Jay Shree Tea & Industries Limited

December 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	294.25 (Enhanced from 252.94)	CARE BBB-; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	82.00	CARE BBB-; Stable / CARE A3	Reaffirmed
Short Term Bank Facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of ratings assigned to the bank facilities of Jay Shree Tea and Industries Limited (JSTIL) derive strength from its strong promoter group and its improvement in financial performance in FY25 and sustenance of the same in H1FY26. The company also has a diversified revenue profile and a wide geographical presence.

It also factors in JSTIL's, adequate capacity utilisation and strong brand name for bulk tea (in both CTC and orthodox varieties) and fertilisers. Furthermore, the rating takes into account cash accruals from monetisation of assets by the company in FY25.
The ratings, however, remain constrained by moderate financial risk profile. The operations remain labour-intensive while the profitability is susceptible to price volatility and exposure to agro-climatic risk, as both tea and sugar are agricultural commodities. There are also regulatory risks associated with the sugar and fertiliser industries, which are susceptible to sudden changes in government policies.

CARE Ratings Limited (CareEdge Ratings) has withdrawn the ratings assigned to the short-term bank overdraft limit of JSTIL from receipt of No Dues Certificate (NDC) from the lender.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the total operating income (TOI) beyond ₹ 1000 crore while maintaining EBIDTA margin of over 8% on a sustained basis.
- Improvement in the overall gearing below unity and debt coverage indicators from current level on a sustained basis.

Negative factors

- Any large debt funded capex leading to deterioration in the capital structure from the current level.
- Deterioration in TOI below ₹ 600 crore with moderation in profitability margin below 5% on a sustained basis.

Analytical approach: Standalone. Factoring linkages with the B. K. Birla group.

Outlook: Stable

Stable outlook for the company is based on the expectations that the company will continue to benefit from the extensive experience of the promoters and management in the industry which will lead to sustenance and improvement of its revenues going ahead with stable margins while maintaining its capital structure.

Detailed description of key rating drivers:

Key strengths

Strong promoter group

JSTIL is a part of B. K. Birla group. The company has been operating in the bulk tea industry for over seven decades. JSTIL derives strength from the extensive experience of its promoters and the strong and competent management. JSTIL is managed by Ms. Jayashree Mohta, elder daughter of the late Shri B. K. Birla. She has more than two decades of experience in the business

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

of tea, sugar, chemicals, and fertilizers industries. JSTIL is a professionally managed company with board of directors comprising of highly experienced and qualified members.

Improvement in performance during FY25 and sustenance of the same in H1FY26
The financial performance improved in FY25 with TOI of ₹851 crore compared to ₹749 crore in FY24. The profitability for FY25 also increased significantly with profit before interest, lease rentals, depreciation, and taxation (PBILDT) of ₹40.97 crore compared to negative ₹44.41 crore in the previous year, backed by higher realisation of tea and increase in subsidy for fertilisers from the Government.

The ethanol production, which was halted previously due to ban on production from B heavy molasses and cane juice, resumed from August 2024 onwards after the ban was lifted. The company generated a profit after tax (PAT) of ₹80.60 crore in FY25.
In the current financial year, the realisation of tea, which increased in FY25, has sustained at similar levels. The government has extended the timeline for tea factories to operate until mid-December this year compared to mid-November last year. Around six lakh kg of additional tea production is expected, generating additional TOI.

For the fertiliser division, the subsidy per tonne increased to ₹2,142 from April 2025, compared to ₹1,264 per tonne in the previous year. The sugar and ethanol division is expected to sustain its performance in FY26 with expected higher production of sugarcane this year.
In H1FY26, the company reported TOI of ₹450.45 crore with PBILDT margin of 7%.

Cash accruals from monetisation of assets by the company during FY25
The company has sold a part of its land in a tea estate and one tea estate in FY25, generating a profit of ~₹87 crore. The company also sold its loss-making sulphuric acid unit in FY25, generating a profit of ₹48.37 crore. This resulted in gross cash accruals (GCA) of ₹150 crore in the full fiscal.

In the current financial year, asset monetisation is expected to continue as JSTIL is in the process of disinvestment of a land and a Mumbai property for ₹15 crore.

