

October 10, 2025

## Goodricke Group Limited: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based – Term loan	4.00	0.00	-
Long term/Short term – Fund based – Cash credit/WCDL	155.00	155.00	[ICRA]A (Stable)/[ICRA]A2+; reaffirmed
Long term/Short term – Non-fund based – Letter of credit/Bank guarantee	9.00	9.00	[ICRA]A (Stable)/[ICRA]A2+; reaffirmed
<b>Total</b>	<b>168.00</b>	<b>164.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

While arriving at the ratings, ICRA has considered the consolidated business and financial risk profiles of Goodricke Group Limited (GGL) along with its three other group companies, namely Amgoorie India Limited {AIL, rated [ICRA]A-(Stable)/[ICRA]A2+}, Stewart Holl (India) Limited {SHIL, rated [ICRA]A-(Stable)/ [ICRA]A2+} and Koomber Tea Company Private Limited {KTCPL, rated [ICRA]A-(Stable)/ [ICRA]A2+}. GGL is the flagship company of the Group, while the other companies are involved in the same line of business and have operational/managerial/ financial linkages with GGL and other related entities of the Goodricke Group.

The reaffirmation of the ratings factors in GGL's established position in the bulk tea industry, its sizeable scale of operation and a diversified revenue mix that includes packet tea and instant tea divisions along with export sales, which help mitigate the risks associated with the cyclical domestic bulk tea industry, to some extent. In FY2025, the Group's performance improved on the back of higher tea realisation and stable production. While the tea industry witnessed significant crop loss in FY2025, the GGL Group's production remained flattish owing to the effort taken by the management to enhance the output from the earlier levels. As a result, the total Group OPBDITA increased to ~Rs. 42 crore in FY2025 compared to operating losses of ~Rs. 60 crore in FY2024.

In the current fiscal, tea prices are under pressure owing to significant increase in tea production at the industry level. However, the drop in the GGL Group's realisation is expected to be lower owing to the better quality tea produced by the Group. Production from the GGL gardens has been impacted in the current fiscal, which is expected to be partially recovered during the balance portion of the year. In FY2026, while GGL's standalone performance is expected to be impacted by the higher exposure to the Dooars gardens, the performance of AIL and SHIL are expected to be better because of their greater presence in the Assam region. In addition, higher orthodox production at KTCPL is expected to support the performance of the entity. Also, the performance of the packet tea and instant tea division at GGL is expected to be better in the current fiscal because of a drop in bulk tea prices. Consequently, while the performance is expected to moderate, the OPBDITA is estimated at ~Rs. 30-35 crore at the Group level.

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 entity. The overall 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 Group remains vulnerable to the risks associated with tea being an agricultural commodity as well as the cyclicity inherent in the fixed-cost intensive tea industry that leads to variability in the profits and cash flows of bulk tea producers. 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 the Goodricke Group.

The Stable outlook on the long-term rating reflects ICRA's expectations that GGL's established position in the tea industry with a sizeable scale and diversified revenue stream would continue to support its business profile. The absence of any major capex/acquisition or borrowing plans would continue to support the consolidated financial profile of the Group.

## Key rating drivers and their description

### Credit strengths

**Established player in bulk tea industry with sizeable scale of operation** – GGL, incorporated in 1977, is an established player in the tea business, with a total tea production of 19.6 million kg (mkg) in FY2025. The production from bought leaves accounted for around 13% of GGL's overall production in FY2025. The Dooars region accounted for 80% of GGL's total production in FY2025, followed by Assam at 18%, and the rest by Darjeeling. The Group's overall production stood at 30.9 mkg in FY2025, of which the share of bought leaves was ~9%.

**Diversified revenue stream** - GGL sells its produce through a combination of auction sales, private sales and exports. GGL also has a packet tea division, which accounted for 27% of GGL's standalone sales and 21% of the Group's consolidated sales in FY2025. In the current fiscal, the performance of the packet tea division is expected to improve significantly owing to a decline in bulk tea prices, thus reducing the procurement cost for the packet tea division. The company also derives a small portion of its revenue from instant tea. Exports accounted for around 20% of GGL's sales in FY2025 on a standalone basis. Export volumes remained at ~5 mkg in FY2025, which is likely to be maintained in the current fiscal, thus supporting the overall profitability.

**Superior quality of tea, evident from the premium price commanded by the Group's produce** - The superior quality of tea of GGL and its Group companies enables it to command a significant premium for its produce compared to the industry average. The average realisation of tea sold by GGL stood at ~Rs. 280/kg in FY2025 compared to the North Indian auction average of around Rs. 217/kg during the same period, implying a premium of 29%. The premium for the tea sold by the other three Group companies stood at 52% (AIL), 60% (SHIL) and 0% (KTCPL) in FY2025 over the North Indian auction prices. Premium tea prices support the overall profitability of the Group.

### Credit challenges

**Moderation in tea prices expected to impact Group performance in FY2026** - In the current fiscal, bulk tea prices are under pressure owing to a significant increase in production at the industry level. While the drop in the GGL Group's realisation is expected to be lower because of the better quality tea produced by the Group, the overall profitability is expected to be impacted in FY2026. Nonetheless, the performance of the packet tea and instant tea divisions at GGL is expected to be better in the current fiscal because of the drop in bulk tea prices. Consequently, the consolidated OPBDITA is expected to be Rs. 30-35 crore in FY2026. Also, the Rs. 44 crore accrued from the sale of two gardens is expected to improve the cash flows and lower the debt burden, thus reducing the overall finance cost for the entity. The overall debt position has already declined by ~Rs. 40 crore in the current fiscal, thereby supporting the financial risk profile to an extent.

