

## Jaywant Sugars Limited

December 22, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	238.27 (Enhanced from 34.45)	CARE B+; Stable	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE B; Stable
Long Term Bank Facilities	-	-	Withdrawn
Short Term Bank Facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The rating assigned to bank facilities of Jaywant Sugars Limited (JSL) are constrained due to its moderate scale of operations with moderate profit margins, highly leveraged capital structure and weak debt coverage indicators. The rating further continue to be constrained by cyclical, seasonality and agro-climatic risk associated with the sugar industry and regulated nature of sugar business.

The ratings, however, derive strength from the experienced promoters with proven track record of operations and locational advantage of the plant with integrated plant operations.

CARE Ratings Limited (CareEdge Ratings) has also withdrawn the ratings assigned to bank facilities of cash credit limit and term loan with immediate effect, based on no dues certificates received from the respective lender against the rated facility.

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

#### Positive factors

- Improvement in capital structure with overall gearing reaching below 5x on a sustained basis.
- Improvement in debt coverage indicators marked by total debt to profit before interest, lease rentals, depreciation and tax (PBILDT) reaching below 8x on a sustained basis.

#### Negative factors

- Deterioration in scale of operations with total operating income (TOI) reaching below ₹250 crore on a sustained basis.
- Deterioration in the debt coverage indicators marked by interest coverage reaching below 1.2x on a sustained basis.

**Analytical approach:** Standalone

#### Outlook: Stable

The 'Stable' rating outlook reflects CareEdge Rating's expectation of continue to benefit from its established track record and experienced promoters, locational advantage which would enable company to sustain its operational and financial risk profile.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Moderate scale of operations and profitability margins

Total Operating Income (TOI) remained fluctuating in the range of ₹333.57 crore to ₹405.61 crore during last 5 years ended FY25 due to seasonality and agro-climatic driven operations associated with sugar industry. TOI grew by 15% to ₹384.86 crore in FY25 over FY24 on account of higher sugar quantity sold during the year with improvement in sales realisation against the same. The revenue from distillery division also increased during the year. The quantity of sugar sold has increased from 64432 metric tonnes (MT) in FY24 to 68828 MT in FY25. The tangible networth base stood relatively small, which stood at ₹23.88 crore as on March 31, 2025 (PY: ₹17.55 crore). The moderate scale of operations limits the entity's ability to scale up the business significantly. Further, competition in the industry will continue to restrict future growth prospects.

JSL's operating profitability exhibited a fluctuating trend with a profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin within the range of 12-15% in the past five years ended FY25. It stood moderate at 11.81% during FY25, with a y-o-y moderation of 360 bps on account of proportionately higher increase in sugarcane prices against sales realization owing to a competitive landscape. Profit after Tax (PAT) margin stood thin on account of sizeable interest and depreciation costs and it

<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.

stood in the range of 0.07% to 0.14%. Return on capital employed (ROCE) stood low at 5.4% during FY25 (PY: 4.83%) with a fixed asset turnover of 0.98x during FY25 (PY: 0.96x).

### **Highly leveraged capital structure and weak debt coverage indicators**

The debt profile of the company comprises of term loans of ₹431.07 crore along with working capital borrowings of ₹182.90 crore as on March 31, 2025. The capital structure remained leveraged although improved as marked by overall gearing of 25.71x as on March 31, 2025 as against 39.09x as on March 31, 2024. The improvement was primarily due to increase in the tangible net worth owing to repayment of short term borrowings and issuance of equity share capital.

The debt coverage indicators stood weak as marked by total debt to PBILD stood at 13.50x in FY25 (PY: 13.35x) on account of higher reliance on external debt with moderate profit margins. On account of the same, the interest cost stood high leading to interest coverage remained weak at 1.31x in FY25 (PY: 1.70x).

### **Working capital intensive operations**

Sugar industry being seasonal in nature has high working capital requirements during the peak season which is from November to April to procure their primary raw material i.e. sugarcane and also to keep higher sugar inventory which depends upon government release of sugar quota. The working capital requirements during peak seasons primarily met through pledge and H&T loans availed from bank. Gross current asset days were very high at 407 days on an average basis. Operations are working capital intensive and net working capital as a percentage of capital employed was 44% as on March 31, 2025. The average creditor's period is 33 days in FY24 (PY: 44 days) due to procurement of the raw material i.e. sugarcane during peak season.

### **Cyclical, seasonality and agro-climatic risk associated with the sugar industry**

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

### **Regulated nature of sugar business**

The industry is cyclical by nature and is vulnerable to the government policies for various reasons like its importance in the Wholesale Price Index (WPI) as it is classified as an essential commodity. The government on its part resorts to various regulations like fixing the raw material prices in the form of State Advised Prices (SAP) and Fair & Remunerative Prices (FRP). All these factors impact the cultivation patterns of sugarcane in the country and thus affect the profitability of the sugar companies.

