

Luxmi Tea Company Private Limited

June 12, 2018

Summary of Rated Instrument:

Instrument	Rated Amount (Rs. crore)	Rating Action
Fund-based-cash credit	29.50	[ICRA]A&; placed under rating watch with developing implications)
Fund-based-short-term-loans	5.50*	[ICRA]A1&; placed under rating watch with developing implications
Total	29.50	

*sub-limits of cash credit facility; &: rating watch with developing implications

Material Event

Luxmi Tea Company Private Limited (LTCPL) has entered into a memorandum of understanding (MoU) with McLeod Russel India Limited (MRIL), to purchase four of its tea estates in the Moran area of Upper Assam region for an estimated consideration of Rs. 141 crore. The estimated production from the four tea estates is more than 4 Mkg annually. The deal is expected to be completed on receiving necessary approvals and completion of due-diligence by LTCPL.

Impact of the Material Event

ICRA has taken note of the above event and placed the ratings of [ICRA]A (pronounced ICRA A) and [ICRA]A1 (pronounced ICRA A one) outstanding on the Rs. 29.50-crore bank facilities of LTCPL on rating watch with developing implications. ICRA will continue to monitor the developments in this regard and will review the situation once more clarity emerges on the funding mix for the transaction and the impact of addition of these estates on the profit and cash accruals of the company.

The previous detailed rating rationale is available on the following link: [Click here](#)

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