

May 15, 2017

## Limtex India Limited

### Summary of rated instruments

Instrument*	Rated Amount (in crore)	Rating Action
Fund-based – Term Loan	0.92	[ICRA]D; Reaffirmed
Fund-based – Cash Credit	13.00	[ICRA]D; Reaffirmed
Fund-based – Standby Line of Credit	12.00	[ICRA]D; Reaffirmed
Fund based – Packing Credit	43.00	[ICRA]D; Reaffirmed
Non fund based – Bill Discounting	19.84	[ICRA]D; Reaffirmed
<b>Total</b>	<b>88.76</b>	

\*Issuer did not co-operate; Based on best available information

^Instrument Details captured under Annexure-1

### Rating action

ICRA has reaffirmed the long term rating of [ICRA]D (pronounced ICRA D) assigned to the Rs. 0.92 crore<sup>1</sup> term loan facility, Rs. 13.00 crore cash credit facility, and Rs. 12.00 crore of standby line of credit of Limtex India Limited (LIL)<sup>2</sup>. ICRA has also reaffirmed the short term rating assigned to the Rs. 43.00 crore fund based limits and Rs. 19.84 crore non-fund based bank limit of LIL at [ICRA]D (pronounced ICRA D).

### Rationale

The rating action is based on the continued delays in the company's debt servicing. As part of its process and in accordance with its rating agreement with LIL, ICRA had sent repeated reminders to the company for payment of surveillance fee that became overdue; however despite multiple requests; the company's management has remained non-cooperative. ICRA's Rating Committee has taken a rating view based on best available information. In line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, the company's rating is now denoted as: "[ICRA]D ISSUER NOT COOPERATING". The lenders, investors and other market participants may exercise appropriate caution while using this rating, given that it is based on limited or no updated information on the company's performance since the time it was last rated.

**Analytical approach:** For arriving at the ratings, ICRA has taken into account the debt-servicing track record of LIL its business risk profile, financial risk drivers and the management profile.

### Links to applicable criteria:

[Corporate Credit Ratings: A Note on Methodology](#)

<sup>1</sup> 100 lakh = 1 crore = 10 million

<sup>2</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications.

**About the company:**

Mr. Gopal Poddar, founder of the Limtex group, started a proprietorship company in the name of Limtex India in 1977 and the same was converted into a private limited company, Limtex India Limited (LIL) in 1992. The company is primarily engaged in blending and trading of tea in the domestic and export markets. The company is also engaged in tea processing with an annual installed capacity of 12 lakh kg. This apart, the company is also engaged in trading of agri-products in the domestic as well as exports market.

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

**Any other information:** Not applicable

**Rating history for last three years:**

**Table:**

S. No.	Instrument	Current Rating (2017)			Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Month & Rating	Month & Rating in FY2016	Month & Rating in FY2015	Month & Rating in FY2014
				May-17	Nov-15	Jul-14	Mar-13
1	Cash Credit	Long Term	13.00	[ICRA]D	[ICRA]D	[ICRA]BB+ (Stable)	[ICRA]BB (Stable)
2	Standby line of credit	Long Term	12.00	[ICRA]D	[ICRA]D	[ICRA]BB+ (Stable)	[ICRA]BB (Stable)
3	Term Loan	Short Term	0.92	[ICRA]D	[ICRA]D	[ICRA]BB+ (Stable)	[ICRA]BB (Stable)
4.	Packing Credit	Long term	43.00	[ICRA]D	[ICRA]D	[ICRA]A4+	[ICRA]A4
5.	Bill Discounting	Short term	19.86	[ICRA]D	[ICRA]D	[ICRA]A4+	[ICRA]A4

**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**

<b>Instrument</b>	<b>Date of Issuance / Sanction</b>	<b>Coupon Rate</b>	<b>Maturity</b>	<b>Amount Rated (Rs. Crore)</b>	<b>Current Rating and Outlook</b>
Cash Credit	-	-	-	13.00	[ICRA]D
Standby Line of Credit	-	-	-	12.00	[ICRA]D
Term Loan	-	-	FY2018	0.92	[ICRA]D
Packing Credit	-	-	-	43.00	[ICRA]D
Bill Discounting	-	-	-	19.86	[ICRA]D

Source: Limtex India Limited

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About ICRA Limited:

**ICRA Limited** was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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