



Press Release
ANDREW YULE AND CO LIMITED
March 07, 2025
Rating Assigned, Reaffirmed and Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	86.38	ACUITE B Stable Assigned	-
Bank Loan Ratings	28.26	ACUITE B Stable Upgraded	-
Bank Loan Ratings	2.26	-	ACUITE A4 Assigned
Bank Loan Ratings	38.10	-	ACUITE A4 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	155.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded the long-term rating from 'ACUITÉ C' (read as ACUITÉ Ct) to 'ACUITÉ B' (read as ACUITÉ B) on the Rs. 28.26 Cr. bank facilities of Andrew Yule and Co Limited (AYCL) and reaffirmed the short-term rating of 'ACUITÉ A4' (read as ACUITÉ A Four) on the Rs. 38.10 Cr. bank facilities of Andrew Yule and Co Limited (AYCL). The outlook is 'Stable'.

Acuite has assigned the long-term rating of 'ACUITÉ B' (read as ACUITÉ B) on the Rs. 86.38 Cr. bank facilities of Andrew Yule and Co Limited. (AYCL) and the short-term rating of 'ACUITÉ A4' (read as ACUITÉ A Four) on the Rs. 2.26 Cr. bank facilities of Andrew Yule and Co Limited. (AYCL). The outlook is 'Stable'.

Rationale for rating

The rating upgrade and transition from 'Issuer non-cooperating' reflects the regularization of earlier delays as was reported by Credit Bureau Information. The rating further takes into account the decreasing operating income and EBDITA losses, albeit moderate financial risk profile and stretched liquidity. The rating also factors the benefits derived from diversified revenue segments and business acumen of management.

About the Company

Incorporated in 1919 as a private sector company and later in 1979 acquired by Government of India (GoI), Andrew Yule and Co Limited is a public sector entity engaged primarily in the tea processing business. AYCL has several tea gardens in West Bengal and Assam. Currently the company is managed by the directors Mr. Rajinder Singh Manku, Mr. Aditya Kumar Ghosh, Mr. Vijay Mittal, Mr. Sanjay Verma and Mr. Ananta Mohan Singh among others. The company is under the Ministry of Heavy Industries & Public Enterprises. Further, majority of the management teams are appointed based on recruitment and panel interviews. AYCL is a multiproduct, multi-unit, multi-location Company with 3 (three) operating divisions/units namely Tea Division (54% of revenues in FY24), Electrical-Chennai Operation (26% of revenues in FY24) and Engineering Division (20% of revenues in FY24) and 1 (one) service division viz. General Division. Each of the Division works as a separate Profit Centre.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone financial and business risk profiles of AYCL to arrive at the rating.

Key Rating Drivers

Strengths

Diversified business profile of the company

AYCL is a multi-product, multi-unit, multi-location Company with 3 (three) operating divisions/units namely Tea Division (54% of revenues in FY24), Electrical-Chennai Operation (26% of revenues in FY24) and Engineering Division (20% of revenues in FY24). The Company's turnover has declined from Rs. 309.82 Cr. in FY 24 from Rs. 374.04 Cr. in FY23 due to dip in realization and pest attack on tea crops during the year. However, to ward off the shortcomings of this division, the Company is trying to revive its other two business segments by securing more orders. In 9MFY25, the operating revenue of the company was at Rs. 211.44 Cr. compared to Rs. 231.42 Cr. in 9MFY24. However, the increasing order book in electrical and engineering segments is providing revenue visibility over the medium term.

Weaknesses

Decline in Business Risk Profile

The company reported revenue of Rs. 309.82 Cr. for FY24, down 17.17% from Rs. 374.04 Crore in FY23, attributed to declining tea prices and a production reduction of 16.99 lakh kg caused by pest infestations in the Dooars gardens of West Bengal. The company's EBITDA margin fell to -28.59% in FY24 from -1.67% in FY23, primarily due to increased wages in the tea division albeit absence of any increase in tea price realization. In the other two business segments, there was slight moderation in the topline as well but the segments were profitable unlike tea division. There were PAT losses of -20.53% in FY24 from 0.31% in FY23, driven by rising interest costs. For 9MFY25, AYCL reported a topline of Rs. 211.44 Cr. and holds an outstanding order book of Rs. 154.48 Cr. in its electrical division and Rs. 16.62 Cr. in engineering, with expectations to realize Rs. 50 to 60 Crore in FY25, indicating potential for improved topline in the medium term.

Decline in financial risk profile

The financial risk profile of the company has weakened, as reflected by a decline in net worth to Rs. 124.15 Cr. in FY24, from Rs. 186.50 Cr. in FY23 due to losses incurred in FY24. The company's total debt increased to Rs. 113.92 Cr. in FY24 from Rs. 99.89 Cr., resulting in a higher gearing ratio of 0.92 times in FY24 compared to 0.54 times in FY23. Furthermore, the interest coverage and debt service coverage ratios sharply declined to -3.23 times and -2.61 times in FY24 against 2.53 times and 1.76 times in FY23, respectively. The TOL/TNW ratio also rose to 2.99 times in FY24 from 1.91 times in FY23, underscoring the impact of decreased tangible net worth. However, Acuité believes that the company's financial risk profile is likely to improve in the medium term, driven by a slight recovery in business operations projected for FY25.

