

Dalowjan Tea Company Private Limited

October 20, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	4.01	CARE B; Stable; ISSUER NOT COOPERATING* (Single B; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	4.01 (Rs. Four Crore and One Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated August 31, 2021, placed the rating(s) of Dalowjan Tea Company Private Limited (DTCPL) under the 'issuer non-cooperating' category as DTCPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. DTCPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated July 17, 2022, July 27, 2022, August 06, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

Please refer to PR dated [August 31, 2021](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Company

Dalowjan Tea Company Private Limited (DTCPL) was incorporated in the year 1922 by Mr. M. N. Barua. It is engaged in the processing of tea to produce black tea. The company owns a tea plantation and processing factory at Oating, Assam which is spread across 1039 bigha. Tea leaves produced at their own estate contribute approximately 40% to total quantity sold and the remaining 60% is from leaves purchased from local farmers in Assam and sold under the brand Dalowjan. Further the company sells almost 70% of its tea via auction from Auction house J. Thomas & Co. Private Limited (Guwahati and Silguri). Remaining 30% of tea is sold to private buyers in Rajasthan and locally in Assam. It purchases other raw material such as fertilizers and pesticides from local vendors in Assam. Mr. Deboshyam Barua (Director) who has more than two decades of experience in tea manufacturing business looks after the day to day operation of the company along with other director named Mr. Bijay Luxmi Barua along with a team of experienced professional who are having rich experience in similar line of business.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	FY22 (Prov.)	H1FY23 (Prov.)
Total operating income	9.98	11.42	NA	NA
PBILDT	0.52	0.31	NA	NA
PAT	0.07	0.13	NA	NA
Overall gearing (times)	0.55	0.40	NA	NA
Interest coverage (times)	1.84	1.29	NA	NA

A: Audited, Prov.: Provisional, NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Annexure - 3

Complexity level of various instruments rated for this company: Annexure - 4

Annexure-1: Details of instruments/facilities

Name of the Instrument	IS IN	Date of Issuance	Cou on Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	1.60	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	December 2023	0.07	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Working Capital Limits		-	-	-	2.34	CARE B; Stable; ISSUER NOT COOPERATING*

**Issuer did not cooperate; Based on best available information*

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Bank Overdraft	LT	1.60	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (31-Aug-21)	1)CARE B+; Stable (17-Jul-20)	-
2	Fund-based - LT-Working Capital Limits	LT	2.34	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (31-Aug-21)	1)CARE B+; Stable (17-Jul-20)	-
3	Fund-based - LT-Term Loan	LT	0.07	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (31-Aug-21)	1)CARE B+; Stable (17-Jul-20)	-

**Issuer did not cooperate; Based on best available information*

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT-Working Capital Limits	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

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