

AMBOOTIA TEA EXPORTS PRIVATE LIMITED

Brickwork Ratings downgrades the Ratings for the bank loan facilities of Rs.216.45 Crs of Ambootia Tea Exports Private Limited (‘ATEPL’ or ‘the issuer’) based on the best available information, as the issuer did not cooperate.

Facility @	Amount (Rs. in Crs)		Tenure	Ratings#	
	Previous Amount (Rs. in Crs)	Present Amount Rated (Rs.in Crs)		Previous (Jan 2020)	Present
Fund Based	215.95	215.95	Long -Term	BWR BB, Downgrade Outlook: Negative, ISSUER NOT COOPERATING *	BWR D, Downgraded ISSUER NOT COOPERATING*
Non-fund Based	0.50	0.50	Short-Term	BWR A4, Downgrade, ISSUER NOT COOPERATING	
Total	216.45	216.45	Rupees Two hundred sixteen crores and forty five lakhs only		

#Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

@Details of the bank loan facilities are provided in Annexure I

*Issuer did not cooperate; based on best available information

RATING ACTION:

BWR has **downgraded** both the long term and short term ratings of ATEPL aggregating Rs.216.45 Crs. to ‘**BWR D**’, along with continuation of the ratings in the ‘**ISSUER NOT COOPERATING**’ category, based on best available information as the Issuer did not cooperate.



OUTLOOK/NATURE OF NON COOPERATION:

BWR had last rated the bank loan facilities of ATEPL on 18 January 2020 and had simultaneously migrated the Ratings to ISSUER NOT COOPERATING category based on best available information as the issuer did not cooperate.

As a part of the continuous surveillance process, BWR recently took up with the issuer and its lenders over emails and telephonic calls to provide the required information for surveillance. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. The company has also not been submitting the required NDS.

Thus, due to continued lack of management cooperation on the part of the company to furnish adequate information about its performance despite follow up, coupled with its non submission of NDS, the rating has been retained in the “Issuer Not Cooperating” category. The rating downgrade to default category is based on the feedback received from three of its lenders stating that the account has become a Non Performing Asset with them.

LIMITATIONS OF THE RATING:

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of ratings.

COMPANY PROFILE (Information as available on January 2020)

Ambootia Tea Exports Private Limited (ATEPL) is a private limited company, incorporated in 2009 by Mr Sanjay P Bansal and Ms Reena Bansal. ATEPL is engaged in tea business (majorly Orthodox organic tea) as well as non tea business (turmeric, ginger etc.). Currently, the Company is buying Darjeeling orthodox organic tea through tea auctions mostly from different tea auctions centres. ATEPL has 12 warehouses (10 in Kolkata and 2 in Coimbatore) with an area of 2,67,700 Sq.ft. ATEPL has a reputed client base and has been successful in obtaining repeat orders from its customers. Mr Sanjay Bansal is the Chairman & Managing Director of the Company and his wife Ms Reena Bansal, is also a Director of the Company. They are supported in the management of the company by a team of professionals.

KEY FINANCIAL INDICATORS (In crores) [Information as available on January 2020]

Particulars	Units	FY17A	FY18A
Net Sales/Revenues	Rs in Crs	343.87	405.45
EBITDA	Rs in Crs	13.13	22.15
PAT	Rs in Crs	1.42	3.73
Tangible Net worth	Rs in Crs	61.48	90.20
Total Debt/TNW	Times	2.89	2.48
Current Ratio	Times	1.37	1.45

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY- CRISIL A4,
Continuation at ISSUER NOT COOPERATING, as per press release dated 13 February 2020.

RATING HISTORY- for the last three years (Including withdrawn/suspended ratings)

S. No	Name of Instrument (NCD/Bank Loan /Non-Fund Based facilities/Commercial Paper etc.)	Current Rating 17 August 2020			Chronology of Rating History for the past 3 years (Rating Assigned and Press Release date) along with outlook/ Watch, if applicable								
		Type (Long Term/Short Term)	Amount Outstanding (Rs. Crores)	Rating	Date(s) & Rating(S) assigned in 2020		Date(s) & Rating(s) assigned in 2019		Date(s) & Rating(s) assigned in 2018		Date(s) & Rating(s) assigned in 2017		
1	Bank Loan Facility	Fund Based -Long Term	215.95	BWR D, Downgraded, ISSUE R NOT COOPERATING*	18 January 2020			17-December 2018			17 August 2017		
					FB-L T#	215.95	BWR BB/ Negative, Downgraded, ISSUE R NOT COOPERATING*	F B-L T#	215.95	BWR BBB/Stable, Upgraded	FB-LT#	210.00	BWR BBB-/Stable, Reaffirmed
					NFB-ST##	0.50	BWR A4, Downgraded, ISSUE R NOT COOPERATING*	NFB-S T#	0.50	BWR A3+, Upgraded	NFB-S T##	0.50	BWR A3, Reaffirmed
		Non Fund Based -Short Term	0.50				T ot al	216.45 @		T ot al	210.50 @		
	Total		216.45		Total	216.45			@Enhancement in total exposure			@Enhancement in total exposure	

Note: The initial rating of the company was done in 12 July 2016 and the rating assigned was BWR BBB-/Stable/BWR A3

*Issuer did not cooperate; based on best available information



#Fund Based-Long Term
##Non Fund Based-Short Term

COMPLEXITY LEVELS OF THE INSTRUMENT

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to Financial Ratios
- What Constitutes Non-Cooperation

For any other criteria obtain hyperlinks from website

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Ambootia Tea Exports Pvt Ltd

Annexure-I

Details of Bank Facilities (as available as on 18 January 2020 and 17 December 2018)

₹ Crs		Union Bank of India	Bank of Baroda	Allahabad Bank	State Bank of India	United Bank of India	Total
Fund Based	Running PC/EPC/PCFC	20.00	17.50	22.50	21.00	125.00	206.00
	Term Loan	-	-	-	9.95	-	9.95
	FBP/FBD/FBN (Sublimit of RPC)	(20.00)	(17.50)	(5.00)	-	(15.00)	(57.50)
	Advance Foreign Bill Collection (Sublimit of FBP/FBD/FBN)	-	-	-	-	(15.00)	(15.00)
	Long Term Total	20.00	17.50	22.50	30.95	125.00	215.95
Non Fund Based	LC/BG	-	-	-	-	0.50	0.50
	Short Term Total	-	-	-	-	0.50	0.50
Total							216.45

For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partners. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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