September 11, 2026

THE JOREHAUT GROUP LIMITED: Long Term rating reaffirmed; Short term Rating withdrawn

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long term fund based – Cash credit	22.00	22.00	[ICRA]A- (Stable), reaffirmed	RBI
Long term fund-based – Term loans	7.95	8.00	[ICRA]A- (Stable), reaffirmed	RBI
Long term/ Short term – Unallocated limits	0.05	0.00	[ICRA]A- (Stable)/ [ICRA]A2+, Long term rating reaffirmed and short term rating withdrawn	RBI
Total	**30.00**	**30.00**		

** Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments that fall under the regulatory purview of financial sector regulators other than SEBI.

Rationale

The reaffirmation of the ratings factors in The Jorehaut Group Limited's (TJGL) established presence in the bulk tea industry, along with the extensive experience of the promoters and its ability to command a premium over North Indian auction prices owing to the superior quality of the tea produced. The company's tea production increased to 6.96 Mkg in FY2026 from 6.58 Mkg in FY2025, supported by higher own-crop production from its four estates. The company continues to maintain healthy agricultural productivity at over 2,000 kg/hectare, aided by regular replantation initiatives and the favourable age profile of the bushes. Further, the production trends have remained encouraging in the current fiscal, with both own-crop and bought-leaf production witnessing year-on-year growth till August 2026. The short-term rating outstanding on TJGL's bank limits has been withdrawn, in accordance with ICRA's policy on withdrawal of credit ratings. The unallocated limits rated on long term and short term basis in the last rating exercise has been allocated towards long term fund-based limits in the current exercise.

ICRA also takes note of the company's strategic initiative to diversify its product portfolio through the installation of a 1.2-Mkg-per-annum orthodox tea (ODX) manufacturing capacity at the Langharjan Tea Estate in FY2026. The capex, funded entirely through internal accruals, is expected to improve the product mix flexibility and support realisations, as orthodox tea typically commands higher prices than the CTC variety. The expected increase in orthodox tea production, along with the associated subsidy support available from the Government, is likely to provide incremental benefits to the company's business profile over the near to medium term. While tea realisations moderated in FY2026 amid an industry-wide correction, the impact was partly offset by higher production volumes. Tea prices have improved in FY2027 till date (5M FY2027) compared to the same period in FY2026.

The ratings continue to derive comfort from TJGL's conservative capital structure, strong liquidity position and low utilisation of working capital limits. However, the ratings remain constrained by the company's modest scale of operations and its exposure to fluctuations in tea prices and agro-climatic risks inherent in tea cultivation. Further, the recent increase in wage rates in Assam may exert some pressure on the profitability, although this is expected to be partly mitigated by higher realisations and an improved product mix.

The ratings continue to be impacted by the company's modest scale of current operations and the risks inherent in tea as an agricultural commodity. These risks stem from the dependence on agro-climatic conditions and the cyclical nature of the tea industry, which is characterised by high fixed costs and results in fluctuations in the profitability and cash flows of bulk tea producers, including TJGL. The concentration of the company's four gardens in Assam 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 TJGL.

The Stable outlook on the long-term rating reflects ICRA's expectations that the entity will maintain its business positioning, conservative capital structure and comfortable liquidity position.

Key rating drivers and their description

Credit strengths

Experienced promoters and established presence in bulk tea industry – TJGL is an established bulk tea producer and accounted for an estimated 0.5% of India's tea production in FY2026 (~0.5% in FY2025). The promoters have over four decades of experience in the tea industry. The company has four tea gardens in the Upper Assam region, spread over a cultivable area of ~2,084 hectares, and four bought leaf units. The bough leaf factories are also located in the Upper Assam region. Around 15% of the company's total produce (in terms of volume) was exported, primarily to the UK.

