

February 10, 2026

## Contemporary Brokers Pvt Ltd: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Fund based limits – Cash credit	16.00	16.00	[ICRA]BBB (Stable); reaffirmed
Fund based limits – Working capital term loan	1.72	1.72	[ICRA]BBB (Stable); reaffirmed
Fund based limits – Short-term loan	4.00	4.00	[ICRA]A3+; reaffirmed
Unallocated limits	0.28	0.28	[ICRA]A3+; reaffirmed
<b>Total</b>	<b>22.00</b>	<b>22.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

To arrive at the ratings, ICRA has considered the consolidated business risk profile of Contemporary Brokers Pvt Ltd (CBPL) and its group entity - Contemporary Targett Private Limited (CTPL), henceforth referred to as the Group, given the close managerial and financial linkage among these companies and the extension of corporate guarantee (CG) to CBPL by CTPL. CTPL is also the parent entity of CBPL under Section 2(87)(i) of Companies Act 2013.

The reaffirmation of the ratings factors in CBPL's favourable business risk profile, considering the regulated nature of the tea auction process under the purview of the Tea Board of India, and the established market position of the Group in the tea broking and oral care industries. In tea operations (under CBPL), the presence of an escrow mechanism supports the collection of commission income as well as the trade advances extended to some of the tea producers against a custody of saleable tea through auction. In the oral care business (under CTPL), the back-to-back sales favourably support the credit risk profile of the entity. The performance of CBPL improved in the last fiscal on the back of healthy realisations of tea sold in the auction process. However, in the current fiscal, subdued realisations are expected to moderate CBPL's topline even as the higher volume of tea auctioned in this current fiscal is expected to offset the impact to an extent.

ICRA also notes that the performance of CTPL moderated in the last and current fiscal on account of subdued volume due to low demand of toothbrushes by the offtaker. Nonetheless, the ratings continue to take comfort from the favourable financial risk profile of the Group, reflected in a conservative capital structure and nil term debt. Further, CBPL's business of extending trade advances generates a net interest income for the entity, reducing pressure on the profits.

The ratings, however, are constrained by the modest scale of operations. The ratings also remain impacted by the commodity concentration risk for CBPL as the business entirely depends on a single agro-commodity, tea. Besides, CTPL faces product concentration risk as it undertakes contract manufacturing of only toothbrushes for their principals. The ratings also factor in CBPL's working capital intensive nature of operations with the requirement of sizeable trade advances to be extended to the tea producers.

The Stable outlook on the long-term rating reflects ICRA's opinion that the Contemporary Group will be able to maintain its business position, given its established track record of operations in the tea broking and oral care industries, while sustaining its profitability in the long run.

## Key rating drivers and their description

### Credit strengths

**Established market position in tea broking and oral care industries** – At present, CBPL is the third-largest tea broking company and accounts for 10-11% of the total auction sales (in terms of quantity) in North India. CBPL's top clients include some of the large and established bulk tea and packet tea companies in India. CTPL is among the largest contract manufacturers of toothbrushes for Colgate Palmolive India Limited (CPIL).

**Low-risk business model as tea broking is a regulated industry** – The Tea Board of India regulates the tea auction process that includes the auction mechanism, the movement of tea and sale proceeds. All the transactions in the auction process are based on the established relationship of producers, customers and brokers, which continues to favourably impact the business profile of CBPL. Tea brokers, including CBPL, earn a commission income (from both buyers and sellers) for handling teas in the auction. The presence of an escrow mechanism and back-to-back sales also reduces any counterparty risk.

**Favourable financial risk profile of Group, reflected in a conservative capital structure** – The capital structure of the Group remained conservative with a gearing of 0.6 times and TOL/TNW of 1.3 times as on March 31, 2025. Going forward, ICRA expects the Group's overall capital structure to remain conservative in view of the nil long-term debt along with a moderate accretion to reserves.

### Credit challenges

**Moderate scale of current operations** – The Group's scale of operations remained small, with an operating income of Rs. 102 crore in FY2025. While the operating income has improved over Rs. 91 crore reported in FY2024, it is expected to moderate in the current fiscal. In addition, the overall profits and net cash accruals also remained moderate for the consolidated entity owing to the small scale of business.

**Exposed to commodity and product concentration risks** – CBPL's business depends entirely on a single agro commodity – tea. Hence, its business performance depends on the performance of the bulk tea industry, which exhibits cyclicity and remains exposed to agro-climatic risks. CTPL undertakes contract manufacturing of only toothbrushes, leading to high product concentration risk.

**High working capital requirement for extending trade advances in tea broking business** – The tea broking business necessitates extending trade advances to the tea producers. Accordingly, CBPL extends sizeable trade advances to the tea producers, which varies with the tea producing cycle, resulting in high working capital requirements during the year.

