

Bhauram Jodhraj

April 10, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	-	-	Reaffirmed at CARE BB; Stable and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Ltd. has reaffirmed and withdrawn the outstanding ratings of 'CARE BB; Stable' [Double B; Outlook: Stable] assigned to the bank facilities of Bhauram Jodhraj (BJ) with immediate effect. The above action has been taken at the request of BJ and 'No Objection Certificate' received from the bank that have extended the facilities rated by CARE Ratings Ltd.

The rating assigned to the bank facilities of Bhauram Jodhraj is constrained by partnership nature of constitution, leveraged capital structure albeit satisfactory debt coverage indicators, working capital intensive nature of operations, susceptibility to vagaries of nature, volatility associated with tea prices and fragmented and competitive nature of industry and ongoing capex. The rating however derives strength from extensive experience of the promoters in the tea industry, diversified geographical presence, improvement in scale of operations and profitability margins and satisfactory capacity utilization and recovery rate.

Analytical approach: Standalone

Outlook: Stable

The firm is expected to sustain its scale of operations on the basis of its high average net selling price due to higher emphasis on exports.

Detailed description of key rating drivers:

Key weaknesses

Partnership nature of constitution: Bhauram Jodhraj, being a partnership firm, is exposed to inherent risk of partners' capital being withdrawn at the time of personal contingency and firm being dissolved upon the death/retirement/insolvency of the partners. Furthermore, partnership firms have restricted access to external borrowing as credit worthiness of partners would be the key factors affecting credit decision for the lenders. The partners have withdrawn net capital amounting to Rs. 1.47 crore in FY25.

Working capital intensive nature of operations: Bhauram Jodhraj's business, being manufacturing and processing of tea, is working capital intensive in nature. Different types of processes are involved in tea manufacturing like withering, fixing, oxidation, rolling, drying and aging. The entity's operations are working capital intensive as reflected by a working capital cycle of 61 days in FY25 (PY: 97 days). Working capital cycle has reduced on account of reduction in inventory holding period at 31 days in FY25 (PY: 55 days). The firm has to maintain the requisite inventory due to seasonal availability of tea and also to meet export demands. Furthermore, the perennial nature of the tea industry is highly labour intensive, entailing sizeable expenditure on employees (by way of salaries & wages, various employee welfare facilities, etc.).

Susceptible to vagaries of nature: Tea production is not only cyclical but also highly vulnerable to natural uncertainties. BJ's tea processing unit is situated in Kamrup district, Assam—the second-largest tea-producing state in India. However, the region has occasionally experienced erratic weather conditions. While tea demand is expected to remain stable, supply is largely dependent on climatic factors in key tea-growing areas. Consequently, adverse natural events can significantly impact the productivity of tea gardens in the region, exposing the firm to the inherent risks of climatic variability.

Volatility associated with tea prices: Tea prices are primarily determined by auction rates, which are closely linked to international market trends. Consequently, any significant adverse movement in global tea prices can impact BJ's profitability margins. Additionally, tea prices are highly volatile due to demand-supply imbalances arising from both domestic and international factors. Being a perishable commodity with relatively price-inelastic demand across all social segments, tea consumption remains steady, while supply fluctuates based on climatic conditions in major tea-producing regions. Unlike other commodities, tea price cycles are not correlated with general economic trends but are driven by agro-climatic variations.

Fragmented and competitive nature of industry: Although the tea industry is an organized agro-based sector, it remains highly fragmented in India, with numerous small, mid-sized, and large players. The market comprises nearly 1,000 tea brands, of which approximately 90% are represented by regional players, while the remaining 10% is dominated by large corporate

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

houses. This fragmentation, combined with the growing consumer shift from loose tea to branded products, is expected to further intensify competition for the firm.

Leveraged capital structure albeit satisfactory debt coverage indicators: The entity's capital structure stood leveraged, as marked by an overall gearing of 1.83x as on March 31, 2025 (1.82x as on March 31, 2024) on account of low net worth base. Its debt profile largely comprises of working capital borrowings (CC limit and EPC limit), term loan and unsecured loans from promoters. Debt coverage indicators stood satisfactory, as marked by PBILDT interest coverage of 3.97x in FY25 (2.6x in FY24) and total debt to GCA (TD/GCA) of 6.44x in FY25 (10.82x in FY24).

Ongoing capex: The firm is setting up a mini tea factory, restaurant adventure park & 3 villas being managed by ITC Hotels for tourists at a cost of Rs.22.66 crore funded through Rs.10 crore and rest through promoter funds. Majority of cost has already been incurred with tea factory & restaurant with entire project expected to be completed by July 2026. Funds have already been tied up and fully disbursed. Deriving benefit from this capex remain key rating monitorable.

