

May 23, 2023

## Warren Tea Limited: Rating withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Cash Credit	15.50	15.50	[ICRA]BB- (Stable); Withdrawn
<b>Total</b>	<b>15.50</b>	<b>15.50</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The long-term rating assigned to the bank facilities of Warren Tea Limited has been withdrawn at the request of the company and based on the no due certificate received from the bankers, and in accordance with ICRA's policy on withdrawal and suspension.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, Environmental and social risks, Liquidity Position, Rating Sensitivities have not been captured as the related instruments are being withdrawn.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	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology - Bulk Tea</a> <a href="#">Policy on Withdrawal of Credit Ratings</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the standalone financial statements of the company

### About the company

Incorporated in 1977, Warren Tea Limited (WTL) produces primarily black tea of crush, tear and curl (CTC) variety, which it sells mainly in the domestic market through a mix of auction and private sales. At present, the company has four tea gardens located in the Upper Assam region, primarily in Dibrugarh and Tinsukia districts. The gardens are spread over an area of around 2,121 hectares.

The company is in the process of selling out/ disposal of its existing tea estates. Going forward, the company plans to venture into retail/ consumer marketing and merchant export of tea.

### Key financial indicators

WTL, Standalone	FY2021 (Audited)	FY2022 (Audited)	9M FY2023 (Unaudited)	9M FY2022 (Unaudited)
<b>Operating income</b>	105.9	89.7	56.5	83.9
<b>PAT</b>	32.4	7.1	-9.4	-1.1
<b>OPBDIT/OI</b>	6.9%	-4.4%	-11.6%	2.3%
<b>PAT/OI</b>	30.6%	7.9%	-16.6%	-1.3%
<b>Total outside liabilities/Tangible net worth (times)</b>	0.5	0.3	-	-
<b>Total debt/OPBDIT (times)</b>	2.6	-5.0	-	-
<b>Interest coverage (times)</b>	1.5	-1.6	-3.8	1.1

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

Source: Warren Tea Limited, ICRA Research

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

**Any other information: None**

### Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Current rating		Chronology of rating history for the past 3 years				
			Amount outstanding as on Mar 31, 2022 (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023		Date & rating in FY2022		Date & rating in FY2021
				May 23, 2023	Dec 6, 2022	Oct 10, 2022	Sep 16, 2021	May 22, 2020	Apr 7, 2020
<b>1 Cash Credit</b>	Long Term	15.50	9.74	<b>[ICRA]BB- (Stable); Withdrawn</b>	[ICRA]BB- (Stable)	[ICRA]BB- (Stable)	[ICRA]BB- (Stable)	[ICRA]B (Negative)	[ICRA]BB- (Negative)
<b>2 Term Loan</b>	Long Term	-	-	-	-	-	[ICRA]BB- (Stable)	[ICRA]B (Negative)	[ICRA]BB- (Negative)
<b>3 LC/ BG/ Derivative</b>	Short Term	-	-	-	-	[ICRA]A4 Withdrawn	[ICRA]A4	[ICRA]A4	[ICRA]A4
<b>4 Unallocated Limits</b>	Long Term/ Short Term	-	-	-	-	-	-	[ICRA]B (Negative)/ [ICRA]A4	[ICRA]BB- (Negative)/ [ICRA]A4

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based Limits – Cash Credit	Simple

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	-	-	-	7.50	[ICRA]BB- (Stable); Withdrawn
NA	Cash Credit	-	-	-	8.00	[ICRA]BB- (Stable); Withdrawn

Source: Warren Tea Limited

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

Not applicable

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