

April 24, 2024<sup>(Revised)</sup>

## Mcleod Russel India Limited: Ratings continue to remain under Issuer Non-Cooperating Category

### Summary of rating action

| Instrument <sup>^</sup>                    | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action                                                                                                                         |
|--------------------------------------------|-----------------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Long-Term-Fund Based-Term Loan             | 360.00                            | 360.00                           | [ICRA]D; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category                                    |
| Long-Term-Fund Based-Cash Credit           | 491.76                            | 491.76                           | [ICRA]D; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category                                    |
| Short Term-Non-Fund Based- Others          | 15.41                             | 15.41                            | [ICRA]D; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category                                    |
| LongTerm/Short Term-Fund Based-Cash Credit | 163.92                            | 163.92                           | [ICRA]D; ISSUER NOT COOPERATING*/[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category |
| <b>Total</b>                               | <b>1031.09</b>                    | <b>1031.09</b>                   |                                                                                                                                       |

\*Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has kept the long-term and short-term ratings of Mcleod Russel India Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]D/ [ICRA]D; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Mcleod Russel India Limited, ICRA has been trying to seek information from the entity to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of the requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

| Analytical Approach             | Comments                                                                                                                                                                                                |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Applicable rating methodologies | <a href="#">Policy in respect of non-cooperation by the rated entity</a><br><a href="#">Corporate Credit Rating Methodology</a><br><a href="#">Tea</a><br><a href="#">Policy on Default Recognition</a> |

|                          |                |
|--------------------------|----------------|
| Parent/Group support     | Not Applicable |
| Consolidation/Standalone | Standalone     |

## About the company

McLeod Russel India Limited (MRIL), the tea plantation company of the Kolkata-based B.M. Khaitan Group, was originally incorporated as Eveready Company India Private Ltd. on May 5, 1998. MRIL was formed after the demerger of the bulk-tea business from Eveready Industries India Ltd. (EIL) with effect from April 1, 2004. MRIL has acquired several other companies like Williamson Tea Assam in FY2006, Doom Dooma Tea Company in FY2007 and Moran Tea in FY2008. These acquisitions helped MRIL increase the number of tea estates to 53 in India, with the total land under tea cultivation being 33,723 hectares (Ha). MRIL also acquired tea estates through its subsidiaries in Vietnam (three tea estates and seven factories), Uganda (six tea estates and five factories) and Rwanda (two tea estates and two factories) between CY2009 and CY2014, which took the total production to around 118 Mkg on a consolidated basis during FY2018. In the recent past, MRIL has sold one tea estate in the Dooars, and twenty more, of which eighteen are in Assam and two in Dooars. Post conclusion of the sale, the company would have 32 tea estates with the capacity to manufacture around 42 mkg of tea from own leaves. MRIL is primarily a producer of CTC tea, which accounts for around 96% of the total tea production.

## Key financial indicators:

| Standalone                                           | FY 2022 | FY 2023  |
|------------------------------------------------------|---------|----------|
| Operating Income (Rs. crore)                         | 1108.53 | 1096.70  |
| PAT (Rs. crore)                                      | -136.17 | -1049.42 |
| OPBDITA/OI (%)                                       | 8.1%    | 6.1%     |
| PAT/OI (%)                                           | -12.3%  | -95.7%   |
| Total Outside Liabilities/Tangible Net Worth (times) | 2.03    | 7.60     |
| Total Debt/OPBDITA (times)                           | 20.99   | 26.72    |
| Interest Coverage (times)                            | 0.59    | 0.36     |

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortization

Source: MCA

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

## Rating history for past three years

|   | Instrument       | Current Rating (FY2025) |                          |                                | Chronology of Rating History for the past 3 years                 |                                                                   |                                                                   |                                                                   |
|---|------------------|-------------------------|--------------------------|--------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|
|   |                  | Type                    | Amount Rated (Rs. crore) | Amount Outstanding (Rs. Crore) | Date & Rating in                                                  | Date & Rating in FY2023                                           | Date & Rating in FY2022                                           | Date & Rating in FY2021                                           |
|   |                  |                         |                          |                                | 24-Apr-2024                                                       | 16-Feb-2023                                                       | 07-Dec-2021                                                       | 22-Oct-2020                                                       |
| 1 | Term Loan        | Long Term               | 360.00                   | -                              | [ICRA]D; ISSUER NOT COOPERATING                                   | [ICRA]D; ISSUER NOT COOPERATING                                   | [ICRA]D; ISSUER NOT COOPERATING                                   | [ICRA]D; ISSUER NOT COOPERATING                                   |
| 2 | Cash Credit      | Long Term               | 491.76                   | -                              | [ICRA]D; ISSUER NOT COOPERATING                                   | [ICRA]D; ISSUER NOT COOPERATING                                   | [ICRA]D; ISSUER NOT COOPERATING                                   | [ICRA]D; ISSUER NOT COOPERATING                                   |
| 3 | Non - Fund Based | Short Term              | 15.41                    | -                              | [ICRA]D; ISSUER NOT COOPERATING                                   | [ICRA]D; ISSUER NOT COOPERATING                                   | [ICRA]D; ISSUER NOT COOPERATING                                   | [ICRA]D; ISSUER NOT COOPERATING                                   |
| 4 | Cash Credit      | Long Term / Short Term  | 163.92                   | -                              | [ICRA]D ; ISSUER NOT COOPERATING/ [ICRA]D; ISSUER NOT COOPERATING | [ICRA]D ; ISSUER NOT COOPERATING/ [ICRA]D; ISSUER NOT COOPERATING | [ICRA]D ; ISSUER NOT COOPERATING/ [ICRA]D; ISSUER NOT COOPERATING | [ICRA]D ; ISSUER NOT COOPERATING/ [ICRA]D; ISSUER NOT COOPERATING |

