



**Press Release**  
**KANCO TEA AND INDUSTRIES LIMITED**  
**May 16, 2025**  
**Rating Downgraded & Withdrawn and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	34.47	ACUITE D   Downgraded & Withdrawn   Issuer not co-operating*	-
Bank Loan Ratings	2.35	Not Applicable   Withdrawn	-
Bank Loan Ratings	2.10	-	ACUITE D   Downgraded & Withdrawn   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	38.92	-	-

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

### Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE D**' (read as **ACUITE Df**) from '**ACUITE B**' (read as **ACUITE B**) and short-term rating to '**ACUITE D**' (read as **ACUITE Df**) from '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.36.57 Cr. bank facilities of Kanco Tea and Industries Limited (KTIL). The rating has been withdrawn on account of the request received from the company and the NOC (No Objection Certificate) received from the banker.

Further, Acuite has withdrawn the proposed long-term bank facility without assigning any rating as it is a proposed facility on Rs.2.35 Cr. bank facilities of Kanco Tea and Industries Limited (KTIL). The rating has been withdrawn on account of the request received from the company.

The rating is now flagged as "Issuer Not-Cooperating" on account of information risk and is based on the best available information. The rating downgrade is on account of information risk. The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility.

### Rationale for Rating

The rating downgrade is on account of delays as reported by the banker.

### About the Company

Incorporated in 1983, Kanco Tea and Industries Limited (KITL) is based in Kolkata and promoted by Mr. Umang Kanoria and Mrs. Anuradha Kanoria. The company primarily produces black tea of CTC (crush, tear, curl) variety, which it sells in the domestic market through a mix of auction and private sales. The company owns three tea estates in upper valleys of Assam named as Mackeypore, Bamonpookrie and Lakmijan.

### Unsupported Rating

Not Applicable

### 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. Acuité believes that information risk is a critical component in such ratings, and non co-operation 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 Acuité’s policies.

### **Limitation regarding information availability**

This 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. Any rating with the suffix 'Issuer not cooperating' is assigned without any management interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a rated entity may be due to a result of deterioration in the credit risk profile of the entity. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### **Rating Sensitivities**

Timely servicing of debt repayment obligations.

### **Liquidity Position: Stretched**

The company’s liquidity position is stretched as there have been instances of delays in debt repayment in recent months.

### **Outlook: Not Applicable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	77.46	106.05
PAT	Rs. Cr.	(9.19)	7.05
PAT Margin	(%)	(11.86)	6.64
Total Debt/Tangible Net Worth	Times	0.85	0.59
PBDIT/Interest	Times	(2.10)	5.24

### Status of non-cooperation with previous CRA

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

Provisions of Chapter IV, Regulations 15 to 27 of SEBI (LODR) Regulations, 2015 apply to a listed entity which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt of Rupees Five Hundred Crore and above

### Applicable Criteria

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

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
06 Nov 2024	Letter of Credit	Short Term	1.80	ACUITE A4 (Upgraded from ACUITE D)
	Bank Guarantee (BLR)	Short Term	0.30	ACUITE A4 (Upgraded from ACUITE D)
	Cash Credit	Long Term	30.00	ACUITE B   Stable (Upgraded from ACUITE D)
	Working Capital Demand Loan (WCDL)	Long Term	0.67	ACUITE B   Stable (Upgraded from ACUITE D)
	Term Loan	Long Term	3.80	ACUITE B   Stable (Upgraded from ACUITE D)
	Proposed Long Term Bank Facility	Long Term	2.35	ACUITE B   Stable (Upgraded from ACUITE D)
10 Jun 2024	Cash Credit	Long Term	21.50	ACUITE D (Downgraded from ACUITE BB+   Stable)
	Working Capital Demand Loan (WCDL)	Long Term	3.50	ACUITE D (Downgraded from ACUITE BB+   Stable)
	Term Loan	Long Term	11.82	ACUITE D (Downgraded from ACUITE BB+   Stable)
	Letter of Credit	Short Term	1.80	ACUITE D (Downgraded from ACUITE A4+)
	Bank Guarantee (BLR)	Short Term	0.30	ACUITE D (Downgraded from ACUITE A4+)
23 Feb 2024	Letter of Credit	Short Term	1.80	ACUITE A4+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	0.30	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	21.50	ACUITE BB+   Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	3.50	ACUITE BB+   Stable (Reaffirmed)
	Term Loan	Long Term	11.82	ACUITE BB+   Stable (Reaffirmed)
23 Nov 2023	Letter of Credit	Short Term	1.80	ACUITE A4+ (Downgraded from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	0.30	ACUITE A4+ (Downgraded from ACUITE A3)
	Cash Credit	Long Term	21.50	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Working Capital Demand Loan (WCDL)	Long Term	3.50	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	11.82	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
04 Jan 2023	Letter of Credit	Short Term	1.80	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	0.30	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	21.50	ACUITE BBB-   Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	3.50	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	11.82	ACUITE BBB-   Stable (Reaffirmed)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.30	Simple	ACUITE D   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE A4 )
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE D   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE B )
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.80	Simple	ACUITE D   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE A4 )
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.35	Simple	Not Applicable Withdrawn
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2026	3.80	Simple	ACUITE D   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE B )
Punjab National Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.67	Simple	ACUITE D   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE B )

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

## Contacts

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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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