Working capital intensive operations

The working capital operations of the company remain intensive, with Gross Cash Accrual (GCA) days recorded at 259 days in FY24 depicting a slight improvement from 278 days in FY23. Inventory days decreased to 31 days in FY24 from 51 days in FY23, driven by enhanced inventory management and a reduction in production that necessitated less inventory holding. The debtor days rose marginally to 119 days in FY24 from 116 days in FY23. The creditor days were high albeit improvement to 201 days in FY24 from 246 days in FY23. Acuité believes that while the company's working capital operations are likely to remain intensive, there is potential for improvement in the medium term.

Rating Sensitivities

Movement in the scale of operations.
Movement in the profitability margins.
Movement in the working capital cycle.

Liquidity Position Stretched

The company has incurred a loss in FY24, resulting in a negative net cash accrual of Rs. 56.66 Cr. in FY24, against debt repayment obligations of Rs. 0.04 Cr. for the same period, which was managed through working capital adjustments. The current ratio declined to 0.69 times in FY24 from 0.93 times in FY23, primarily due to decreases in receivables and cash and bank balances. The NCA to Total Debt ratio also fell to -0.50 times in FY24 compared to 0.08 times in FY23. Additionally, the average bank limit utilization was notably high at 95% over the six months ending January 2025. The company has received approval from Government of India (DIPAM) for offloading 6% stake in Veedol Corporation Limited (erstwhile Tide Water Oil Co. Ltd.) the proceeds from which

is expected to support the CAPEX plans. Acuité believes that the liquidity position of the company is likely to remain stretched in the medium term due to ongoing negative cash accruals and an intensive working capital cycle.

Outlook : Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	309.82	374.04
PAT	Rs. Cr.	(63.61)	1.18
PAT Margin	(%)	(20.53)	0.31
Total Debt/Tangible Net Worth	Times	0.92	0.54
PBDIT/Interest	Times	(3.23)	2.53

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

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

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Jun 2024	Bank Guarantee/Letter of Guarantee	Short Term	13.00	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Letter of Credit	Short Term	9.00	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Bank Guarantee/Letter of Guarantee	Short Term	7.00	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Letter of Credit	Short Term	2.50	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	FBN/FBP/FBD/PSFC/FBE	Short Term	1.10	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Cash Credit	Long Term	14.51	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB)
	Cash Credit	Long Term	7.50	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB)
	Secured Overdraft	Long Term	11.75	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB)
22 Feb 2024	FBN/FBP/FBD/PSFC/FBE	Short Term	1.10	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	9.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	13.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	7.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	2.50	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	14.51	ACUITE BB (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	7.50	ACUITE BB (Reaffirmed & Issuer not co-operating*)
	Secured Overdraft	Long Term	11.75	ACUITE BB (Reaffirmed & Issuer not co-operating*)
22 Nov 2023	Bank Guarantee/Letter of Guarantee	Short Term	13.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	9.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	7.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	2.50	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	FBN/FBP/FBD/PSFC/FBE	Short Term	1.10	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	14.51	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Cash Credit	Long Term	7.50	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Secured Overdraft	Long Term	11.75	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)
13 Oct 2023	Bank Guarantee/Letter of Guarantee	Short Term	13.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	9.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	7.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	2.50	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	FBN/FBP/FBD/PSFC/FBE	Short Term	1.10	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)

	Cash Credit	Long Term	14.51	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	7.50	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Secured Overdraft	Long Term	11.75	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
18 Jul 2022	Bank Guarantee/Letter of Guarantee	Short Term	13.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	9.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	1.50	ACUITE A4+ (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	0.76	ACUITE A4+ (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	7.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	2.50	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	FBN/FBP/FBD/PSFC/FBE	Short Term	1.10	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	FBN/FBP/FBD/PSFC/FBE	Short Term	0.70	ACUITE A4+ (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Cash Credit	Long Term	14.51	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	7.00	ACUITE BB+ (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Cash Credit	Long Term	30.36	ACUITE BB+ (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Cash Credit	Long Term	7.50	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	15.28	ACUITE BB+ (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Working Capital Demand Loan (WCDL)	Long Term	3.04	ACUITE BB+ (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Secured Overdraft	Long Term	11.75	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Karur Vysya Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.00	Simple	ACUITE A4 Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.76	Simple	ACUITE A4 Assigned
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.50	Simple	ACUITE A4 Assigned
Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.51	Simple	ACUITE B Stable Upgraded (from ACUITE C)
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	37.69	Simple	ACUITE B Stable Assigned
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.00	Simple	ACUITE B Stable Assigned
Karur Vysya Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.00	Simple	ACUITE B Stable Assigned
Indian Bank	Not avl. / Not appl.	FBN/FBP/FBD/PSFC/FBE	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.10	Simple	ACUITE A4 Reaffirmed
Karur Vysya Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A4 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.03	Simple	ACUITE B Stable Upgraded (from ACUITE C)
ICICI Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.72	Simple	ACUITE B Stable Upgraded (from ACUITE C)
ICICI Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.28	Simple	ACUITE B Stable Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	28 Aug 2022	Not avl. / Not appl.	31 Aug 2025	0.39	Simple	ACUITE B Stable Assigned
Punjab National Bank	Not avl. / Not appl.	Term Loan	01 Jun 2022	Not avl. / Not appl.	30 Jun 2025	0.94	Simple	ACUITE B Stable Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	06 Nov 2023	Not avl. / Not appl.	30 Nov 2027	1.08	Simple	ACUITE B Stable Assigned

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About Acuité Ratings & Research

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