

## Sayaji Industries Limited

November 25, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	58.80 (Reduced from 67.86)	CARE BB+; Negative	Downgraded from CARE BBB-; Negative
Long Term / Short Term Bank Facilities	135.00 (Enhanced from 100.00)	CARE BB+; Negative / CARE A4+	Downgraded from CARE BBB-; Negative / CARE A3
Short Term Bank Facilities	23.50	CARE A4+	Downgraded from CARE A3
Fixed Deposit	40.00	CARE BB+; Negative	Downgraded from CARE BBB-; Negative

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Revision in ratings assigned to bank facilities/instruments of Sayaji Industries Limited (SIL) factors in continued muted profitability, which has resulted in cash losses and deterioration in capital structure and debt coverage indicators in H1FY26 (H1 refers to April 01-September 30). This has led to the fructification of negative rating sensitivities on continued cash losses and overall gearing considered in the previous review by CARE Ratings Limited (CareEdge Ratings).

Ratings continue to remain constrained due to susceptibility of profits to volatile raw material prices and foreign exchange fluctuation risk, presence in a competitive agriculture processing industry, and stretched liquidity.

Ratings, however, continue to derive comfort from experienced promoters, an established track record of over eight decades in the maize processing industry, a strong product profile, and an established sales network with a diversified clientele. Ratings also factor in its moderate scale of operations and lean operating cycle.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Total debt to profit before interest, depreciation and tax (PBILDT) below 4x on sustained basis
- PBILDT interest coverage above 2.5x on sustained basis

#### Negative factors

- Total debt to PBILDT above 7x on sustained basis.
- PBILDT interest coverage below 1.5x on a sustained basis.

### Analytical approach: Consolidated

SIL had extended corporate guarantee (CG) to one of its subsidiaries, Sayaji Seeds LLP (SSL; rated CARE BB; Stable/ CARE A4). Details of subsidiaries consolidated are listed under **Annexure-6**.

### Outlook: Negative

Continuation of Negative outlook indicates CareEdge Ratings expectation of sustained pressure on company profitability, which will impact its overall financial risk profile. The outlook may be revised to Stable if Sayaji Industries Limited (SIL) reports the anticipated improvement in profitability, resulting in higher gross cash accruals (GCA) and improved overall debt coverage indicators.

### Detailed description of key rating drivers:

#### Key weaknesses

<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.

**Continued subdued profitability leading to deterioration in the capital structure and debt coverage indicators in H1FY26**

SIL's profitability remained subdued with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin of 0.42% in H1FY26 (FY25: -0.83%). Subdued profitability and higher depreciation and finance costs resulted in net loss of ₹12.72 crore and cash loss of ₹10.19 crore in H1FY26.

CareEdge Ratings notes recent moderation in maize prices and benefit from operational improvement measures such as rationalisation of power and fuel costs, expected to accrue from Q3FY26 onwards. However, considering the overall performance in H1FY26, profitability as well as capital structure and debt coverage indicators for FY26 are envisaged to remain lower than earlier envisaged levels.

Total debt increased from ₹221.29 crore on March 31, 2025, to ₹274.76 crore on September 30, 2025. The increase in debt, primarily working capital borrowings, resulted in deterioration in capital structure from 2.34x on March 31, 2025, to 3.34x on September 30, 2025. Additionally, debt coverage indicators marked by PBILDT interest coverage and total debt to PBILDT also deteriorated in H1FY26.

**Susceptibility of profitability to volatile raw material price and foreign exchange fluctuation risk**

Raw material cost (maize seeds), a key cost component, remained largely stable at ~78% of cost of sales in H1FY26 compared to FY25. Maize being an agriculture commodity, operations of players such as SIL are vulnerable to inherent risks associated with volatility in agri-based input prices arising from vagaries of monsoon, acreage under cultivation, crop yield level, and global demand-supply mismatches. Prices of agricultural commodities are also controlled by the government through setting minimum support price (MSP). The government has raised MSP of maize from ₹2,225 per quintal for 2024-25 to ₹2,400 per quintal in 2025-26. In the last two years, maize price remained highly volatile due to redirection of maize for ethanol blending. However, it started declining from Q1FY26 post increase in maize production and removal of Food Corporation of India (FCI) restriction on rice supply for ethanol blending. SIL derived ~87% of its total operating income (TOI) from domestic market in H1FY26 (FY25: 85%) and balance from the export market (majorly Middle East countries). It generally hedges ~50-60% of its foreign exchange exposure through forward contracts, while balance portion is exposed to adverse movement in foreign rates.

