

Press Release

Soongachi Tea Industries Private Limited

27 August 2020



Rating Update

Total Bank Facilities Rated*	Rs. 13.16 Cr. #
Long Term Rating	ACUITE B+ (Downgraded from ACUITE BB- Issuer non-cooperating*)
Short Term Rating	ACUITE A4 (Issuer non-cooperating*)

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has downgraded the long-term rating to '**ACUITE B+** (read as **ACUITE B Plus**) from '**ACUITE BB-**' (read as **ACUITE BB minus**) and the short term rating to '**ACUITE A4**' (read as **ACUITE A four**) on the Rs 13.16 crore bank facilities of Soongachi Tea Industries Private Limited. This rating is now an indicative rating and is based on the best available information. The rating downgrade is on account of information risk.

STIPL was incorporated in 1970 and is engaged in manufacturing and blending of tea under the brand name 'Sona'. STIPL owns a tea estate at Mal Bazar in Jalpaiguri District (West Bengal) with ~ 3500 acres of gross plantation area of which ~1550 acres are under tea. The company, in addition to own plantation, procures green leaves from other estates in the vicinity and readymade tea from auction centres for blending. The company has an annual installed capacity to produce ~40 lac kg of tea. Currently, the operations are managed by Mr. B K Saria, Mr. Ghanshyam Das Agarwal, Mr. S K Saria and Mr. S. M. Changoiwala.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure entities - <https://www.acuite.in/view-rating-criteria-51.htm>
- Financial Ratios and Adjustments- <https://www.acuite.in/view-rating-criteria-53.htm>

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated attempts.

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

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
19 June 2019	Cash credit	Long Term	12.04	ACUITE BB- / Stable (Reaffirmed)
	Bank Guarantee	Short Term	0.75	ACUITE A4 (Reaffirmed)
	Term Loan	Long term	0.37	ACUITE BB- / Stable (Reaffirmed)
11 July 2018	Cash credit	Long Term	12.04	ACUITE BB- / Stable (Reaffirmed)
	Bank Guarantee	Short Term	0.75	ACUITE A4 (Reaffirmed)
	Term Loan	Long term	0.37	ACUITE BB- / Stable (Reaffirmed)
18 May 2017	Cash credit	Long Term	12.04	ACUITE BB- / Stable (Reaffirmed)
	Bank Guarantee	Short Term	0.75	ACUITE A4 (Reaffirmed)
	Term Loan	Long term	0.37	ACUITE BB- / Stable (Reaffirmed)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash credit	Not Applicable	Not Applicable	Not Applicable	12.04	ACUITE B+ Downgraded Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.75	ACUITE A4 Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.37	ACUITE B+ Downgraded Issuer not co-operating*

*The issuer did not co-operate; based on best available information

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in

Mumbai.

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