBI Regulations") and annexed to this report.

This Report is required by the Company for the purpose of submission with the Debenture Trustees of the Company to ensure compliance with the SEBI Regulations in respect of listed non-convertible debt securities ('Debentures'). The Company has entered into an agreement with the Debenture Trustees vide agreements mentioned in Annexure 1 in respect of such Debentures.

Management's Responsibility

2. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
3. The Management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and for providing all relevant information to the Debenture Trustees and for complying with all the covenants as prescribed in the information memorandum and/or Debenture Trust deed mentioned in **Annexure 1** entered into between the Company and the Debenture Trustees ('Trust Deed')



Auditor's Responsibility

4. It is our responsibility is to provide reasonable assurance as to whether:
- i) the Company has maintained asset cover as per the terms of the information memorandum and/or Debenture Trust Deed; and
 - ii) the Company is in compliance with all the covenants as mentioned in the information memorandum and/or Debenture Trust Deed as at 30th September, 2021.
5. We have performed limited review of the standalone Ind AS financial results of the Company for the half year ended 30th September, 2021, prepared by the Company pursuant to the requirements of Regulation 52 of the SEBI Regulations, and issued an unmodified opinion dated 13th November, 2021. Our review of those standalone Ind AS financial results were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the review to obtain reasonable assurance about whether the standalone Ind AS financial results are free of material misstatement
6. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the reporting criteria, mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the reporting criteria. Accordingly, we have performed the following procedures in relation to the Statement:
- i) Obtained and read the information memorandum and/or debenture Trust Deed and noted that as per such information memorandum and/or debenture Trust Deed the Company is required to maintain certain asset cover in respect of the debenture mentioned in the Statement
 - ii) We have been informed that there has been no amendment to the debenture Trust Deed. We have relied on the same and not performed any independent procedure in this regard.
 - iii) Traced and agreed the principal amount of the Debentures outstanding as at 30th September, 2021 to the unaudited standalone Ind AS financial results of the Company and books of account maintained by the Company as at 30th September, 2021.
 - iv) Obtained and read the list of asset cover in respect of Debentures outstanding as per the Statement. Traced the assets from the Statement to the unaudited standalone Ind AS financial results of the Company and fair market value report issued by government approved valuer, **M/s LBM Valuers & Engineers**, relied by us as at 30th September, 2021.
 - v) Examined and verified the arithmetical accuracy of the computation of asset cover in the accompanying Statement.
 - vi) Compared the Asset Cover with the Asset Cover required to be maintained as per information memorandum and/or debenture Trust Deed.
 - vii) With respect to covenants, the management has represented and confirmed that the Company has complied with all the other covenants including affirmative, informative, and negative covenants, as prescribed in the information memorandum and/or Debenture Trust Deed, as at 30th September, 2021. We have relied on the same and have not performed any independent procedure in this regard.
 - viii) Performed necessary inquiries with the Management and obtained necessary representations.



Opinion

7. Based on the procedures performed by us, as referred to in paragraph 6 above and according to the information and explanations received and management representations obtained in our opinion:
- The Company has maintained asset cover as per the terms of the information memorandum and/or Debenture Trust Deed; and
 - The Company is in compliance with all the covenants as mentioned in the Debenture information memorandum and/or Debenture Trust Deed and stated in the Statement to this report as at 30th September, 2021.

8. Restrictions on use

The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 1 above and to be submitted with the accompanying Statement to the Debenture Trustees and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this certificate for events and circumstances occurring after the date of this report.

For B.M.Chaturvedi & Co.

Chartered Accountants

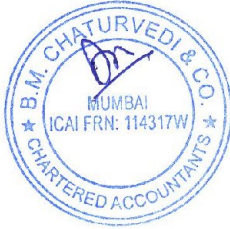
ICAI FRN : 114317W



Animesh Kumar Dutta

Partner

ICAI M.N. 132389



Place : Mumbai

Date : 04/01/2022

UDIN: 22132389AAAAA9485

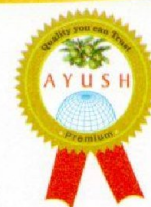


PATANJALI

PATANJALI AYURVED LIMITED

(CIN : U24237DL2006PLC144789)

An ISO 9001 : 2015, 14001 : 2015, 22000 : 2018, 45001 : 2018 / Ayush Premium Mark / Agmark / EIA / GMP Certified Company



Annexure-1

Statement of Management Certificate of Assets Cover as per the terms of information memorandum and/or debenture trust deed and compliance with covenants

Computation of Assets Cover Ratio as on 30th September, 2021 (Asset cover ratio as per the information memorandum and/or Debenture Trust Deed)

Secured Non-Convertible-Debentures (NCD) – Face value Rs 42,500 Lakh

	Particulars	Amount (In Lakh)
A	Secured Assets(as per details attached)	98,636
B	Secured Loans (NCD)	42,500
	Assets Cover Ratio(A/B) (Refer note 1 below)	2.32 times

Notes:

1. Assets Cover Ratio : Secured Assets/Secured Loans

- a) **Secured Assets** : Written down value of secured movable fixed assets comprise of other assets and Capital Work in progress of Tezpur plant and fair market value of the immovable assets being land & building of the plant.