Diversified revenue mix coupled with wide geographical presence
The company has tea estates for manufacturing of bulk tea (in both CTC and orthodox varieties). The company is also engaged in the manufacturing of sugar, ethanol, and fertilizers. Besides this the company is engaged in tea warehousing and investing activities. During FY25, tea accounted for 58.78% (PY: 68%), sugar accounted for 61.66% (PY: 29%) and chemicals & fertilizers accounted for 8.71% (PY: 13%) of the turnover. Furthermore, the geographically diversified location of the tea estates, which are spread across Upper Assam, Cachar, Dooars, Darjeeling and Terai region, mitigate the risk of unfavourable agro-climatic conditions in a particular region to some extent. The company also has tea gardens in Uganda through its foreign subsidiaries. The sugar unit also benefits from its location in eastern India, which is a sugar-deficit zone, and faces limited competition from nearby sugar factories. Apart from this the company has one fertiliser unit. Majority of the company's revenues are generated from domestic sales, with around 12% coming from export of tea products.

Adequate capacity utilisation
The capacity utilisation (CU) for tea division has remained in the range of 68-70% over the last three years. The capacity utilisation of single super phosphate (SSP) increased to 60.55% in FY25 (P.Y. 57%) owing to higher production by the company as a result of increase in subsidies by the Government on SSP. With further increase in subsidies effective from FY26 onwards, the production of SSP is expected to improve going forward. The sugar division utilisation remained adequate at 95% in FY25 compared to 99% in FY24. The ethanol production which was halted previously due to ban on production from B heavy molasses and cane juice resumed from August, 2024 onwards after lift of ban. The company produced 135,93 KL of ethanol in FY25, operating at a 62% capacity.

Strong brand name for bulk tea and fertilizers
JSTIL is an established producer of bulk tea (in both CTC and orthodox varieties). The tea produced by JSTIL's estates has consistently commanded a premium over the district average because of their quality. The company offers close to 68 type of tea sub-varieties under its various varieties like oolong, whole leaf, ruby, dust, pekoe, fanning's, organic, white, green tea, and others. In FY22, the company launched Darjeeling Tea in packets besides "Bagicha-by Jay Shree Tea" which was launched earlier. These new launches are being publicised through online mediums including its website and various social media platforms. Though majority of its revenues are from the tea division, the company also sells fertilisers through its brand "Annapurna", which is well accepted by the farmers in the state of West Bengal.

Key weaknesses

Moderate financial risk profile

The capital structure of the company improved in FY25 with overall gearing of 1.09x as on March 31, 2025 compared to 1.60x as on March 31, 2024 due to higher profit generation, improved financial performance, and monetisation of various assets in the year.

The debt coverage indicators also improved significantly with profit before interest, lease rentals, depreciation, and taxation (PBILDT) interest coverage ratio moving to 1.09x (PY: -1.19x) and total debt/gross cash accruals (TD/GCA) of 2.90x compared to 17.63x in the previous year.

Improvement in capital structure is expected in the medium term with repayment of ongoing term loans and accretion of profit.

Labour intensive nature of business

The nature of the tea industry makes it highly labour intensive, entailing around 33% - 34% of total cost of sales in FY24 and FY25 by way of salaries & wages, various employee welfare facilities, etc. JSTIL has a total work force of around 19000 permanent employees as on March 31, 2025, of which the majority belong to the tea industry as it is labour intensive in nature. The rising labour cost is a major cause of concern in the face of stagnating tea prices and any significant increase in wages with no corresponding increase in tea price realization may adversely impact the profitability margin in the future. With a view to softening the impact of rising labour cost, longer picking cycles are sometimes adopted leading to poor quality tea production which fetches low price and consequently incurs losses for the industry. Further, the labour work force is an integral part of the tea industry, and it is imperative to follow labour laws and maintain amicable relationship with the labourers for smooth functioning of the business.

Profitability susceptible to price volatility and exposure to agro-climatic risk

As tea and sugar are agricultural commodities, the company is exposed to agro-climatic and price volatility risks. Additionally, the inherent cyclicality of the fixed-cost intensive tea industry leads to variability in the profitability and cash flows of bulk tea producers, such as JSTIL. The fertiliser business is also exposed to price fluctuations given the volatile pricing of inputs like rock phosphate, sulphuric acid and sulphur.

