

Shivajirao Agro Industries Private Limited

April 24, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	30.15 (Reduced from 33.50)	CARE BB-; Stable	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE B+; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in the rating assigned to the bank facilities of Shivajirao Agro Industries Private Limited (SAIPL) considers the small scale and nascent stage of operations with moderate profitability margins with net loss incurred during past, leveraged capital structure and weak debt coverage indicators. The ratings further continue to be constrained by the cyclical, seasonality and agro-climatic risk associated with the industry and presence in highly competitive and fragmented industry.

The rating however, derives strength from the experienced and resourceful promoters and established group presence in agro industry, established marketing network and location advantage given the proximity to suppliers.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in total operating income (TOI) above Rs.80 crore with maintaining profit before interest, lease rentals, depreciation and taxation (PBILDT) margin at above 15% on a sustained basis
- Improvement in overall gearing below 2x on a sustained basis
- Improvement in the debt coverage indicators with interest coverage exceeding 2x on a sustained basis

Negative factors

- Decline in PBILDT margin below 12% on sustained basis
- Deterioration in the interest coverage below 1.3x on a sustained basis
- Any delay in the completion and stabilization of the capacity enhancement project leading to significant deterioration in liquidity position

Analytical approach: Standalone

Outlook: Stable

The 'Stable' rating outlook reflects CARE Ratings Limited's (CARE Ratings) expectation to grow its scale of operations and maintain its profitability on the back of the commencement of the commercial production and expected improvement in financial risk profile of the company.

Detailed description of key rating drivers:

Key weaknesses

Small scale and nascent stage of operations along with moderate profitability:

The scale of operations of the company remained small as marked by TOI of Rs.34.04 crore in FY24. The commencement of operations got delayed by one month and commercial production commenced from November 2023. Further, the company has booked TOI of Rs 40.23 crore in FY25 on the back of increased crushing period albeit volatility in realizations of Jaggery powder along with increase in the sale of bi-products viz. Bagasse and Molasses. The revenue is expected to increase for FY26 on the back of expected normalcy in the coming sugar season with additional capacity to be commenced from next sugar season.

The profitability remains moderate marked by PBILDT margin of 15.59% in FY24. Also, the company has incurred net loss of Rs.1.96 crore in FY24 owing to high depreciation cost during initial stage of operations. However, the gross cash accruals (GCA) remained at Rs.2.27 crore in FY24. During 9MFY25, the PBILDT margin improved to 20.22% while the company continued to incur net loss of Rs.1.63 crore. Nevertheless, GCA stood at Rs.1.99 crore during 9MFY25. The profit margins are expected to remain at similar levels in the near term on the back of similar performance witnessed in the current year.

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

Leveraged capital structure and weak debt coverage indicators:

The debt profile of the company comprises of term loans, working capital borrowings and unsecured loans from promoters. The capital structure remained leveraged marked by overall gearing of 3.25x as on March 31, 2024. The said is expected to remain at similar levels in the near term due to proposed debt funded expansion to be carried out in FY26 and improve thereafter primarily on the back of scheduled repayment of term loans.

The debt coverage indicators remained weak marked by interest coverage ratio at 1.69x in FY24 and Total debt/PBILDT remained at 8.34x in FY24. The interest coverage has slightly improved to 1.84x during 9MFY25.

Project Risk associated with the capex planned

The company is planning to expand its current facility from total capacity of 1250 TCD to 1800 TCD. The total estimated cost of the project is Rs.12 crore out of which Rs.7 crore will be funded through bank loan which is yet to be tied up and remaining Rs.5 crore to be funded by promoters as equity infusion. The said project is yet to be commenced and is expected to be completed before next sugar season i.e. October 2025 which will aid the company in increasing the scale of operations. However, the successful completion and stabilization of the same without any cost and time overrun remains key monitorable.

Presence in highly competitive and fragmented industry:

The commodity nature of the product makes the industry highly fragmented, with numerous players operating in the unorganized sector with very less product differentiation. Furthermore, the concentration of jaggery producers around the sugarcane growing regions makes the business intensely competitive thereby posing fluctuations in the Jaggery prices. Further, due to high competition, the sustenance of the current level of profitability margins remains key monitorable.

