

**November 30, 2015**

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	7.00	SMERA BB-/Stable (Assigned)
Term Loan	0.15	SMERA BB-/Stable (Assigned)

SMERA has assigned a long-term rating of '**SMERA BB-**' (read as **SMERA double B minus**) to the Rs.7.15 crore bank facilities of SPBP Tea (India) Limited (SPBP Tea). The outlook is '**Stable**'. The rating is supported by the long track record of operations, experienced management and support from its flagship company, Wearit Global Ltd (rated SMERA BB+/Stable/A4+). However, the rating is constrained by the weak financial risk profile marked by low networth and high gearing, small scale of operations and working capital intensive business.

Outlook: Stable

SMERA believes SPBP Tea will maintain a stable business risk profile over the medium term and continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the company registers higher-than-expected revenue and cash accruals while achieving healthy debt protection metrics. Conversely, the outlook may be revised to 'Negative' with lower-than-expected revenue and profit margins or further deterioration in the company's financial risk profile.

Rating Sensitivity Factors

- Ability to improve profit margins while sustaining revenue growth
- Efficient working capital management

About the Company

Incorporated in 1981, SPBP Tea, part of the Wearit Group, undertakes processing of crush, tear and curl (CTC) variety of tea in Sonitpur (Assam). The area under cultivation is around 363.45 hectares. The company is promoted by Mr. Manish Kumar.

For FY2014-15, SPBP reported profit after tax (PAT) of Rs.0.04 crore on net sales of Rs.14.96 crore as compared with PAT of Rs.0.20 crore on net sales of Rs.15.70 crore in FY2013-14. The net worth stood at Rs.3.43 crore as on March 31, 2015, as compared with Rs.3.38 crore a year earlier.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.



SMERA RATINGS LIMITED

SPBP Tea (India) Limited (SPBP Tea)*Rating
Rationale***Contact List**

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in	Pooja Ghosh Associate Vice President – Operations Tel: +91-33-6620 1203 Email: pooja.ghosh@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.