Regulatory risks associated with the sugar and fertiliser industries

The performance of JSTIL's sugar division depends on the government's policies on sugar industry to a certain extent. The support by both the central and the state governments, to sugar producing companies, which included revision in minimum support prices, interest subvention loans for ethanol expansion and providing soft loans (by the Central Government) in addition to the export subsidy, supported the sugar industry. Further, the Government of India's policy and decisions with respect to subsidy sharing with fertiliser manufacturers has a significant bearing on JSTIL's profitability, cash flows and liquidity position (for the fertiliser segment).

Liquidity: Adequate

The liquidity is considered adequate with gross cash accruals (GCA) of ₹149.92 crore in FY25. The company expects to continue monetising certain assets to garner liquidity and improve overall performance. JSTIL has loan repayment obligation of ~₹28 crore in FY26, which is expected to be met without difficulty. The working capital limits utilisation has been ~77.23% in the last 12 months ending September 2025. As of March 31, 2025, the company has free cash, bank balance, and liquid investments of ₹7.17 crore.

The operating cycle increased to 109 days in FY25 compared to 95 days in the previous year due to increase in inventory days from 127 days in FY24 to 131 days in FY25.

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Fertilizer
Manufacturing Companies
Sugar Sector
Financial Ratios – Non financial Sector
Withdrawal Policy
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Tea & Coffee

Incorporated in October 1945, JSTIL, is a part of the diversified conglomerate of the B. K. Birla group. The company is managed by Jayashree Mohta, elder daughter of the late B. K. Birla. The company is engaged in the manufacturing of tea, chemicals, fertilizers and sugar. JSTIL has four Indian subsidiaries (North Tukvar Tea Company Limited (ceased to be subsidiary w.e.f. December 31, 2022), Jayantika Investment and Finance Limited (ceased to be subsidiary w.e.f. April 1, 2023), Bidhannagar Tea Company and Basant Stays Private Limited (erstwhile Divyajyoti Tea Company Private Limited)) and one foreign subsidiary (Birla Holdings Limited). At present, the company has crushing capacity of 5,000 TCD in the sugar division, annual capacity of 21 million kgs in the tea division and 132,000 MT of production capacity of single super phosphate. The company also has a co-generation plant of 6MW for captive consumption and an ethanol production capacity of 56 KLPD.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	749.11	850.69	450.45
PBILDT	-44.41	40.97	31.92
PAT	15.55	80.60	9.62
Overall gearing (times)	1.60	1.09	-
Interest coverage (times)	-1.19	1.05	-

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Brickwork has conducted the review on the basis of best available information and has classified JSTIL as "Not cooperating" vide its press release dated November 18, 2025. The reason provided by Brickwork is inadequate information and absence of No Default Statement (NDS).

Any other information: Not Applicable.

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	238.00	CARE BBB-; Stable
Fund-based - LT/ ST-Working Capital Demand loan		-	-	-	42.00	CARE BBB-; Stable / CARE A3
Non-fund-based - LT/ ST-BG/LC		-	-	-	40.00	CARE BBB-; Stable / CARE A3
Fund-based - ST-Bank Overdraft		-	-	-	0.00	Withdrawn
Term Loan-Long Term		-	-	June 2028	56.25	CARE BBB-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - LT/ ST-BG/LC	LT/ST	40.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (03-Oct-24)	1)CARE BBB-; Stable / CARE A3 (07-Nov-23)	1)CARE BBB-; Stable / CARE A3 (06-Jan-23)
2	Term Loan-Long Term	LT	56.25	CARE BBB-; Stable	-	1)CARE BBB-; Stable (03-Oct-24)	1)CARE BBB-; Stable (07-Nov-23)	1)CARE BBB-; Stable (06-Jan-23)
3	Fund-based - LT-Cash Credit	LT	238.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (03-Oct-24)	1)CARE BBB-; Stable (07-Nov-23)	1)CARE BBB-; Stable (06-Jan-23)
4	Fund-based - LT/ ST-Working Capital Demand loan	LT/ST	42.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (03-Oct-24)	1)CARE BBB-; Stable / CARE A3 (07-Nov-23)	1)CARE BBB-; Stable / CARE A3 (06-Jan-23)
5	Fund-based - ST-Bank Overdraft	ST	-	-	-	1)CARE A3 (03-Oct-24)	1)CARE A3 (07-Nov-23)	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities : Not Applicable.

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT/ ST-Working Capital Demand loan	Simple
3	Fund-based - ST-Bank Overdraft	Simple
4	Non-fund-based - LT/ ST-BG/LC	Simple
5	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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