Secured Assets for above NCD are arrived at after deducting from the gross amount of fixed assets as above, the outstanding amount of secured loan of bank having first ranking Pari-Passu charge other than NCD as on 30th September, 2021.

- b) **Secured Loans** : Outstanding amount of Rs 42,500 lakhs of the secured Non- Convertible debentures. Debentures are secured by way of second ranking Pari-passu charge on all fixed assets and immovable property of Tezpur plant of the company and 28th May 2023 for NCD- face value Rs 250 crores and 17th May 2024 for NCD – face value Rs 175 crores .

2. The company has complied with all covenants as prescribed in the information memorandum and Debenture Trust Deeds for its listed Non-convertible debentures mentioned below:

Particulars	Debenture Trustee	Debenture trust deed date
10.1% Non-convertible debenture- Face Value Rs 25,000 lakh	IDBI Trusteeship Services Limited	27 th August 2020
9.25% Non-convertible debenture- Face Value Rs 17,500 lakh	IDBI Trusteeship Services Limited	13 th May 2021

3. There has been no amendment to the Debenture Trust Deed.

For and on behalf of Patanjali Ayurved Limited

Y D Arya

(Chief Financial Officer)

Vineet Pant

(Company Secretary)

Encl. – Detail working note



Regd. Office : D-26, Pushpanjali, Bijwasan Enclave, New Delhi - 110061 (INDIA)

Corporate Office : Patanjali Food & Herbal Park, Vill.-Padartha, Haridwar-Laksar Road, Haridwar-249404, Uttarakhand, (INDIA)

Contact : +91-1334-265370, **E-mail** : feedback@patanjaliayurved.org, **Web** : www.patanjaliayurved.org

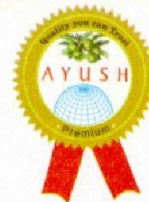


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Patanjali Ayurved Limited

Tezpur Plant

Detail working note on Assets Cover Certificate on NCD as on 30.09.2021

Assets Cover Ratio		Working Note	(Rs in lakh)
Total Secured Fixed Assets of Tezpur Plant as per Balance sheet as on 30/09/2021		A	48,300
Add: Surplus of Fair value of Industrial Land & Building as per Valuation report of Govt. approved Valuer LBM Valuers & Engineers over its book value		+	55,838
Fair Value of Land & Building as per valuation report	85,223		
Less: WDV of above land & building	(29,385)		
Surplus on fair valuation	55,838		
Total Value of fixed assets available for security cover as per Term Sheet			1,04,138
(-) Assets offered to other secured loans other than NCD		B	(5,502)
Secured Assets available for NCD		C	98,636
Total NCD		D	42,500
Assets Cover Ratio		(C/D)	2.32 times



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Patanjali Ayurved Limited

Tezpur Plant

Detail working note on Assets Cover Certificate on NCD as on 30.09.2021

Working Notes		
A Total Secured Assets At Tezpur Plant at Book valued		(Rs. In Lakhs)
Land : Leasehold		1,639.91
Land : Freehold		58.21
Buildings		27,687.22
Total Immovable Assets	i	29,385.34
Plant & Equipment		10,890.34
Electrical Equipments		2,394.82
Lab. Equipments		42.15
Office Equipments		4.03
Furniture & Fixtures		254.62
Computers		26.89
Vehicles		84.68
Total Movable Assets	ii	13,697.55
	i+ii	43,082.89
CWIP		5,217.16
Total Book Value of Tezpur Plant		48,300.05
B Other Secured Loans in additon to NCD issued under debenture trust deed.		
Particulars		
Long Term Loan-Axis		4,505
TL Federal Bank		997
Total Secured Loans other than NCD		5,502
C Secured Assets available for NCD		
a. Secured Assets As per un-audited Balance sheet as on 30/09/2021	a	48,300
b. Add: Fair value portion of Industrial Land & Building as per Valuation report of Govt. Reg. Valuer LBM Valuers & Engineers	b	85,223
c. Less: book value of Industrial Land & Building as considered in b	c	(29,385)
d. Total Value of assets aggregate for security cover as per Term Sheet	d=a+b-c	1,04,138
e. Less :Total secured loans other than NCD	e	(5,502)
Total Value of Secured Assets meant for asset coverage over NCD(d-e)	Total	98,636
D Total NCD covered under the term sheet		42,500

For and on behalf of Patanjali Ayurved Limited

Y D Arya

(Chief Financial Officer)



Vineet Pant
(Company Secretary)