**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 GGL.

**Realisation in domestic market remains vulnerable to export market performance of Indian tea** – 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 local market, which in turn would exert pressure on domestic prices despite the better quality of Indian tea.

## Environmental and social risks

**Environmental considerations** - Tea, being an agricultural commodity, is susceptible to agro-climatic risks, with the production and quality of tea primarily dependent on rainfall, temperature and humidity. Among the different climatic factors, rainfall plays the most important role. Though these environmental factors pose supply-side risks, the demand side risks are largely protected as tea is one of the most popular, widely consumed and low-cost beverages. Adverse environmental conditions may potentially affect tea productivity, the extent of irrigation and the pest control activities required etc., thereby resulting in revenue loss and/or increasing the cost of production, which in turn, contracts the margin. ICRA considers such risks to be inherent in the tea production business.

**Social considerations** - Tea production is highly manpower intensive. A large proportion of the population, particularly women, is involved as workforce in the major tea producing regions in the country. The stakeholders of a tea production business include, inter alia, local communities and Government authorities, which influence the operating environment of the business. The wage rates of the tea estate workers are regulated by the Government and are revised regularly as the level of wages and welfare costs for tea estate workers have significant socio-economic implications. Tea estate costs are primarily fixed, with labour costs accounting for a significant portion of the production cost. Hence, any significant increase in wage rates may adversely impact the cost structure of tea producers, impacting the margins. Shortage of workers due to diminishing interest in garden-based field work on the back of sociological changes remains a concern.

## Liquidity position: Adequate

The Group's consolidated debt repayment obligation (including lease liability) stands at ~Rs. 8 crore for FY2026. Also, GGL's working capital limit stands at Rs. 155 crore in the current fiscal, and the undrawn limits were at ~Rs. 97 crore as on August 31, 2025. This, along with the absence of any major capex and moderate free cash balance (~Rs. 14 crore as on March 31, 2025), is likely to support the consolidated liquidity position, despite a likely deterioration in the consolidated cash flow from operations in the current fiscal.

## Rating sensitivities

**Positive factors** – A significant rise in the consolidated profitability and cash flows, leading to an improvement in the debt coverage metrics on a sustained basis may result in an upgrade.

**Negative factors** – GGL's inability to improve the profitability or debt coverage metrics may result in a downgrade.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies 9 Bold	<a href="#">Corporate Credit Rating Methodology Tea</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the financials of GGL with three group entities (as mentioned in Annexure II)

## About the company

Goodricke Group Limited (GGL) was incorporated in 1977 and cultivates tea across 18 gardens at present. The company runs 22 factories, including a processing factory with each tea garden, tea-blending units and an instant tea plant. The gardens, spread over an area of 10,390 hectares under cultivation, are located in West Bengal (73% and 9% of area under cultivation in Dooars and Darjeeling, respectively) and Assam (18% of area under cultivation). GGL is primarily a producer of the crush-tear-curl (CTC) variety of tea, which accounted for 80% of its total production in FY2025, and the rest of the production is of orthodox variety.

The Group has 29 tea estates with an area of 17,571 hectares under cultivation, almost equally spread over West Bengal and Assam. Camellia Plc, UK, is GGL's ultimate holding company, which through its subsidiaries, holds a 74% stake in the company and the rest is held by public shareholders.

## Key financial indicators

	Standalone		Consolidated	
	FY2024	FY2025	FY2024	FY2025
Operating income	827.1	933.4	1,037.3	1,168.7
PAT	-69.3	20.1	-98.8	31.0
OPBDIT/OI	-4.9%	2.5%	-5.8%	3.7%
PAT/OI	-8.4%	2.1%	-9.5%	2.7%
Total outside liabilities/Tangible net worth (times)	1.7	1.4	1.3	1.0
Total debt/OPBDIT (times)	-3.1	3.3	-2.6	2.3
Interest coverage (times)	-4.0	2.3	-4.5	3.2

Source: Company, ICRA Research; 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

Instrument	Type	Current (FY2026)		Chronology of rating history for the past 3 years					
		FY2026		FY2025		FY2024		FY2023	
		Amount rated (Rs. crore)	Oct 10, 2025	Date	Rating	Date	Rating	Date	Rating
Long term – Fund based – Term loan	Long term	0.00	-	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/WCDL	Long term/Short term	155.00	[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
Long term/Short term – Non-fund based – Letter of credit/Bank guarantee	Long term/Short term	9.00	[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 / short term - non fund based - Letter of Credit/Bank Guarantee	Very simple
Long term/Short term - Fund based - Cash credit/WCDL	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	Letter of Credit/ Bank Guarantee	NA	NA	NA	9.00	[ICRA]A (Stable)/ [ICRA]A2+
NA	Cash credit/ WCDL	NA	NA	NA	155.00	[ICRA]A (Stable)/ [ICRA]A2+

Source: Goodricke Group Limited

[Please click here to view details of lender-wise facilities rated by ICRA](#)

#### Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Koomber Tea Company Private Limited	-	Full consolidation
Amgoorie India Limited	-	Full consolidation
Stewart Holl (India) Limited	-	Full consolidation

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