ICRA

November 15, 2019

The Peria Karamalai Tea and Produce Company Limited: Rating Withdrawn

Summary of rated instruments

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term-Fund-based- Cash Credit	10.00	10.00	[ICRA]BB+(Stable); Withdrawn
Long term- Fund-based- Term Loan	14.45	14.45	[ICRA]BB+(Stable); Withdrawn
Long-term- Unallocated	10.55	10.55	[ICRA]BB+(Stable); Withdrawn
Total	**35.00**	**35.00**	

Rating action

ICRA has withdrawn the long-term rating of [ICRA]BB+ (Stable) (pronounced ICRA double B Plus with Stable outlook) assigned to the Rs. 35.00 crore[1] bank facilities of The Peria Karamalia Tea and Produce Company Limited (TPKTPCL)[2].

Rationale

The rating is withdrawn in accordance with ICRA's policy on withdrawal and suspension at the request of the company, based on no-objection certificate provided by its banker.

Key rating drivers

Key Rating drivers has not been captured as the rated instrument is being withdrawn.

Liquidity Position:

Not Applicable

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	NA
Consolidation / Standalone	Consolidated

[1] *100 lakh = 1 crore = 10 million*

[2] *For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications*

About the company:

Incorporated in 1913, The Peria Karamalai Tea and Produce Company Limited (TPKTPCL) is a part of LNB Group, which is involved in diverse businesses. TPKTPCL is involved in plantation, manufacturing and processing of tea having its own four tea estates in Tamil Nadu with an area of around 1,508 hectares under tea cultivation. It is primarily a producer of CTC variety of tea which accounts for almost its entire production. The total production stood at 3.1 million kg in FY2019, entirely from own leaf. The company sells tea through a mix of auction and private sales, the proportion of which keeps on fluctuating depending upon the market conditions. It also operates a nine wind mills with a combined capacity of 2.28 MW located at Muppandal, Kanyakumari district, Tamil Nadu and a solar power of 3 MW located at Madurai district in Tamil Nadu.

The company reported a net profit of Rs. 2.9 crore on an operating income (OI) of Rs. 40.4 crore in FY2019, compared to a net profit of Rs. 6.3 crore on an OI of Rs. 42.7 crore in FY2018.

Key financial indicators (Audited)

	FY 2018	FY 2019
Operating Income (Rs. crore)	42.7	40.4
PAT (Rs. crore)	6.3	2.9
OPBDIT/OI (%)	5.2%	1.3%
RoCE (%)	4.5%	3.2%
Total Outside Liabilites/TNW (times)	0.1	0.1
Total Debt/OPBDIT (times)	9.9	45.0
Interest Coverage (times)	3.2	0.3
DSCR	2.8	1.2

Source: The Peria Karamalai Tea and Produce Company Limited

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

		Current Rating (FY2020)					Rating History for the Past 3 Years		
							FY2019	FY2018	FY2017
	Instrument	Type	Amount Rated	Amount Outstanding	15-Nov-2019	06-Nov-2019	-	-	-
1	Fund Based -Cash Credit	Long Term	10.00	-	[ICRA]BB+ (Stable); Withdrawn	[ICRA]BB+ (Stable)	-	-	-
2	Fund-based - Term Loan	Long Term	14.45	14.45	[ICRA]BB+ (Stable); Withdrawn	[ICRA]BB+ (Stable)	-	-	-
3	Unallocated	Long Term	10.55	-	[ICRA]BB+ (Stable); Withdrawn	[ICRA]BB+ (Stable)	-	-	-

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the 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	Cash Credit	-	-	-	10.00	[ICRA]BB+(Stable); Withdrawn
NA	Term Loan	April 2017	-	March 2027	14.45	[ICRA]BB+(Stable); Withdrawn
NA	Unallocated	-	-	-	10.55	[ICRA]BB+(Stable); Withdrawn

Source: The Peria Karamalai Tea and Produce Company Limited

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
PKT Plantations Limited	100.00%	Full Consolidation
Shivphal Vinimay Private Limited	100.00%	Full Consolidation

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About ICRA Limited:

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