**Presence in a competitive agriculture processing industry**

Maize processing industry is highly competitive with presence of a few large players and numerous unorganised players. The industry has witnessed capacity addition in recent years by major players and some of the new capacity was implemented recently, limiting pricing flexibility to a certain extent. However, overall demand for maize starch and its derivatives is growing steadily from multiple end-user industries.

**Key strengths****Experienced promoters and established track record of eight decades in maize processing industry**

Established in 1941, SIL is one of the oldest maize processing companies in the country with a track record of over eight decades. SIL is promoted by the Mehta family and is presently managed by Priyam Mehta and his sons, Varun Mehta and Vishal Mehta, who have vast experience in the industry. Promoters are resourceful and historically supported the company operations through infusion of funds via loans, advances, and inter-corporate deposits. The team is assisted by tier-II staff that has been associated with the company for a long time. Promoters have presence in manufacturing of HDPE barrel, production and marketing seeds, manufacturing of spray dried food products viz. gum arabic powder, cheese powder, fat-based powder etc. and real estate through its interest in other group concerns.

**Strong product profile and established sales network with diversified clientele**

SIL operates across entire value chain of maize processing, where it manufactures starch and its derivatives such as liquid glucose, dextrose monohydrate (DMH), anhydrous dextrose (ADH), and sorbitol. The process also yields by-products (~22-27% of its standalone TOI) such as hydrol, maize gluten, maize germs, among others. SIL produces dry food powders, mainly tomato powder. Starch and its value-added products formed ~70% (FY25: 74%) and by-products (including food powder) accounted for about 20% of total sales (FY25: 19%) in H1FY26. The products being manufactured by SIL have diverse industrial applications such as textile, paper, pharmaceutical, food and confectionery, cosmetic, paint as well as for poultry and animal feed.

SIL added 4.50 MW steam turbine in FY25 and completed installation of a 6.1 MW of solar power plant, which had been operationalised from July 2025. These initiatives are expected to significantly reduce power and fuel costs going forward. Also, the company has a strong marketing and procurement network and a diverse clientele, with top 10 customers contributing less than 25% of net sales in H1FY26.

### Moderate scale of operations and lean operating cycle

SIL reported ~7% y-o-y volume backed growth in total operating income (TOI) to ₹521.27 crore in H1FY26 (₹488.08 crore in H1FY25). SIL's standalone TOI of ₹488.14 crore in H1FY26 continued to remain primary contributor to its consolidated turnover, accounting for ~94% of the total (FY25: 95%).

SSL, subsidiary of SIL, reported substantial improvement in operational performance marked by TOI of ₹33.13 crore in H1FY26 (H1FY25: ₹23.70 crore) with profit after tax (PAT) of ₹0.89 crore (H1FY25: ₹0.13 crore). ASL, joint venture contributed ₹2.20 crore in H1FY26 (H1FY25: ₹2.46 crore).

Inventory holding period remained almost stable at ~40 days (FY25: 39 days) while debtor days remained at 27 (FY25: 24 days) in H1FY26. Creditor's days though remained high, it remained at 53 days in H1FY26 (FY25: 61 days) resulting in lean operating cycle of 14 days in H1FY26 (FY25: 2 days).

### Liquidity: Stretched

SIL's liquidity position remained stretched, marked by average and maximum working capital utilisation of ~85% and ~91% respectively in the 12 months ended October 2025, and a lean operating cycle of 14 days in H1FY26.

In FY25, the company monetised non-core assets (₹30 crore net proceeds) to support operations. The promoter group infused ~₹6.38 crore as unsecured loans and fixed deposits in H1FY26, which aided SIL's liquidity, considering its gross cash accruals (GCA) are tightly matched against scheduled debt repayment obligations. The management has articulated its commitment to continue supporting operations through fund infusion whenever required.

