

Shri Vasuprada Plantations Limited

June 01, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 50.00 Crore	Regulator[^]
Long Term Rating	IVR BB/Negative (Rating reaffirmed; Outlook revised to 'Negative' from 'Stable')	RBI
Short Term Rating	IVR A4 (Rating reaffirmed)	RBI

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

The ratings assigned to the bank facilities of Shri Vasuprada Plantations Limited (SVPL) consider the common management team and financial linkages between SVPL and its subsidiary - Keshava Plantations Private Limited and associate company - The Cochin Malabar Estates and Industries Limited. Infomerics has taken a consolidated view of these entities.

Infomerics has reaffirmed the ratings assigned to the bank facilities of SVPL considering long experience of the promoters in the tea industry, geographic and product diversification coupled with favourable location of tea gardens, and satisfactory capital structure. The ratings are, however, constrained on account of decline in profits in FY26 (refers to period April 01, 2025, to March 31, 2026), fragmented and competitive nature of industry, agro climatic risk, volatility associated with tea prices and labour-intensive nature of industry.

Outlook: Negative

The revision in the long-term rating outlook from Stable to Negative considers the YoY decline in profit of the company during FY26 and the inability of the company to meet its projection given earlier, indicating weaker-than-anticipated operational and financial performance.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Consolidation
Parent/ Group Support	Not applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

- **Long experience of the promoters in the tea industry**

The company formerly named as Joonktollee Tea & Industries Limited was promoted by John Elliot Esq. in August, 1874. Later in 1920's the John Elliot Esq. handed over the management and control to the managing agency of Kettlewell Bullen & Co. Ltd. Subsequently, in the year 1954, Bangur family acquired the managing agency and since then the company has been under the management of Bangur group of Kolkata. The affairs of the company are looked after by Mr. Hemant Bangur who has experience of around two decades in the tea industry.

- **Geographic and product diversification coupled with favourable location of tea gardens**

The company has presence in East and South India as it has its estates situated in Assam, Karnataka and Kerala. Since the company is exposed to agro climatic risk, geographic diversification helps the company to mitigate the risk associated with any vagaries of nature or any epidemic which might impact any particular region. Further, the product profile of the company is moderately diversified as the group is involved in the business of tea, coffee and rubber. Majority of the tea gardens of the company are located in upper Assam which is well-known for its superior quality of tea due to its favorable climatic conditions and better soil structure thereby commanding a premium over industry average levels.

- **Satisfactory capital structure**

As of March 31, 2026, total debt was Rs. 81.31 crore compared with net worth of Rs. 87.09 crore. The capital structure of the company is satisfactory with overall gearing of 0.96x as on March 31, 2026, the same increased marginally from 0.86x as on March 31, 2025, due to a decrease in net worth. Also, the TOL/ATNW was 1.31x as on March 31, 2026, compared with 1.16x as on March 31, 2025.

Weaknesses

- **Decline in profits in FY26**

The company's profitability witnessed a significant deterioration in FY26, with PAT declining sharply to a loss of Rs. 7.12 crore from a profit of Rs. 6.10 crore in FY25 (refers to period April 01, 2024, to March 31, 2025), despite a 6.9% growth in operating income, indicating severe margin pressure rather than revenue weakness. EBITDA declined by over 56% to Rs. 3.41 crore, resulting in compression of EBITDA margin to 2.37% from 5.83% in the previous

year, while PAT margin turned negative at -4.89%. The decline was primarily driven by elevated input costs, weak realizations in the rubber segment, and lower minor crop output due to adverse climatic conditions, leading to erosion in operating profitability and cash accruals. Consequently, debt protection metrics weakened materially, as reflected in interest coverage deteriorating to 0.55x, highlighting stressed earnings profile and reduced debt-servicing ability, thereby emerging as a key rating weakness. However, recent measures taken by the company such as rubber tree felling, strategic expansion in orthodox tea, tea eco-tourism initiatives will aid its topline and profit going ahead.

- **Fragmented and competitive nature of industry**

While the tea industry is an organized agro-industry, it is highly fragmented in India with presence of many small, mid-sized and large players. There are about 1000 of tea brands in India, of which 90% of the brands are represented by regional players while the balance 10% are dominated by big corporate houses. This, coupled with the growing shift from loose to branded tea among consumers, would further intensify the competition for the company.

- **Agro climatic risk**

Majority of tea estates are located in Assam, which has witnessed erratic weather conditions in the past like droughts, pest attacks, heavy rainfall, delay in monsoon, floods and waterlogging etc. Such extreme weather fluctuations both in terms of temperature and rainfall impacts the growth of tea leaves. Accordingly, the company's profitability is highly susceptible to vagaries of nature.

