

## B & A Limited

June 04, 2026

Facilities	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	-	-	Downgraded to CARE BBB-; Stable from CARE BBB; Stable and Withdrawn

Details of facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

### Rationale and key rating drivers

CARE Ratings Ltd. has downgraded the ratings from 'CARE BBB; Stable' [Triple B; Outlook: Stable] to 'CARE BBB-; Stable' [Triple B Minus; Outlook: Stable] and withdrawn the ratings assigned to the bank facilities of B & A Limited (B&A) with immediate effect. The above action has been taken at the request of B&A and 'No Objection Certificate' received from the bank that has extended the facilities rated by CARE Ratings Ltd.

The revision in rating assigned to the bank facilities of B&A takes into account the moderation in the company's financial performance, as reflected by continued operating losses in FY26 (April 1 to March 31), contrary to the previously envisaged profit. Further, the company reported higher cash losses in FY26 compared to FY25, as well as against the anticipated cash profit for the year. The rating also takes into account the increase in total debt along with reduction in net worth (due to losses incurred in FY26) leading to moderation in capital structure and debt protection metrics.

The rating continues to derive strength from the company's long and established track record of operations and the superior quality of tea commanding a premium over industry average levels.

The rating is constrained by the company's small size of operations, moderate exposure to group companies, labour-intensive nature of the business, and susceptibility to agro-climatic risks.

**Analytical approach:** Standalone

**Outlook:** Stable

The stable outlook reflects that the entity is likely to benefit from its superior quality of tea commanding a premium over industry average levels while maintaining its satisfactory financial risk profile over the medium term.

### Detailed description of key rating drivers:

#### Key strengths

##### Long and established track record of operations

B&A has been engaged in the cultivation and sale of tea since 1915. The company was acquired by Late H.P. Barooah in 1950. Currently, Somnath Chatterjee (Managing Director) manages the day-to-day operations with a team of experienced professionals. He has been associated with the company for more than three decades.

##### Superior quality of tea commanding a premium over industry average levels

The company produces superior quality tea, which commands a premium over industry average levels. Its nine tea gardens are in Upper Assam, known for superior quality tea due to favourable climatic conditions and better soil structure. The management regularly undertakes replantation activities to keep the age of tea bushes under check. These factors enable the company to produce good quality tea sold at a premium. Accordingly, the average realisation of tea manufactured by the company is higher than the average realisation in tea auctions.

#### Key weaknesses

##### Small size of operations

B&A's market share remains small compared to the total size of the Indian tea industry. The net worth of the company remains modest at Rs.76 crore in FY26. In FY25, B&A produced 3.78 million kg of tea, accounting for only 0.35% of North India's production of 1,090.31 million kg (source: Tea Board of India). The company operated at a moderate capacity utilisation of ~39% in FY25, and its small scale of operations significantly restricts its financial flexibility in times of stress.

##### Moderation in financial performance in FY26

The total operating income (TOI) of the company witnessed improvement in FY26 compared to FY25. Despite this improvement in revenue, the company continued to incur operating loss in FY26 against envisaged profits for the year. Given operating losses

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

in FY26, the company incurred net loss of Rs.8.83 crore in FY26 against net profit of Rs.1.97 crore in FY25. The cash loss increased from Rs.3.60 crore in FY25 to Rs.5.21 crore in FY26, as against the anticipated cash profit for the year.

### Moderation in capital structure and debt protection metrics in FY26

The capital structure moderated in FY26, marked by an increase in total debt to Rs.91.99 crore as on March 31, 2026 from Rs.67.37 crore as on March 31, 2025, coupled with decline in net worth to Rs.76.10 crore from Rs.84.75 crore on account of losses incurred during the year. Consequently, the overall gearing ratio deteriorated to 1.21x as on March 31, 2026 compared to 0.79x as on March 31, 2025. As the company incurred cash loss in FY26, total debt to gross cash accrual (TD/GCA) was not meaningful for the year.

### Moderate exposure to group companies

The company has moderate exposure to group companies through strategic equity investments, loans and advances. The exposure to group companies stood at ₹15.71 crore as on March 31, 2025, accounting for 18.53% of net worth, against ₹14.79 crore as on March 31, 2024, accounting for 17.91% of net worth. After adjusting this exposure, adjusted overall gearing stood at 0.88x as on March 31, 2025, against 0.65x as on March 31, 2024.