SIL is anticipated to achieve GCA of ~₹24-₹25 crore against debt repayment obligation of ~₹9 crore (excluding fixed deposits, which are largely renewed on maturity) in H2FY26.

SIL had cash and cash equivalents of ₹2.64 crore on September 30, 2025 (₹4.20 crore on March 31, 2025). Historically, capex related to process improvement has been funded through internal accruals and partly from working capital, resulting in a current ratio below unity.

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

### Applicable criteria

[Consolidation](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Other Food Products

Incorporated in 1941, SIL (CIN: L99999GJ1941PLC000471) is one of the oldest maize processing companies in India. SIL is engaged in manufacturing maize starch and its downstream value-added products, which find application in diverse industries. Its manufacturing facility is at Kathwada, Ahmedabad, having installed capacity of 930 TPD of maize processing as on September 30, 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	976.85	1005.81	521.27
PBILDT	6.82	-8.32	2.17
PAT	-11.67	-11.10	-12.72
Overall gearing (times)	1.62	2.34	3.34
Interest coverage (times)	0.46	NM	0.18

A: Audited UA: Unaudited; NM: Not meaningful; 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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fixed Deposit	-	-	-	-	40.00	CARE BB+; Negative
Fund-based - LT-Term Loan	-	-	-	March 2031	58.80	CARE BB+; Negative
Fund-based - ST-Bill Discounting/ Bills Purchasing	-	-	-	-	23.50	CARE A4+
LT/ST Fund-based/Non-fund- based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	-	-	-	-	135.00	CARE BB+; Negative / CARE A4+

#### 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	58.80	CARE BB+; Negative	1)CARE BBB-; Negative (06-Jun-25)	1)CARE BBB-; Negative (06-Jun-24)	1)CARE BBB; Negative (19-Feb-24) 2)CARE BBB+; Stable (05-Jul-23)	1)CARE BBB+; Stable (05-Jul-22)
2	LT/ST Fund-based/Non-fund-based-EPC / PCFC /	LT/ST	135.00	CARE BB+; Negative	1)CARE BBB-;	1)CARE BBB-;	1)CARE BBB;	1)CARE BBB+;

	FBP / FBD / WCDL / OD / BG / SBLC			/ CARE A4+	Negative / CARE A3 (06-Jun-25)	Negative / CARE A3 (06-Jun-24)	Negative / CARE A3 (19-Feb-24) 2)CARE BBB+; Stable / CARE A3+ (05-Jul-23)	Stable / CARE A3+ (05-Jul-22)
3	Non-fund-based - ST-Working Capital Limits	ST	-	-	-	-	-	1)Withdrawn (05-Jul-22)
4	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	-	-	-	-	-	1)Withdrawn (05-Jul-22)
5	Fund-based - ST-Bill Discounting/ Bills Purchasing	ST	23.50	CARE A4+	1)CARE A3 (06-Jun-25)	1)CARE A3 (06-Jun-24)	1)CARE A3 (19-Feb-24) 2)CARE A3+ (05-Jul-23)	1)CARE A3+ (05-Jul-22)
6	Fixed Deposit	LT	40.00	CARE BB+; Negative	1)CARE BBB-; Negative (06-Jun-25)	1)CARE BBB-; Negative (06-Jun-24)	1)CARE BBB; Negative (19-Feb-24) 2)CARE BBB+; Stable (05-Jul-23)	1)CARE BBB+; Stable (05-Jul-22) 2)CARE BBB+; Stable (22-Jun-22)

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	Fixed Deposit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - ST-Bill Discounting/ Bills Purchasing	Simple
4	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Annexure-6: List of entities consolidated**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Sayaji Ingritech Limited	Full	Wholly Owned Subsidiary
2	Sayaji Industries FZC	Full	Wholly Owned Subsidiary
3	Sayaji Seeds LLP	Full	Subsidiary
4	Alland & Sayaji LLP	Moderate	Joint Venture

**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

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