TJGL's superior tea quality allows it to command premium price – TJGL is one of the established CTC players in the bulk tea industry, with four tea estates across Assam. TJGL's superior quality tea enables it to fetch a premium for its produce compared to the industry average. The weighted average realisation of the tea produced by the company was around 23% higher compared to the North Indian auction average in FY2026. TJGL's gardens record yields that are comparable with other leading bulk tea players.

ICRA also takes note of the company's strategic initiative to diversify its product portfolio through the installation of a 1.2-Mkg-per-annum orthodox tea manufacturing capacity at the Langharjan Tea Estate in FY2026. The capex is expected to improve the flexibility of the product mix and support realisations, as orthodox tea typically commands higher prices than the CTC variant. The expected increase in orthodox tea production, along with the associated subsidy support available from the Government, is likely to provide incremental benefits to the company's business profile over the near to medium term.

Favourable financial risk profile characterised by a conservative capital structure and comfortable debt coverage indicators – The company's capital structure has gradually improved over the last few years on account of scheduled repayment of long-term debt and healthy accretion to reserves. The gearing and TOL/TNW stood at 0.2 times and 0.3 times, respectively, as on March 31, 2026. The company's long-term debt has increased in the last three fiscals following a sizeable, partly debt-funded capex, which included the acquisition of a bought leaf factory (Kaziranga Tea Manufacturers), purchase of new office space in Kolkata and the addition of a new orthodox capacity in Langharjan Tea Estate. Nonetheless, the gearing continues to be conservative. The debt coverage indicators also remain strong, supported by healthy accruals and the relatively lower debt level.

Credit challenges

Modest scale of current operations; moderate top line growth likely in FY2027 – The company's scale of operations continues to be modest. It produced an estimated 3.8 Mkg of tea from its estates and around 3.1 Mkg from the bought leaf operations in FY2026. Although this reflects a growth over the previous fiscal, the company's scale of operations remains modest at an absolute level. In the current fiscal, the realisation is expected to show a modest growth following the significant correction witnessed last year. Till date, industry-level CTC prices have improved by Rs. 18 per kg in 5M FY2027 owing to higher demand. Further, the higher own crop and bought leaf production is expected to support revenue growth in FY2027.

Profitability and cost structure vulnerable to wage rate hikes in the near term – TJGL's operating margins were affected in FY2026 because of subdued realisations. Additionally, the basic daily wages for tea estate workers in Assam have been increased by Rs. 30 per manday from April 2026, which is expected to push up the cost of made tea by Rs. 9–10/kg. However, the higher realisation is expected to offset the impact of the hike in wage rates to an extent in the current fiscal. Going forward, any significant wage hike impacting the profitability would be a key rating sensitivity. Any sharp hike in wage rates without a commensurate increase in realisation will adversely impact the margins and coverage metrics of the bulk tea players.

Risks associated with tea being an agricultural commodity; dependence on favourable agro-climatic conditions – Tea is an agricultural commodity and hence its production remains susceptible to agro-climatic risks. Moreover, tea estate costs are primarily fixed, with labour related costs, which are independent of the volume of production, accounting for around 60% of the production cost. This leads to variability in the profitability and cash flows of bulk tea producers, including TJGL.

Export market performance of Indian tea crucial to sustain buoyancy in domestic tea prices – Exports play a vital role in maintaining the overall demand-supply balance in the domestic tea market, notwithstanding India's large domestic consumption base. The 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's liquidity position is expected to remain adequate. The average utilisation of the fund-based working capital limits has remained low (under 50%) over the last 12 months ended July 2026. TJGL has limited long-term debt repayment obligations compared to its likely cash accruals over the next few years. The company is expected to benefit from liquid investments and surplus cash/bank balances of ~Rs. 67 crore as of March 2026. Further, it has no large capex programme in the pipeline, thereby providing a sizeable overall liquidity buffer. ICRA expects the company's overall liquidity position to remain adequate, going forward.

Rating sensitivities

Positive factors – ICRA may upgrade TJGL's ratings if there is a material increase in its scale of operations along with an improvement in its profitability and liquidity position, significantly strengthening its net worth on a sustained basis.