### **Key strengths**

#### **Experienced and qualified promoters with experienced management team**

JSL was promoted by Late Jaywant K. Bhosale (founder promoter) and his son Dr. Suresh J. Bhosale in January, 2006 to undertake sugar & sugar related production. Mr. Jaywant Bhosale was an ex-Member of Legislative Assembly (MLA) from the Karad constituency. He also founded co-operative societies, charitable institutions, poultry farm and a co-operative bank (Krishna Sahakari Bank Limited; KSBL). His son, Dr. Suresh J. Bhosale is an M.B.B.S; M.S. and also involved with a number of co-operative societies and served as chairman of KSSKL and KSBL. Presently, the company is spearheaded by Mr. Chandrakant Desai as Chairman and Mr. Charudatta Deshpande as the Managing Director (MD).

#### **Location of the plant in a high recovery and sufficient cane availability zone.**

One of the primary factors that determine the viability of a sugar project is the availability of sugarcane for crushing on a sustainable basis which will result in increased sugar production and ensure availability of bagasse in sufficient quantity for operating the co-generation plant. The partially integrated sugar factory of JSL is located in village Dhawarwadi, Taluka Karad, Dist. Satara, Maharashtra. The command area of JSL comprises of total irrigated land under sugar cultivation of about 6,750 hectare. The average yield (sugarcane) per hectare in the command area of JSL is about 66 MT/hectare translating in to cane availability of about 4.45 lakh MT of sugar cane. Further, the operations remained integrated with manufacturing of sugar, ethanol and Co-generation plant at the locations thereby providing diversified revenue streams across sugar industry.

#### **Liquidity: Stretched**

Liquidity remains stretched, characterized by tightly matched bank loan repayments against its projected gross cash accruals. The company has over ₹30 crore of yearly repayments for FY26 and FY27. The fund based working capital limits primarily comprised of pledge loans of ₹371.50 crore which remained highly utilized over the 12 months ending October 2025. While cash flow from operations was positive at ₹171.96 crore during FY25 as compared to negative of ₹29.78 in FY24 primarily due to higher realization of sugar inventory. An unencumbered cash and bank balance stood at ₹18.65 crore as of March 31, 2025, (PY: ₹10.57 crore).

Further, as of March 31, 2025, current ratio stood at 1.52x, with quick ratio at 0.66x. Operations are working capital intensive and net working capital as a percentage of capital employed was 44% as on March 31, 2025.

**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](#)

[Sugar Sector](#)

[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	Sugar

Jaywant Sugars Limited (JSL) was promoted by Late Jaywant K. Bhosale (founder promoter) and his son Dr. Suresh J. Bhosale in January, 2006 to undertake sugar & sugar related production business with its operational facility located in Karad (Maharashtra). Presently, the company is spearheaded by Mr. Chandrakant Desai as Chairman and Mr. Charudatta Deshpande as the Managing Director (MD). JSL's sugar mill plant has installed capacity of 5600 tons of cane crushed per day (TCD). The company has total cogeneration capacity of 15 megawatt (MW) and a distillery unit having total capacity of 110 kilo litres per day (KLPD) as of September 30, 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	November 30, 2025 (UA)
Total operating income	333.57	384.86	248.61
PBILDT	51.41	45.47	NA
PAT	0.34	0.53	NA
Overall gearing (times)	39.09	25.71	NA
Interest coverage (times)	1.70	1.31	NA

A: Audited UA: Unaudited; NA: Not available; Note: 'the above results are latest financial results available'

#### Status of non-cooperation with previous CRA:

CRISIL has continued the rating assigned to the bank facilities of JSL under Issuer Not Cooperating category vide press release dated November 13, 2025 on account of its inability to carry out a review in the absence of the 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-Term Loan		-	-	July 31, 2034	238.27	CARE B+; Stable
Fund-based - LT-Cash Credit		-	-	-	0.00	Withdrawn
Fund-based - ST-Others		-	-	-	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 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	238.27	CARE B+; Stable	-	1)CARE B; Stable; ISSUER NOT COOPERATING * (09-Jan-25)	1)CARE B; Stable; ISSUER NOT COOPERATING * (07-Dec-23)	1)CARE B; Stable; ISSUER NOT COOPERATING * (30-Sep-22)
2	Fund-based - LT-Cash Credit	LT	-	-	-	1)CARE B; Stable; ISSUER NOT COOPERATING * (09-Jan-25)	1)CARE B; Stable; ISSUER NOT COOPERATING * (07-Dec-23)	1)CARE B; Stable; ISSUER NOT COOPERATING * (30-Sep-22)
3	Fund-based - ST-Others	ST	-	-	-	1)CARE A4; ISSUER NOT COOPERATING * (09-Jan-25)	1)CARE A4; ISSUER NOT COOPERATING * (07-Dec-23)	1)CARE A4; ISSUER NOT COOPERATING * (30-Sep-22)

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

LT: Long term; ST: 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
3	Fund-based - ST-Others	Simple

### **Annexure-5: Lender details**

To view 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.

## Contact us

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