Key strengths

Extensive experience of the promoters in the tea industry: Bhauram Jodhraj, a partnership firm was incorporated on April 01, 1995. Earlier, the business was being carried on in the name of the HUF. The firm has been engaged in growing and manufacturing of tea since 1962 when it acquired Amchong Tea Estate in Kamrup district of Assam. The manufacturing unit of the firm is located at Kamrup district of Assam with an installed capacity of 1300000 lakh Kgs per annum. Mr. Ajjay Khemka (Partner) has more than 25 years of experience in the tea industry and looks after the day-to-day operation of the firm. Mr. Ajjay Khemka is well supported by other partners Mrs. Anju Khemka, Surajkumar Saraogi, Ms. Ananya Khemka and Arpit Khemka who all actively take part in the business activities.

Diversified geographical presence: The firm has diversified geographical presence with majority of its revenue coming from exports to several countries in the middle east and Russia. UAE (49%) and Russia (17%) were its top export destinations in FY25. Also, the firm generated 34% of its TOI from domestic market with its footsteps in 11 Indian states with a strong presence in Eastern part of India.

Improvement in scale of operations and profitability margins: The Total Operating Income (TOI) grew at a compounded annual growth rate (CAGR) of 48.2% between FY21 and FY25 with TOI for FY25 at Rs. 164 crore mainly driven by higher export sales. The firm earns majority portion of its sales from orthodox tea exports to Middle east countries and Russia with exports increasing from ~54% of total operating income (TOI) in FY23 to about 66% of TOI in FY25. PBILDT margin has improved from 4.77% in FY23 to 8.41% in FY25 due to better realization in export market. In line with PBIDT margin, PAT margin also improved from 0.56% in FY23 to 4.58% in FY25. In 9MFY26, the firm has achieved TOI of Rs. 157.60 crore.

Satisfactory capacity utilization and recovery rate: Bhauram Jodhraj's capacity utilization of the tea processing unit of the firm has remained satisfactory at 85% in FY25 as against 91% in FY24. Slight moderation in capacity utilization is due to increase tea processing capacity from 12 lakh kg to 13 lakh kg per annum. Furthermore, the recovery rate of green leaf consumed remained at satisfactory levels in the range of 23% over the last three years (FY23-FY25).

Liquidity: Stretched

Liquidity is stretched marked by high utilization of fund-based working capital limits (including cash credit and EPC limits) over the 12 months ending November 2025 at 91.57%. The firm earned cash accruals of Rs.9.64 crore in FY25 vis-à-vis debt repayment of Rs.1.51 crore in FY26 and Rs.2.62 crore in FY27. Moreover, cash and bank balances stood at Rs.3.39 crore as on Mar 31, 2025.

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](#)

[Withdrawal Policy](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Beverages	Other Beverages

Bhauram Jodhraj (BJ) engage in business of Tea Manufacturing, Processing, Blending & Export. In 1962, BJ (partnership firm since April 1995) acquired Amchong Tea Estate in Assam. Amchong Tea Estate is located near Guwahati, Assam and is spread

over 1782 acres, producing around 1105234 Kgs of tea, having installed capacities of 1300000 lakh kg. for black tea as on March 31, 2025. Majority of production pertains to Orthodox tea. The firm also offers for its end customers single estate tea brand called "AM'cha" which is a blend of CTC and orthodox teas. The firm earns majority portion of its sales from tea exports to Middle east countries and Russia with exports constituting about 65% of total sales.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26(UA)
Total operating income	91.29	164.02	157.60
PBILDT*	7.27	13.80	-
Profit after tax (PAT)	2.20	7.52	-
Overall gearing (x)	1.82	1.83	-
Interest coverage (x)	2.60	3.97	-

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: Not applicable

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		-	-	-	0.00	Withdrawn
Fund-based - LT-Term Loan		-	-	May 2027	0.00	Withdrawn
Fund-based - LT-Term Loan		-	-	January 2032	0.00	Withdrawn

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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	-	-	1)CARE BB; Stable (10-Apr-26)	1)CARE BB; Stable (25-Feb-26) 2)CARE D (02-Jan-26)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (10-Mar-25)	1)CARE B; Stable; ISSUER NOT COOPERATING* (14-Feb-24)
2	Fund-based - LT-Term Loan	LT	-	-	1)CARE BB; Stable (10-Apr-26)	1)CARE BB; Stable (25-Feb-26) 2)CARE D (02-Jan-26)	-	-
3	Fund-based - LT-Term Loan	LT	-	-	1)CARE BB; Stable (10-Apr-26)	1)CARE BB; Stable (25-Feb-26) 2)CARE D (02-Jan-26)	-	-

*Issuer did not cooperate; based on best available information.

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-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.

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