

The Rajagiri Rubber and Produce Company Limited

February 17, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.29 (Reduced from 10.53)	CARE BB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the bank facilities of The Rajagiri Rubber and Produce Company Limited (RRP) is constrained by small scale of operations, operational losses and price volatility risk associated with agricultural commodity. The ratings, however, derive strength from vast experience of the promoters being part of the larger AVT Group of companies and long track record of operations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Ability to generate profits before interest, lease rentals, depreciation and tax (PBILDT) against losses in the past.
- Improve scale of operations with income above Rs.50 crore.

Negative factors

- Any large debt funded capex leading to overall gearing above 3x.
- Any reduced or withdrawal of funding support from the promoters and ICDs leading to stretch in liquidity.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the company's operations will continue to remain stable in the medium-term deriving benefit from established market presence of AVT group and continue to benefit from financial support from the promoters and group

Detailed description of key rating drivers:

Key weaknesses

Small scale of operations with operational losses

TOI of the company remains small despite a 47% improvement in FY25 to Rs. 23.17 Crores. TOI further grew by 30.2% on an annualized basis in 9MFY26 to Rs. 22.65 Crores. Growth in TOI is backed by increase in bought rubber processing whose contribution increased from 12% of TOI in FY24 to 50% in 9MFY26 and higher realizations.

Operational losses continued in FY25 due to higher employee costs which stood at 56% of TOI in FY25 (PY: 75%). However, Losses declined in FY25 with PBILDT% a -5.78% (PY: -50.6%) backed by increase in rubber prices.

Risk associated with agricultural commodity

RRP's profitability is highly susceptible to climatic changes as all its domestic plantations are concentrated in Kerala. The erratic climate with excessive rainfall during monsoon and extreme heat during summer results in high fluctuations in rubber production. Further, with the estate costs being largely fixed (driven by labour costs), inherent cyclicity and fluctuations in prices result in volatility in revenues and earnings. The margins are also prone to intense competition in the industry given the low capital intensity in the processing activity, and minimal value addition, involved in processing of natural latex into rubber and other derivatives.

Key strengths

Part of larger AVT Group with long operational track record

The AV Thomas group, founded in 1925, is a family-owned business group in south India, with the third generation at the helm of affairs. The group has diversified business interests across agricultural commodities, tea, solvent extraction, leather, rubber and spices. Some of the key entities belonging to the Group include AV Thomas and Co. Limited, AVT McCormick Ingredients Private Limited, AVT Natural Products Limited and A V Thomas Leather & Allied Products Private Limited (rated CARE A-; Stable/A2+). The group is currently managed by Mr. Ajit Thomas and his brother Mr. Dilip Thomas along with professionals. RRP was

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

incorporated in 1937 and has a long track record of operations of over 8 decades. It has a rubber processing unit with installed capacity of 4914 MTPA.

Financial support extended by the promoters

The promoters have demonstrated considerable support in the past in the form of unsecured loans with no fixed repayment schedule. The total amount of unsecured loans extended by the promoters and group companies stood at ₹14.75 crore as on March 31, 2025 (PY: ₹12 crore). With proceeds from sale of Chulika estate, company has repaid Rs. 4.9 Crores of loan from promoters in FY26 with balance standing at Rs. 9.85 Crores as on 31st December 2025.

Comfortable capital structure

RRP sold one of its estates, Chulika estate for a sale consideration of Rs. 54 Crores in FY24 out of which entire amount has been received, however, Rs. 27 Crores is held in a joint escrow with the buyer. Rs. 27 Crores held in the escrow account will be released once the pending civil cases are settled. The net worth of the company improved sharply during FY24 driven by the profit from sale of Chulika estate of Rs. 50.79 Crores. Overall Gearing remains comfortable at 0.23x as on December 31, 2025 (March 31, 2025: 0.29x) with most of the debt in the form of unsecured loans from promoters. As on December 31, 2025, company had cash and bank balance of Rs. 50.52 Crores out of which Rs. 27 Crores is held in the escrow account, Rs. 10 crores is lien marked against bank facilities and unencumbered cash and bank balance stood at Rs. 13.52 Crores.

Liquidity: Stretched

Liquidity of the company is stretched with operational losses. The liquidity however is supported by regular infusion of unsecured loans from promoters and group entities. Post sale of Chulika estate, company has free cash and deposits stood at ~Rs. 13 Crores as on 31st December 2025. The average working capital utilization for the past 12 months ended December 2025 stood at 25.01%. Current ratio stood at 3.01x as on March 31, 2025. Company has receivables due more than 3 years of Rs. 1.72 Crores as on March 31, 2025, which is currently under dispute.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Rubber

The Rajagiri Rubber and Produce Company Limited (RRP) was incorporated in 1937. The Company is mainly engaged plantation activities and Rubber Estates in Koodal (Pathanamthitta), Punalur (Kollam). The aggregate area of the rubber estate is around 932 hectares. Sale of rubber forms 98.83% (PY: 92.52%) of income followed by minor produce contributing 1.17% (PY: 7.48%) of income in FY25. The company has rubber processing unit with installed capacity of 4914 MTPA as on March 31st, 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	16.19	23.17	22.65
PBILDT*	-8.19	-1.34	-2.61
Profit after tax (PAT)	43.79	-2.33	0.77
Overall gearing (x)	0.25	0.29	0.23
Interest coverage (x)	-5.87	-0.94	-2.69

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA:

Brickwork Ratings has continued the rating assigned to the bank facilities of RRP into ISSUER NOT COOPERATING category vide press release dated January 08, 2026, on account of its inability to carry out a review in the absence of requisite information from the company.

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	10.00	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	Jan 2027	0.29	CARE BB+; 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	Fund-based - LT-Term Loan	LT	0.29	CARE BB+; Stable	-	1)CARE BB+; Stable (05-Feb-25)	1)CARE BB+; Stable (20-Mar-24)	-
2	Fund-based - LT-Cash Credit	LT	10.00	CARE BB+; Stable	-	1)CARE BB+; Stable (05-Feb-25)	1)CARE BB+; Stable (20-Mar-24)	-

LT: Long 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-Term Loan	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.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Pradeep Kumar V Senior Director CARE Ratings Limited Phone: 044-2850 1001 E-mail: pradeep.kumar@careedge.in	Analytical Contacts Sandeep P Director CARE Ratings Limited Phone: +91-44-2850 1002 E-mail: sandeep.prem@careedge.in Ali Monish P E Assistant Director CARE Ratings Limited Phone: +91-44-2850 1021 E-mail: alimonish.p@careedge.in Aadarsh Gs Analyst CARE Ratings Limited E-mail: Aadarsh.Gs@careedge.in
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