- **Volatility associated with tea prices**

The prices of tea are linked to the auctioned prices, which in turn, are linked to prices of tea in the international market. Hence, significant adverse price movement in the international tea market will affect the company's profitability margins. Further, tea prices fluctuate widely with demand-supply imbalances arising out of both domestic and international scenarios.

- **Labour intensive nature of industry**

The nature of the tea industry makes it highly labour intensive, entailing around 50%-60% of cost of sales by way of salaries & wages and various employee welfare facilities. Any significant increase in wages with no corresponding increase in tea price realization and output may negatively impact the profitability margin in the future.

Liquidity – Adequate

The liquidity position of the company is adequate marked by its expected gross cash accruals as against debt obligations from FY27 to FY29. Moreover, the company's cash credit bank limits are utilized to the extent of ~47% on an average basis, giving sufficient liquidity cushion. Further any

funding support is available from its resourceful promoters, who have aided the company's requirement to meet its debt obligation whenever required.

Rating Sensitivities

Upward Factors

- Significant growth in scale of business with improvement in topline and profitability leading to rise in gross cash accruals on a sustained basis.

Downward Factors

- Dip in operating income and/or moderation in profitability impacting the cash accruals and deterioration in debt protection metrics
- Deterioration in capital structure marked by overall gearing above unity.
- Any major debt funded capex undertaken by the company

About the Group

Shri Vasuprada Plantations Limited (Formerly: Joonktolee Tea & Industries Limited) is engaged in manufacturing and cultivation of tea, coffee and rubber and belongs to Bangur Group. The company operates four exclusive tea estates spread in Assam, Karnataka; one exclusive coffee estate in Karnataka, one estate in Karnataka in which both tea and coffee are grown and one rubber estate in Kerala. The company is listed on the Bombay Stock Exchange (BSE) and Calcutta Stock Exchange (CSE). As on 31st March 2026, the company has one wholly-owned subsidiary company namely, Keshava Plantations Pvt. Ltd. and one associate company namely The Cochin Malabar Estates and Industries Ltd.

Key Financial Indicators (Consolidated):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	134.36	143.62
EBITDA	7.83	3.41
PAT	6.10	-7.12
Total Debt	79.61	81.31
Tangible Net Worth (TNW)	94.59	87.09
EBITDA Margin (%)	5.83	2.37
PAT Margin (%)	4.50	-4.89
Overall Gearing (times)	0.86	0.96
Interest Coverage (times)	1.27	0.55

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	123.41	133.85
EBITDA	5.22	4.41
PAT	5.69	-6.99
Total Debt	78.60	81.95
Tangible Net Worth (TNW)	70.89	63.89
EBITDA Margin (%)	4.23	3.29
PAT Margin (%)	4.51	-5.22
Overall Gearing (times)	1.11	1.28
Interest Coverage (times)	0.92	0.73

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition and Post Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Consolidation of companies](#)

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years

Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstandi ng (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					August 25, 2025	September 19, 2024	-
1.	Fund based facilities	LT/ST	50.00	IVR BB/Negative/IVR A4	IVR BB/Stable/IVR A4	IVR BB/Stable/IVR A4	-

Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISI N	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned / Outlook	Listing Status	Regulator ^	Complexity Indicator
Proposed Term Loan	NA	NA	NA	NA	4.00	IVR BB/Negative	NA	RBI	Simple
Cash Credit 1	NA	NA	NA	NA	15.00	IVR BB/Negative	NA	RBI	Simple
Cash Credit 2	NA	NA	NA	NA	5.00	IVR BB/Negative	NA	RBI	Simple
Cash Credit 3	NA	NA	NA	NA	5.00	IVR BB/Negative	NA	RBI	Simple
Proposed Cash Credit	NA	NA	NA	NA	4.00	IVR BB/Negative	NA	RBI	Simple
WCDL	NA	NA	NA	NA	17.00	IVR A4	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

[https://infomericstorage.blob.core.windows.net/uploads/Len_Shri_Vasuprada Plantations01_Jun26_8c557fa4d4.pdf](https://infomericstorage.blob.core.windows.net/uploads/Len_Shri_Vasuprada_Plantations01_Jun26_8c557fa4d4.pdf)

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:**Annexure 4: List of companies considered for Consolidated/Combined analysis:**

Name of the company	Relationship	Shareholding as on March 31, 2026	Consolidation Approach
Keshava Plantations Private Limited	Subsidiary	100%	Full Consolidation
The Cochin Malabar Estates and Industries Limited	Associate	24.68%	Full Consolidation

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI



4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

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