

Press Release

The Ananda Bag Tea Company Limited

October 03, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	6.80	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank Loan Ratings	8.20	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	15.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) and reaffirmed the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.15.00 crore bank facilities of The Ananda Bag Tea Company Limited (TABTCL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Incorporated in 1920, the company is led by Mr Chokhani and family of Kolkata. The promoters possess extensive experience in the tea industry. Currently, the operations are headed by the third generation of the Chokhani family. The Ananda Bag Tea Company Limited (TABTCL) is engaged in the manufacturing, blending and retailing of tea. The company owns a tea garden- 'Ananda Tea Estate' in Upper Assam and produces around 8 lakh kg of Indian black tea (including CTC and orthodox). Additionally, the company has 100000 sq. ft. of metalised blend floor and packaging units in Kolkata. The company sells its packaged tea under the 'Top Tee Gold', 'Top Tee Premium', 'Ananda Gold', 'Golden Sip' and 'Top Tee Jananta brand names.

Non-cooperation by the issuer/borrower:

Acuite 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. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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 endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite 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 requests.

Rating Sensitivity

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

None.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable.

Other Factors affecting Rating

None.

Status of non-cooperation with previous CRA

None.

Any other information

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

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
09 Jul 2021	Letter of Credit	Short Term	2.00	ACUITE A4+ (Issuer not co-operating*)
	Packing Credit	Short Term	0.80	ACUITE A4+ (Issuer not co-operating*)
	Bills Discounting	Short Term	4.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	8.20	ACUITE BB (Downgraded and Issuer not co-operating*)
13 Apr 2020	Cash Credit	Long Term	8.20	ACUITE BB+ (Issuer not co-operating*)
	Packing Credit	Short Term	0.80	ACUITE A4+ (Issuer not co-operating*)
	Bills Discounting	Short Term	4.00	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	2.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	8.20	ACUITE BB+ (Issuer not co-operating*)

23 Jan 2019	Packing Credit	Short Term	0.80	ACUITE A4+ (Issuer not co-operating*)
	Bills Discounting	Short Term	4.00	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	2.00	ACUITE A4+ (Issuer not co-operating*)
14 Nov 2017	Cash Credit	Long Term	8.20	ACUITE BB+ Stable (Assigned)
	Packing Credit	Short Term	0.80	ACUITE A4+ (Assigned)
	Bills Discounting	Short Term	4.00	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	2.00	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.20	ACUITE BB- Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	0.80	ACUITE A4+ Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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