## Complexity level of the rated instruments

| Instrument                                     | Complexity Indicator |
|------------------------------------------------|----------------------|
| Fund Based-Term Loan                           | Simple               |
| Fund Based-Cash Credit                         | Simple               |
| Non -Fund Based                                | Very Simple          |
| Long Term / Short Term -Fund-Based-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 1: Instrument details

| ISIN No | Instrument Name         | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (RS Crore) | Current Rating and Outlook                                        |
|---------|-------------------------|-----------------------------|-------------|---------------|-------------------------|-------------------------------------------------------------------|
| NA      | Term Loan               | -                           | -           | -             | 360.00                  | [ICRA]D; ISSUER NOT COOPERATING                                   |
| NA      | Long Term - Cash Credit | -                           | -           | -             | 491.76                  | [ICRA]D; ISSUER NOT COOPERATING                                   |
| NA      | Non -Fund Based         | -                           | -           | -             | 15.41                   | [ICRA]D; ISSUER NOT COOPERATING                                   |
| NA      | Cash Credit             | -                           | -           | -             | 163.92                  | [ICRA]D; ISSUER NOT COOPERATING / [ICRA]D; ISSUER NOT COOPERATING |

Source: Mcleod Russel India Limited

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

#### Corrigendum

Document dated April 24, 2024, has been corrected with revision as detailed below:

| Section where revision has been made    | Details of change (s) made                                                                                |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Page 3: Key Financial Indicator section | "Total Outstanding Liabilities/Tangible Net Worth numbers have now been revised for the FY 2022 and 2023" |

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## ICRA Limited

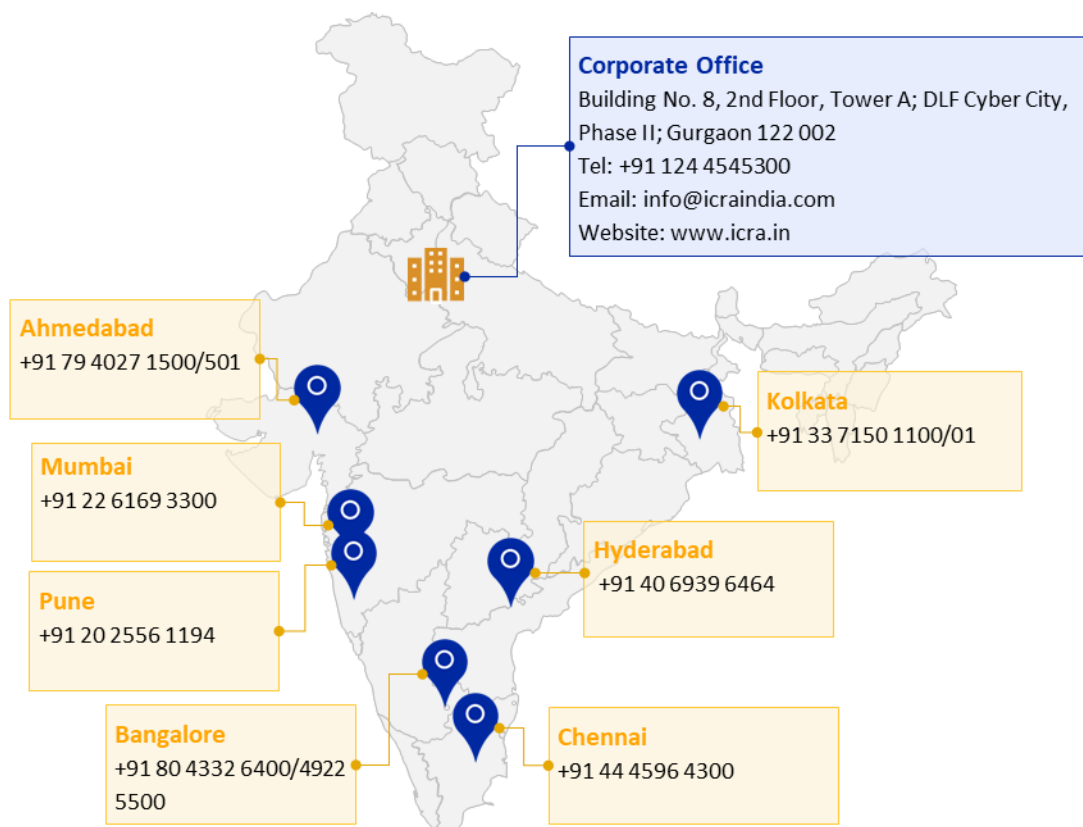


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