



# KANCO TEA & INDUSTRIES LIMITED

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Corporate Identity Number (CIN)-L15491WB1983PLC035793

Ref: KTIL/Regulation 30

6<sup>th</sup> October, 2017

To,  
The Manager,  
Corporate Affairs Department,  
The Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001

**Scrip Code/ID-590130/KANCOTEA**

Dear Sir,

**Subject: Information pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015- Revision in Rating**

We would like to inform that the rating committee of ICRA has downgraded the long-term rating from [ICRA] BBB (Pronounced ICRA triple B) to [ICRA] BBB- (pronounce ICRA triple B minus). The outlook on the long-term rating is 'Stable'. The rating committee of ICRA has also downgraded the short-term rating from [ICRA]A3+ (pronounced ICRA A three plus) to [ICRA]A3 (pronounce ICRA A three).

The reasons provided by ICRA for downward revision are as follows: -

- a) The downward revision in the ratings takes into account the reduced financial flexibility of the company on the back of significant increase in debt-service obligations caused by predominantly debt-funded capital expenditure incurred in the recent past to acquire a tea estate (Bamonpookrie Tea Estate).
- b) ICRA notes that despite an increase in the top-line of the company during the first quarter of FY2018 corresponding to the period of the previous fiscal, the net profit as well as cash accruals from the business declined due to significant rise in interest expenses.
- c) ICRA also takes note of the deterioration in the financial profile during FY 2017, led by fall in operating profitability, steep increase in debt level and weakening of debt-coverage indicators.

Thanking You,

Yours Faithfully,  
For **Kanco Tea & Industries Limited**

Charulata Kabra  
Company Secretary and Compliance Officer