### Liquidity position: Adequate

The Group (CTPL and CBPL) is expected to generate comfortable cash flow from operations in FY2026 and FY2027 relative to nil debt repayment obligation in FY2026 and FY2027. Further, the consolidated cash balances are expected to remain healthy, in line with the current balance of ~Rs. 28 crore as on March 31, 2025. The average utilisation of the Group's fund-based working capital limits remained high at ~86% during the last 12 months. However, the company is in the process of extending its fund-based working capital limits by March 2026, adding extra cushion, going forward. In view of the adequate cash flow from operations and surplus cash/bank balance and the absence of any major planned capital expenditure programme or any repayment obligation, ICRA expects the overall liquidity position of the Group to remain adequate, going forward.

### Rating sensitivities

**Positive factors** – ICRA may upgrade CBPL's ratings if the Group demonstrates a substantial growth in its scale of operations and profitability, leading to an improvement in the credit metrics.

**Negative factors** – Pressure on CBPL’s ratings may arise in case of a significant decline in the top line of the Group, a drop in cash accruals from the business, and/or any major unanticipated debt-funded capital expenditure, adversely impacting its credit profile. Other factors that may trigger a downgrade include a consolidated OPBDITA to interest & finance charges of less than 3.0 times on a sustained basis.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated business risk profile of Contemporary Brokers Pvt Ltd and Contemporary Targett Pvt Ltd, given their close managerial and financial linkage and the corporate guarantee extended by CTPL to CBPL

## About the company

CBPL, incorporated in 2003, is registered as a broker and auctioneer with the Tea Board of India across four North Indian auction houses in Kolkata, Siliguri, Jalpaiguri and Guwahati. It is an established tea broker in North India and its top clients include some of the large established bulk tea manufacturing companies.

CBPL is a subsidiary company [u/s 2(87)(i) of the Companies Act 2013] of Contemporary Targett Private Limited, wherein the latter holds the right to control the CBPL management. The company has a wholly-owned subsidiary - Bhagirathi Plastics Private Limited - which is involved in renting machinery for manufacturing toothbrush to its Group entities.

CTPL, incorporated in 1976, is involved in the contractual manufacturing of toothbrushes, exclusively for Colgate Palmolive India Limited. With its manufacturing facility in Vadodara, Gujarat, CTPL has an annual production capacity of 245 million pieces of toothbrushes.

## Key financial indicators (audited)

Particulars	Standalone – Contemporary Brokers Private Limited		Consolidated – Contemporary Brokers + Targett	
	FY2024	FY2025	FY2024	FY2025
Operating income	11.0	13.1	91.0	101.9
PAT	0.8	1.5	3.0	3.8
OPBDIT/OI	18.9%	23.8%	6.4%	6.6%
PAT/OI	7.3%	11.5%	3.3%	3.7%
Total outside liabilities/Tangible net worth (times)	2.0	2.0	1.2	1.3
Total debt/OPBDIT (times)	7.3	4.8	4.2	3.7
Interest coverage (times)	1.4	2.1	2.6	3.1

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	Feb 10, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Cash credit	Long term	16.00	[ICRA]BBB (Stable)	Nov 27, 2024	[ICRA]BBB (Stable)	Sep 06, 2023	[ICRA]BBB (Stable)	Aug 05, 2022	[ICRA]BBB (Stable)
Working capital term loan	Long term	1.72	[ICRA]BBB (Stable)	Nov 27, 2024	[ICRA]BBB (Stable)	Sep 06, 2023	[ICRA]BBB (Stable)	Aug 05, 2022	[ICRA]BBB (Stable)
Short-term loan	Short term	4.00	[ICRA]A3+	Nov 27, 2024	[ICRA]A3+	Sep 06, 2023	[ICRA]A3+	Aug 05, 2022	[ICRA]A3+
Unallocated limits	Short term	0.28	[ICRA]A3+	Nov 27, 2024	[ICRA]A3+	Sep 06, 2023	[ICRA]A3+	Aug 05, 2022	[ICRA]A3+

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long term fund based – Working capital	Simple
Long term fund based – Term loan	Simple
Short term fund based – Short-term loan	Simple
Short term – Unallocated limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

### Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash Credit	-	-	-	16.00	[ICRA]BBB (Stable)
NA	Working Capital Term Loan	Aug 2020	-	Aug 2024	1.72	[ICRA]BBB (Stable)
NA	Short-term Loan	-	-	-	4.00	[ICRA]A3+
NA	Unallocated Limits	-	-	-	0.28	[ICRA]A3+

Source: Company

### Annexure II: List of entities considered for consolidated analysis

Company name	Ownership as on Sep 30, 2025	Consolidation approach
Contemporary Targett Private Limited	Nil	Full consolidation

Source: Contemporary Brokers Private Limited, Contemporary Targett Private Limited

Note: ICRA has taken a consolidated view of the above-mentioned entities, referred to as Contemporary Group/Group while assigning the rating(s)

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### Branches



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