

Press Release

Classic Tea Company Private Limited

April 28, 2021



Rating Downgraded and Withdrawn

Total Bank Facilities Rated*	Rs.8.00 Cr.
Long Term Rating	ACUITE BB (Downgraded from ACUITE BB+/Stable and Withdrawn) *Issuer not cooperating
Short Term Rating	ACUITE A4+ (Withdrawn) *Issuer not cooperating

* Refer Annexure for details

Rating Rationale

Acuité has withdrawn and downgraded the long term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) and the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.8.00 crore bank facilities of Classic Tea Company Private Limited (CTCPL). The rating withdrawal is in accordance with Acuité's policy on withdrawal of rating. The downgrade is on account of information risk.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

Incorporated in 1992, Classic Tea Company Private Limited is a Assam based company engaged in processing and blending of tea. The company processes bought tea leaves to manufacture CTC tea with an installed capacity of 2000 MTPA. The company sells to HUL (Hindustan Unilever Limited) through third party agents, which contributes to nearly 50 percent of the revenue. Currently, the company is managed by its directors Mr. Binod Saharia and Mr. Harpal Singh.

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

Analytical approach

Acuité has considered the standalone financial and business risk profiles of CTCPL to arrive at this rating.

Applicable Criteria

- Default Recognition- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-59.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). Acuité 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.

Liquidity Indicators - "No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuite to comment upon."

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)

CRISIL, vide its press release dated Jan 22, 2020 had denoted the rating of CTCPLas 'CRISIL B ISSUER NOT COOPERATING'

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
27-Mar-2020	Cash Credit	Long Term	5.00	ACUITE BB+/Stable (Reaffirmed)
	Standby letter of credit	Short Term	0.50	ACUITE A4+ (Reaffirmed)
	Term Loan	Long Term	0.48	ACUITE BB+/Stable (Reaffirmed)
	Proposed bank facility	Long Term	2.02	ACUITE BB+/Stable (Reaffirmed)
15-Mar-2019	Cash Credit	Long Term	4.50	ACUITE BB+/Stable (Assigned)
	Standby letter of credit	Short Term	0.50	ACUITE A4+ (Assigned)
	Term Loan	Long Term	0.50	ACUITE BB+/Stable (Assigned)
	Proposed bank facility	Long Term	2.50	ACUITE BB+/Stable (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BB (Downgraded from ACUITE BB+/Stable and Withdrawn) *Issuer not cooperating
Standby letter of credit	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4+ (Withdrawn) *Issuer not cooperating
Term Loan	Not Available	Not Available	Not Available	0.48	ACUITE BB (Downgraded from ACUITE BB+/Stable and Withdrawn) *Issuer not cooperating
Proposed bank facility	Not Applicable	Not Applicable	Not Applicable	2.02	ACUITE BB (Downgraded from ACUITE BB+/Stable and Withdrawn) *Issuer not cooperating

Contacts

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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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