### Labour intensive nature of business

The nature of the tea industry is highly labour intensive, entailing ~58% of total cost of sales in FY26 (~60% in FY25) through salaries and wages and various employee welfare facilities. The wages have been increased regularly and any further increase in wages without a corresponding increase in tea price realisation may adversely impact the profitability margin going forward.

### Agro-climatic risks

The profitability and cash flows of B&A are volatile due to risks from agro-climatic conditions. Its tea gardens are concentrated in Assam, exposing production to agro-climatic and geographical concentration risks in the region. Uneven distribution of rainfall and extreme temperature changes can impact the quality and production of tea.

### Liquidity: Adequate

The liquidity profile of the company remained adequate supported by available cash and liquid investments of Rs.31.20 crore as on March 31, 2026. The company incurred cash loss of Rs.5.21 crore vis-à-vis debt repayment obligation of Rs.1.30 crore in FY26. The debt repayment and cash loss was met out of increase in working capital borrowings.

### 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	Agricultural Food & other Products	Tea & Coffee

B&A Limited, incorporated in June 1915, was acquired by Late H.P. Barooah in 1950. B&A currently owns nine tea estates in Upper Assam (four in Golaghat, two each in Sibsagar and Jorhat districts, and one in Sangsua district) covering a total area of 2,194.12 hectares.

The company also operates five tea processing facilities (Gatoonga, Sangsua, Mokrung, Salkathooni, and Moheema) in Assam with a total installed capacity of one crore kg of tea annually. The company primarily produces Crush, Tear and Curl (CTC) tea, which it sells in the domestic market through a mix of auctions and private sales.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	134.31	142.26
PBILDT*	-5.29	-1.16
Profit after tax (PAT)	1.97	-8.83
Overall gearing (x)	0.79	1.21
Interest coverage (x)	-0.91	-0.18

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-Cash Credit		-	-	-	0.00	Withdrawn
Fund-based - LT-Term Loan		-	-	June 2033	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 BBB-; Stable (04-Jun-26)	1)CARE BBB; Stable (08-Dec-25)	1)CARE BBB+; Stable (05-Dec-24) 2)CARE BBB+ (RWD) (04-Apr-24)	1)CARE BBB+ (RWD) (06-Feb-24) 2)CARE BBB+; Stable (05-Dec-23)
2	Fund-based - LT-Cash Credit	LT	-	-	1)CARE BBB-; Stable (04-Jun-26)	1)CARE BBB; Stable (08-Dec-25)	1)CARE BBB+; Stable (05-Dec-24) 2)CARE BBB+ (RWD)	1)CARE BBB+ (RWD) (06-Feb-24) 2)CARE BBB+; Stable

							(04-Apr-24)	(05-Dec-23)
3	Fund-based - LT-Term Loan	LT	-	-	1)CARE BBB-; Stable (04-Jun-26)	1)CARE BBB; Stable (08-Dec-25)	1)CARE BBB+; Stable (05-Dec-24) 2)CARE BBB+ (RWD) (04-Apr-24)	-

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](#)

### Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments <sup>2</sup>
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	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 Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
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

<sup>2</sup>SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments <sup>2</sup>
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 @

\* 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 the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

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

# 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.

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

Note: For facilities / 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.

**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

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Ankur Sachdeva Senior Director <b>CARE Ratings Limited</b> Phone: +91-22-67543444 E-mail: <a href="mailto:Ankur.sachdeva@careedge.in">Ankur.sachdeva@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Arindam Saha Director <b>CARE Ratings Limited</b> Phone: + 91-33-40181631 E-mail: <a href="mailto:arindam.saha@careedge.in">arindam.saha@careedge.in</a></p> <p>Kamal Mahipal Associate Director <b>CARE Ratings Limited</b> Phone: + 91-33-40181628 E-mail: <a href="mailto:kamal.mahipal@careedge.in">kamal.mahipal@careedge.in</a></p> <p>Divyam Parasramka Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Divyam.parasramka@careedge.in">Divyam.parasramka@careedge.in</a></p>
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