Cyclical, seasonality and agro-climatic risk associated with the industry:

Sugarcane is the key raw material used for the manufacturing sugar, jaggery and related products. The availability and yield of sugarcane depends on factors like rainfall, temperature and soil conditions, demand-supply dynamics, government policies etc. The production of sugarcane and hence jaggery is cyclical in nature. The cyclical and seasonal nature of the industry has significant impact on the profitability and sustainability of these companies.

Key strengths

Experienced and resourceful promoters and established group presence in agro industry:

SAIPL is promoted by Mr. Ravindra Kale, Mr. Ramchandra Kale and promoters of M/s Amrut Sanjivani Sugarcane Private Limited (ASSPL) who have more than a decade of experience and sound knowledge of agricultural and food processing industry. Over the years of experience, the company has benefitted from promoter's experience in maintaining relations with customers thus enabling smooth operations. ASSPL also has its presence in Gujarat, Chhattisgarh, Madhya Pradesh. Further all promoters are supported by an experienced team of management in the field of operation, sales, accounts and finance. Also, the promoters have also provided financial support to the company in form of unsecured loans as and when required.

Location advantage given the proximity to suppliers

The plant location has ample availability of raw material i.e. sugarcane and other infrastructure facilities in the area. The site enjoys proximity to all necessary infrastructure facilities thereby providing location advantage. The unit is located ideally from the point of availability of sugarcane. The raw material required under the proposed project is abundantly available during harvest season in the region. Thus, raw material shortage throughout the year is unlikely.

Established marketing network through arrangement with holding company

SAIPL's majority of the shares (60%) are held with ASSPL, a wholesaler of jaggery and sugar which already possess an established marketing network of dealers, wholesalers, retailers and shop keepers with possessing sound knowledge of agricultural and food processing industry, trends and prevailing practices along with being associated with large number of traders and distributors. It includes around 64 distributors and 8000+ retailers across the state of Maharashtra. ASSPL is a part of "Sanjivani group" which has diversified operations into sugar, ethanol, pharma, education, etc for over six decades. ASSPL sells various products including jaggery, ghee, pulses, dry fruits among other FMCG products under their brand name "Amrut". The marketing connects of the parent company enables the company to market its product at greater extent and thereby providing cushion to achieve the projected revenue and profitability.

Liquidity: Stretched

The liquidity position remained stretched characterized by higher utilization of the working capital limits with average maximum utilization for working capital limits remains above 90% for last twelve months ended March 2025. The gross cash accruals expected to remain tightly matched against repayment obligations of Rs.5.36 crore in FY26 and FY27. The cash flow from operating activities stood positive at Rs.0.65 crore in FY24. The free cash & liquid investment stood at Rs.0.10 crore as on March 31, 2024 (compared to Rs. 0.42 crore as on March 31, 2023). The current ratio and quick ratio stood weak at 1.16x and 0.50x respectively as on March 31, 2024.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Policy on Default Recognition](#)

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

[Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Sugar](#)

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	Other Agricultural Products

SAIPL was incorporated in 2022 by Kawale family and started its commercial operations from December 2023. It is engaged in the manufacturing of jaggery powder and other by products such as molasses, bagasse and press mud. SAIPL has a manufacturing plant with approved capacity of 1250 tonnes sugarcane crushing per day (TCD) located in Paithan, Maharashtra. Furthermore, the company also has 3MW turbine of Cogen out of which 1.2 MW is used for captive consumption while 1.8MW remains untied up as the same is expected to be captively consumed post commencement of enhanced capacities.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	0.00	34.04	40.23
PBILDT	0.00	5.31	NA
PAT	0.00	-1.96	NA
Overall gearing (times)	1.68	3.25	NA
Interest coverage (times)	0.00	1.69	NA

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

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		-	-	-	3.00	CARE BB-; Stable
Fund-based - LT-Term Loan		-	-	March 2031	27.15	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	27.15	CARE BB-; Stable	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (26-Nov-24)	1)CARE BB-; Stable (18-Oct-23)	-
2	Fund-based - LT-Cash Credit	LT	3.00	CARE BB-; Stable	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (26-Nov-24)	1)CARE BB-; Stable (18-Oct-23)	-

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

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 the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE 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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