



**Press Release**  
**G A RANDERIAN PRIVATE LIMITED**  
**April 28, 2025**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	25.00	-	ACUITE A4   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed the short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on Rs.25 Cr. bank facilities of G A Randerian Private Limited.

**Rationale for Rating**

The ratings reflect a steady scale of operations of the Company with almost stable margins. The financial risk profile remains moderate, characterized by a limited net worth and modest gearing. While the liquidity position is stretched, as the company generates sufficient small accruals to meet its debt obligations, it faces an intensive working capital cycle. Additionally, the company's profitability is adversely affected by volatile tea prices and significant exposure to intense competition within the highly fragmented tea industry.

**About the Company**

Incorporated in 1942, G A Randerian Private Limited (GARPL) is based in Kolkata and is engaged in the blending and branding of tea. The company is managed by Mr. Shakir Randerian and Ms. Afroze Randerian. GARPL has its processing unit in Kidderpore, West Bengal. The company exports tea to UAE, Saudi Arabia, USA and Canada.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of GARPL to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Experienced management with long standing operations**

GARPL has established a long presence in the tea industry. The promoters, Mr. Shakir Randerian and Ms. Afroze Randerian has aided in the growth of the company with their two decades' extensive experience. The company specializes in orthodox tea and also sells blended varieties (like CTC and Darjeeling tea) under the brand name "Gulabi Tea." About 90% of sales comes from orthodox blend tea, with the Gulabi Barooti emerging as the best-selling product. The company sources tea from 20 different tea gardens from Assam and then blends according to their formula requirements. The company procures tea both through auctions and private purchases. All suppliers have been business partners for 20 to 30 years. The majority of sales are generated from Gulf and Middle Eastern countries. Acuite draws comfort from the company's experienced management and strong relationship with consumers and suppliers.

**Steady scale of operations**

The company has achieved revenues of Rs. 52.32 Cr. in FY2024 as compared to revenues of Rs. 41.12 Cr. in FY2023. Further the company has already achieved revenue of ~Rs.55 Cr. in FY25. This steady increase in revenue was due to increase in price of tea but decrease in quantity sold. GARPL has an unexecuted order book position to the tune of about Rs.27 Cr. as of April 2025 which will be executed within 5 months, thus providing moderate revenue visibility over the medium term. Further, the operating margin of the company stood similar at 3.43% in FY2024 as against 3.66% in FY2023 on account of increase in material costs such as raw material costs, gratuity and travelling expenses. The PAT margins stood at 1.27 per cent in FY2024 as against 1.59 per cent in FY2023 due to high interest costs. Acuite believes that the scale of operations will remain on similar lines over the medium term.

## Weaknesses

### Intensive working capital cycle

The working capital intensive nature of operations of the company is marked by high Gross Current Assets (GCA) of 470 days for FY2024 as against 530 days for FY2023. The GCA days are mainly on account of high inventory days and receivables days. The inventory days of the company stood at 300 days in FY2024 as against 368 days in FY2023. the company maintains a stock buffer of 6 to 8 months to mitigate potential disruptions since tea can be stored for three years or more. The entire tea processing cycle takes ~2 months, including transportation to Kolkata, which helps in maintaining adequate stock levels. Additionally, the packing materials required for this inventory were valued at Rs. 12.00 crore.

Further, the debtor days of the company stood at 137 days for FY2024 as against 131 days for FY2023. The credit terms are on average is ~2 to 3 months. Against this, the company has substantial dependence on its suppliers to support the working capital; creditors stood at 251 days for FY2024 as against 261 days for FY2023. The increase in creditor days was due to year-end purchases. The credit terms on an average are ~2 to 3 months. Acuite believes that the working capital operations of the company will remain at the similar levels over the medium term.

### Average Financial Risk Profile

The financial risk profile of the company is marked by moderate net worth, modest gearing and average debt protection metrics. The tangible net worth of the company stood at Rs.15.10 Cr. as on March 31, 2024, as against Rs.14.54 Cr. as on March 31, 2023, due to small accretion to reserves. Furthermore, the gearing of the company stood modest at 1.71 times as on March 31, 2024, as against 1.76 times as on 31 March 31, 2023. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 3.81 times as on March 31, 2024 as against 3.52 times as on March 31, 2023. The debt protection matrices of the company remain moderate marked by Interest coverage ratio (ICR) of 1.57 times and debt service coverage ratio (DSCR) of 1.31 times for FY2024. The net cash accruals to total debt (NCA/TD) stood healthy at 0.03 times in FY2024. Going forward, Acuite believes that going forward the financial risk profile will remain average over the medium term, supported by steady accruals and moderate capital structure.

### Volatile tea prices and agro climatic conditions

The prices of tea are linked to the auctioned prices and further to prices of tea in the international market. Significant price movements in the international market may affect the company's profitability margins. Further, tea prices fluctuate widely with demand-supply imbalances in the domestic and international market. Tea is a perishable product and demand for it is relatively perfectly inelastic as it caters to all segments of society. While demand has a strong growth rate, supply can vary depending on climatic conditions in the major tea growing countries. Unlike other commodities, tea price cycles have no linkage with the general economic cycles, but with agro-climatic conditions.

### Rating Sensitivities

- Movement in revenue and profitability margins
- Working capital cycle
- Capital structure

### Liquidity Position

#### Stretched

The company has stretched liquidity marked by small net cash accruals of Rs.0.89 Cr. as on March 31, 2024, as against Rs. 0.22 Cr. long term debt obligations over the same period. Over the next 2 years, company will generate sufficient accruals to repay debt obligations of ~Rs.0.50 Cr. annually. The cash and bank balance stood at Rs. 1.42 Cr. for FY 2024. Further, the current ratio of the company stood comfortable at 1.24 times in FY2024. The bank limit of the company has been ~89 percent utilized for the last eight months ended March 2025. Moreover, the working capital cycle of the company is intensive marked by Gross Current Assets (GCA) of 470 days for FY2024 as against 530 days for FY2023. Acuite believes that the liquidity of the company will remain stretched over the medium term on account of small cash accruals against long term debt repayments, intensive working capital requirements albeit absence of capex plans over the medium term.

### Outlook: Not Applicable

### Other Factors affecting Rating

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	52.32	41.12
PAT	Rs. Cr.	0.66	0.65
PAT Margin	(%)	1.27	1.59
Total Debt/Tangible Net Worth	Times	1.71	1.76
PBDIT/Interest	Times	1.57	1.67

**Status of non-cooperation with previous CRA (if applicable)**

Not Applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**Not applicable**

**Any other information**

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
22 Feb 2024	PC/PCFC	Short Term	10.00	ACUITE A4 (Reaffirmed)
	Post Shipment Credit	Short Term	10.00	ACUITE A4 (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	5.00	ACUITE A4 (Reaffirmed)
06 Dec 2022	Post Shipment Credit	Short Term	10.00	ACUITE A4 (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	5.00	ACUITE A4 (Reaffirmed)
	PC/PCFC	Short Term	10.00	ACUITE A4 (Reaffirmed)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of Baroda	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.00	Simple	ACUITE A4   Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Post Shipment Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.00	Simple	ACUITE A4   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE A4   Reaffirmed

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### About Acuité Ratings & Research

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