April 28, 2022

The Grob Tea Company Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based Limits – Working Capital Facility	21.00	21.00	[ICRA]BBB+ (Stable); Withdrawn
Non-fund Based Limits – Bank Guarantee	1.00	1.00	[ICRA]BBB+ (Stable)/ [ICRA]A2; Withdrawn
Unallocated Limits	23.00	23.00	[ICRA]BBB+ (Stable)/ [ICRA]A2; Withdrawn
Total	**45.00**	**45.00**	

**Instrument details are provided in Annexure-1*

Rationale

The long-term and short-term ratings assigned to the bank facilities of The Grob Tea Company Limited has been withdrawn at the request of the company and based on the no objection certificate/ no dues certificate received from the banker, and in accordance with ICRA's policy on withdrawal and suspension. However, ICRA does not have information to suggest that the credit risk has changed since the time the ratings were last reviewed.

The Key Rating Drivers, Liquidity Position, Rating Sensitivities have not been captured as the related instruments are being withdrawn. The previous detailed rating rationale is available at the following link: **Click here.**

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Policy on Withdrawal and Suspension of Credit Ratings Corporate Credit Rating Methodology Indian Bulk Tea Industry
Parent/Group Support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of the company

About the company

Incorporated in 1895, TGTCL produces black tea of crush, tear and curl (CTC) variety, which it sells in the domestic market through a mix of auction and private sales. The company was taken over by the current management – the Rawalwasia Group – in May 2009. The company has six tea gardens located in upper Assam and Cachar district. The gardens are spread over 5,676 hectares, of which around 46% is under tea cultivation. In FY2019, the company ventured into supply, installation and maintenance of LED lights to various Government entities/ departments.

Key financial indicators

	FY2020 (Audited)	FY2021 (Audited)	9M FY2021 (Unaudited)	9M FY2022 (Unaudited)
Operating Income (Rs. crore)	82.48	110.28	93.79	83.87
PAT (Rs. crore)	1.65	28.02	42.25	17.95
OPBDIT/OI (%)	9.07%	27.21%	46.88%	22.70%
PAT/OI (%)	2.00%	25.41%	45.04%	21.40%
Total Outside Liabilities/Tangible Net Worth (times)	0.54	0.21	-	-
Total Debt/OPBDIT (times)	1.40	0.11	-	-
Interest Coverage (times)	5.08	49.75	89.77	51.55

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation
***Source**: The Grob Tea Company Limited*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding as on Mar 31, 2021 (Rs. Crore)	Date & Rating	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
					Apr 28, 2022	**-**	**Feb 4, 2021**	**Feb 26, 2020**
1	Fund-based Working Capital Facility	Long Term	21.00	1.77	[ICRA]BBB+ (Stable); Withdrawn	-	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)
2	Bank Guarantee	Long Term/ Short Term	1.00	-	[ICRA]BBB+ (Stable)/ [ICRA]A2; Withdrawn	-	[ICRA]BBB+ (Stable)/ [ICRA]A2	[ICRA]BBB+ (Stable)/ [ICRA]A2
3	Unallocated Limits	Long Term/ Short Term	23.00	NA	[ICRA]BBB+ (Stable)/ [ICRA]A2; Withdrawn	-	[ICRA]BBB+ (Stable)/ [ICRA]A2	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund-based – Working Capital	Simple
Long-term/ Short-term Non-Fund-based – Bank Guarantee	Simple
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 analyzing 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, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Tea Hypothecation Limit	-	-	-	20.00	[ICRA]BBB+ (Stable); Withdrawn
NA	Cash Credit	-	-	-	1.00	[ICRA]BBB+ (Stable); Withdrawn
NA	Bank Guarantee	-	-	-	1.00	[ICRA]BBB+ (Stable)/ [ICRA]A2; Withdrawn
NA	Unallocated Limits	-	-	-	23.00	[ICRA]BBB+ (Stable)/ [ICRA]A2; Withdrawn

Source: *The Grob Tea Company Limited*

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody’s Investors Service is ICRA’s largest shareholder.

For more information, visit www.icra.in

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