Negative factors – Pressure on TJGL's ratings may arise if there is a significant decline in profitability and/or a higher-than-anticipated debt-funded capital expenditure, adversely impacting the capital structure and debt protection metrics. Besides, any significant deterioration in the liquidity position may also result in a downgrade. A specific credit metric for downgrade includes a total debt/OPBDITA of more than 2.3 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Tea Policy on Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of the company

About the company

The Jorehaut Group Limited (TJGL), incorporated in 1977, primarily produces black tea of the CTC variety. The company sells its products in the domestic as well as export markets. It has four tea gardens in the Upper Assam region, primarily in the Golaghat and Dibrugarh districts. The company's tea estates are spread over a cultivable area of around 2,084 hectares. It acquired a bought leaf factory, Kaziranga Tea Manufacturers, in Golaghat, Assam, in May 2023. At present, the company has four bought leaf factories.

Key financial indicators (audited)

TJGL, Standalone	FY2024	FY2025	FY2026*
Operating income	165.8	188.2	186.3
PAT	8.1	15.8	9.0
OPBDIT/OI	7.2%	10.4%	7.9%
PAT/OI	4.9%	8.4%	4.8%
Total outside liabilities/Tangible net worth (times)	0.4	0.4	0.3
Total debt/OPBDIT (times)	1.5	1.2	1.6
Interest coverage (times)	11.5	20.7	12.5

*Source: The Jorehaut Group Limited, ICRA Research; *Provisional; 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

CRA	Status of non-cooperation	Date of press release
CARE Ratings	CARE B+; Stable; ISSUER NOT COOPERATING*, rating continues to remain under ISSUER NOT COOPERATING category and downgraded	August 05, 2026

Any other information: None

Rating history for past three years

	Current (FY2027)			Chronology of rating history for the past 3 years					
	FY2027			FY2026		FY2025		FY2024	
Instrument	**Type**	**Amount rated (Rs. crore)**	**Sep 11, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Cash credit	Long term	22.00	[ICRA]A- (Stable)	July 07, 2025	[ICRA]A- (Stable)	Apr 04, 2024	[ICRA]A- (Stable)	-	-
Term loans	Long term	8.00	[ICRA]A- (Stable)	July 07, 2025	[ICRA]A- (Stable)	Apr 04, 2024	[ICRA]A- (Stable)	-	-
Unallocated limits	Long term/ Short term	-	[ICRA]A- (Stable)/ [ICRA]A2+; short term rating withdrawn	July 07, 2025	[ICRA]A- (Stable)/[ICRA]A2+	Apr 04, 2024	[ICRA]A- (Stable)/[ICRA]A2+	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term fund based – Cash credit	Simple
Long term fund based – Term loans	Simple
Unallocated Limits	Not Applicable

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	Financial Sector Regulator#
NA	**Cash credit**	-	-	-	22.00	[ICRA]A- (Stable)	RBI
NA	**Term loan 1**	FY2025	-	FY2029	4.28	[ICRA]A- (Stable)	RBI
NA	**Term loan 2**	FY2024	-	FY2029	3.72	[ICRA]A- (Stable)	RBI
NA	**Unallocated Limits**	-	-	-	-	[ICRA]A- (Stable) /[ICRA]A2+; short term rating withdrawn	RBI

Source: The Jorehaut Group Limited

 # SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis - Not applicable

ANALYST CONTACTS

Girishkumar Kadam
+91 22 6114 3441
girishkumar@icraindia.com

Ankit Jain
+91 124 4545 865
ankit.jain@icraindia.com

Sumit Jhunjhunwala
+91 33 6521 6814
sumit.jhunjhunwala@icraindia.com

Sujoy Chatterjee
+91 33 6521 6815
sujoy.chatterjee@icraindia.com

RELATIONSHIP CONTACT

Mr. L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches