

October 10, 2025

Amgoorie India Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term - Fund based limits - Term loan	24.00	24.00	[ICRA]A- (Stable); reaffirmed
Long term - Unallocated limits	4.00	4.00	[ICRA]A- (Stable); reaffirmed
Long term/Short term - Cash credit - Fund based	12.00	12.00	[ICRA]A- (Stable)/[ICRA]A2+; reaffirmed
Total	40.00	40.00	

*Instrument details are provided in Annexure I

Rationale

The reaffirmation of the ratings factors in Amgoorie India Limited's (AIL) status as one of the strategically important tea producing entities for the Goodricke Group Limited {GGL, rated at [ICRA]A(Stable)/ [ICRA]A2+}, which has an established presence in the domestic tea industry. The ratings also consider the high quality of AIL's tea, which commands a significant premium over the average North Indian auction prices. Further, the ratings derive comfort from the company's conservative capital structure. AIL's extended debt repayment tenure would continue to result in limited repayment obligations in the near to medium term.

In FY2025, AIL's performance improved on the back of higher tea realisation and stable tea production. While the tea industry witnessed significant crop loss in FY2025, AIL's production remained flattish owing to the management's efforts to enhance the output from the earlier levels. As a result, AIL's OPBDITA improved to Rs. 10.4 crore in FY2025 against an operating loss of Rs. 2.5 crore in FY2024. Also, the total Group OPBDITA (GGL group) increased to ~Rs. 42 crore in FY2025 compared to an operating loss of ~Rs. 60 crore in FY2024.

In the current fiscal, while tea prices are under pressure owing to a significant increase in production at the industry level, the drop in AIL's realisation is expected to be lower because of the better quality tea produced by the GGL Group. In FY2026, while GGL's standalone performance may be impacted by its higher exposure to the Dooars gardens, the performance of AIL is expected to be better owing to its greater presence in the Assam region. Consequently, AIL's operating profit is expected to be in line with the reported OPBDITA of ~Rs. 10 crore in FY2025. At the group level, while the financial performance is expected to moderate, the OPBDITA for FY2026 is estimated at Rs. 30-35 crore. In addition, the sale of two gardens fetching ~Rs. 44 crore is expected to improve the cash flows and lower the debt burden, thus reducing the overall finance cost for the Group. The overall Group debt position has already declined by ~Rs. 40 crore in the current fiscal, thereby supporting the financial risk profile. Nonetheless, the tea workers' wages were not hiked in FY2025 as well as in the current fiscal till date. Any significant wage rate hike impacting the cost structure would remain a key monitorable.

The ratings, however, continue to be impacted by the risks associated with tea for being an agricultural commodity, which depends on agro-climatic conditions, as well as the inherent cyclicity of the fixed-cost intensive nature of the tea industry that leads to variability in the profitability and cash flows of bulk tea producers, including AIL. The concentration of the company's all five gardens in North India further accentuates the agro-climatic risks. In addition, domestic tea prices are influenced by international prices and hence the demand-supply situation in the global tea market, in ICRA's opinion, would continue to have a bearing on the profitability of Indian players, including AIL.

The Stable outlook on the long-term rating reflects ICRA's expectations that the established position of the Goodricke Group, including AIL, in the tea industry, and the company's conservative capital structure would continue to support its business and credit profile.

Key rating drivers and their description

Credit strengths

Established position of Goodricke Group in tea business – AIL is a part of the Goodricke Group, which has an established presence in the tea industry for over four decades and accounted for almost 2.4% of India's total tea production in FY2025. Camellia Plc, UK, is the ultimate holding company of all the entities in the Group. The ratings of AIL draw comfort from the implicit support derived from its operational and managerial linkages with the Goodricke Group.

Superior quality of tea, evident from the premium price commanded by the company's produce – AIL is one of the established CTC players in the bulk tea industry with five tea estates spread across Assam and West Bengal (Darjeeling). The superior quality of AIL's tea enables it to command a premium for its produce compared to the industry average. The weighted average realisation of tea produced by the company stood at around Rs. 330/kg in FY2025 compared to the North Indian auction average of around Rs. 217/kg during the same period. Premium tea prices support the overall profitability of the company.

Conservative capital structure – The capital structure of the company continued to be conservative on an absolute basis, reflected in a gearing of 0.13 times as on March 31, 2025 vis-à-vis 0.26 times as on March 31, 2024. This came on the back of a significant increase in the profitability at the operating level in the previous fiscal. The coverage indicators also improved, with the interest coverage at 5.6 times in FY2025. While tea prices have corrected in the current fiscal, AIL's quality gardens in Assam is expected to support the profitability, leading to a conservative capital structure and healthy debt coverage indicators.

Credit challenges

Moderation in tea prices to impact Group performance in FY2026; better quality of tea to support AIL's performance - In the current fiscal, while the tea prices are under pressure owing to a significant increase in production at the industry level, the drop in AIL's realisation is expected to be lower because of the better quality tea produced by the GGL Group. In FY2026, while GGL's standalone performance may be impacted by its higher exposure to the Dooars gardens, the performance of AIL is expected to be better owing to its greater presence in the Assam region. Consequently, AIL's operating profit is expected to be in line with the reported OPBDITA of ~Rs. 10 crore in FY2025. At the group level, while the financial performance is expected to moderate, the OPBDITA for FY2026 is estimated at Rs. 30-35 crores.

Susceptible to wage hikes impacting the cost structure - The bulk tea industry remains vulnerable to the increase in wage rates of the tea workers in Assam and West Bengal. The sharp increase in wage rates relative to bulk tea prices had impacted the profitability in the past. While the wages were not increased in FY2025 as well as in the current fiscal till date, any significant hike impacting the cost structure would remain a key monitorable.

Risks associated with tea for being a cyclical agricultural commodity - The production of tea depends on agro-climatic conditions, thereby making it susceptible to agro-climatic risks. Moreover, the tea estate costs are primarily fixed, with labour costs, which are independent of the volume of production, accounting for a major portion of the production cost. Hence, the inherent cyclical nature of the fixed-cost intensive tea industry leads to variability in the profitability and cash flows of bulk tea producers, such as AIL.

Export market performance of Indian tea crucial to sustain buoyant domestic tea prices – Exports play a vital role in maintaining the overall demand-supply balance in the domestic tea market, notwithstanding the large domestic consumption base that India has. Healthy export realisation is also crucial for maintaining domestic realisations as unremunerative prices in

the export market may prompt exporters to dump their produce in the domestic market, which in turn would exert pressure on domestic prices.

Liquidity position: Adequate

The company is likely to generate positive cash flow from operations in the near-to-medium term. The average utilisation of the fund-based working capital limits has remained at a moderate level in the last 12 months. The company has a moderate level of scheduled debt repayment obligation over the next few years compared to its comfortable cash flows from operations. ICRA expects the overall liquidity position of the company to remain adequate, going forward, in view of the undrawn working capital facilities and absence of any major planned capital expenditure programme.

Rating sensitivities

Positive factors – ICRA may upgrade the ratings if the credit profile of the Goodricke Group improves.

Negative factors – The rating may be downgraded if the company is unable to improve its profitability or debt coverage metrics. A weakening of the company's linkages with the Group or a deterioration in the credit profile of the Group may also result in a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies 9 Bold	Tea Corporate Credit Rating Methodology
Parent/Group support	Implicit support from the Goodricke Group due to significant operational and managerial linkages
Consolidation/Standalone	The ratings are based on the standalone financial statements of the company

About the company

ALL, incorporated in 1977, primarily produces black tea of CTC (crush, tear, curl) variety, which accounted for around 95% of its total produce in FY2025, with the balance being orthodox variety. The company sells its products in the domestic market through a mix of auction and private sales. The company has five gardens, each with a processing factory, in West Bengal (Darjeeling) and Assam with a total planted area of around 3,835 hectares.

The company is a part of the Goodricke Group of Companies based in India. Camellia Plc., UK, is the ultimate holding company, which through its subsidiary/fellow subsidiary holds the majority shareholding. The remaining stake is held by other investors.

Key financial indicators (audited)

	FY2024	FY2025*
Operating income	156.8	176.6
PAT	-7.1	6.5
OPBDIT/OI	-1.6%	5.9%
PAT/OI	-4.6%	3.7%
Total outside liabilities/Tangible net worth (times)	1.2	1.0
Total debt/OPBDIT (times)	-7.2	1.0
Interest coverage (times)	-1.2	5.6

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore, PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)			Chronology of rating history for the past 3 years						
FY2026			FY2025		FY2024		FY2023		
Instrument	Type	Amount rated (Rs. crore)	Oct 10, 2025	Date	Rating	Date	Rating	Date	Rating
Long term - Fund based - Term loan	Long term	24.00	[ICRA]A- (Stable)	Oct 09, 2024	[ICRA]A- (Stable)	Nov 20, 2023	[ICRA]A- (Stable)	Jan 11, 2023	[ICRA]A (Stable)
Long term - Unallocated limits	Long term	4.00	[ICRA]A- (Stable)	Oct 09, 2024	[ICRA]A- (Stable)	Nov 20, 2023	[ICRA]A- (Stable)	Jan 11, 2023	[ICRA]A (Stable)
Long term/Short term - Fund based - Cash credit	Long term/Short term	12.00	[ICRA]A- (Stable) / [ICRA]A2+	Oct 09, 2024	[ICRA]A- (Stable) / [ICRA]A2+	Nov 20, 2023	[ICRA]A- (Stable) / [ICRA]A2+	Jan 11, 2023	[ICRA]A (Stable) / [ICRA] A1

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term - Fund based - Term loan	Simple
Long term - Unallocated limits	Not Applicable
Long term/Short term - Fund based - Cash credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	Mar, 2019	-	Mar, 2029	24.00	[ICRA]A- (Stable)
NA	Cash credit/ WCDL	-	-	-	12.00	[ICRA]A- (Stable)/[ICRA]A2+
NA	Unallocated limits	-	-	-	4.00	[ICRA]A- (Stable)

Source: Amgoorie India Limited

Annexure II: List of entities considered for consolidated analysis– Not Applicable

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