

July 16, 2015

Facilities	Amount (Rs. Crore)	Rating
Term Loan	7.92	SMERA B-/Stable (Assigned)
Cash Credit	1.50	SMERA B-/Stable (Assigned)

SMERA has assigned a rating of '**SMERA B-**' (read as **SMERA B minus**) to the above mentioned bank facilities of Goombira Tea Company Limited (GTCL). The rating is constrained by the company's small scale of operations and limited operational track record. The rating is also constrained by the company's weak financial risk profile and stretched liquidity position. However, the rating is supported by the company's experienced management.

Outlook: Stable

SMERA believes that GTCL will continue to benefit over the medium term from its experienced management. The outlook may be revised to 'Positive' in case the company increases its scale of operations and registers a sustained improvement in its profit margins or financial risk profile. Conversely, the outlook may be revised to 'Negative' in case of significant decline in revenues and profit margins or in case of deterioration in the company's capital structure on account of higher-than-expected working capital requirements.

About the Company

GTCL, incorporated in 1962, is a wholly owned subsidiary of Barak Valley Cements Limited. GTCL is an Assam-based company, GTCL is engaged in the cultivation and trading of tea, rubber and bamboo. The company has around 920 hectares for tea cultivation.

For FY2013-14 (refers to financial year, April 01 to March 31), GTCL reported net loss of Rs.1.61 crore on operating income of Rs.2.40 crore, as compared with net loss of Rs.0.81 crore on operating income of Rs.0.87 crore in FY2012-13. For FY2014-15 (provisional) GTCL reported net loss of Rs. 1.79 crore on operating income of Rs. 2.40 crore. The company's net worth stood at Rs.5.03 crore as on March 31, 2014, as compared with Rs.5.66 crore a year earlier.

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SMERA RATINGS LIMITED

Goombira Tea Company Limited (GTCL)

*Rating
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