Sahakarmaharshi Bhausaheb Thorat Sahakari Sakhar Karkhana Limited

August 03, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	103.00	CARE BB; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the bank facilities of Sahakarmaharshi Bhausaheb Thorat Sahakari Sakhar Karkhana Limited (SBTL) remained constrained by the society's moderate and fluctuating scale of operations with moderate profitability margins, leveraged capital structure and weak debt coverage metrics. The rating also constrained due to SBTL's working-capital-intensive operations and exposure to the seasonal, cyclical, and regulated characteristics of the sugar industry.

The rating derives strength from SBTL's long and established operational track record of over five decades in the cooperative sugar sector of Maharashtra, supported by experienced promoters, locational advantages arising from its presence in a well-irrigated sugarcane-growing belt in the Sangamner region, which supports consistent cane availability. The ratings also consider SBTL's integrated operations spanning sugar, distillery, co-generation and ancillary revenue streams, which reduce dependence on any single segment and support operational continuity across seasons.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operations, with total operating income (TOI) exceeding ₹650 crore with PBILDT margin above 10% on sustained basis, supported by increased crushing capacity leading to higher contribution from sugar and distillery segments.
- Strengthening the capital structure, with overall gearing reaching below 2x on a sustained basis.
- Improvement in debt-coverage metrics marked by total debt / PBILDT below 6x on a sustained basis.

Negative factors

- Deterioration in PBILDT margin falling below 8% on a sustained basis owing to lower recoveries, reduced ethanol output, weaker realisations, or increase in cane costs.
- Further weakening of capital structure, with overall gearing exceeding 3.0x due to higher working capital borrowings or additional debt-funded capex.
- Adverse regulatory changes related to sugar, ethanol pricing, or restrictions on cane diversion/exports, materially impacting the entity's profitability or cash flow position.

Analytical approach: Standalone

Outlook: Stable

The "Stable" outlook on the long-term ratings reflects CARE Ratings Limited's (CareEdge Ratings') belief that the entity will get benefited from its established operational track record and its integrated capacities, which position it well to cater to rising demand across its diverse product segments.

Detailed description of key rating drivers

Key weaknesses

Moderate and fluctuating scale of operations with moderate operating margins

The overall scale of operations remained moderate as marked by total operating income (TOI) and gross cash accruals (GCA) stood in the range of ₹500 crore to ₹750 crore and ₹17 crore to ₹20 crore respectively in last 5 years ended FY26. Further, TOI has contracted at a compounded annual growth rate (CAGR) of 8.08% during the said period. TOI moderated by ~6% to ₹535.78 crore in FY26 over FY25 on account of lower production of sugar led by lower crushing rate and subdued demand from customers. It has sizable networth base, which stood at ₹161.02 crore as on March 31, 2026. Going forward, the company expects its revenue

[1]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

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

to significantly increase on the back of enhanced crushing capacities which will lead to higher sugar and ethanol production.

SBTL's operating profitability exhibited a stable trend with a profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin within the range of 7-10% in the past three years ended FY26. It stood moderate at 10% during FY26, with an improvement of 278 bps from FY25 on account of increased sugar realization and increase in ethanol production which fetches higher margins. Nevertheless, return on capital employed (ROCE) stood modest at 6.49% during FY26 (PY: 6.38%). Going forward, profitability is expected to be on similar level and remains a key credit monitorable.

Leveraged capital structure and debt coverage indicators
The entity's capital structure stood leveraged, as marked by an overall gearing of 2.67x as on March 31, 2026 (2.57x as on March 31, 2025) with high reliance on external debt. Its debt profile largely comprises external debt in the form of working capital borrowings and term debt. The total outside liabilities to tangible net worth stood high at 4.01x as on March 31, 2026 (4.06x as on March 31, 2025). Going forward, the capital structure is expected to remain leverage on the back of debt funded capital expenditure undertaken by the company.

Debt coverage indicators stood weak, as marked by PBILDT interest coverage of 1.51x in FY26 (1.45x in FY25) and weak total debt to PBIDLT of 8.01x in FY26 (8.11x in FY25). It remained almost stable during the year on account of increasing debt against improving profitability levels.

Working capital intensive operations
SBTL's operations remain working capital intensive mainly on account of funds being blocked in inventory due to seasonal nature of sugar operations. Its operating cycle elongated to 252 days in FY26 compared to 236 days in FY25, owing to increase in inventory. The production of sugar in India is highly seasonal in nature, with more than 80% of the sugar being produced during the period of November-April and sold in a staggered manner over the year. The inventory period elongated and remained high at 264 days in FY26 compared to 250 days in FY25 as entity needs to hold inventory longer due to the nature of business.

Susceptibility to agro-climatic, cyclical, and regulatory risks inherent in the sugar industry
The entire value chain of sugar industry is subject to control of the Government. Sugarcane, the key raw material, prices of which is regulated by government and also determined by volatility of market, makes the profitability of sugar industries susceptible. Both the raw material prices and distribution of end product (sugar) are regulated by the government. In addition to this, sale and distribution of by-products (molasses and power) also regulated at different levels in different States. Sugar industry is also impacted by vagaries of monsoon and prevailing agro climatic condition. Integrated players are in a better position to counter cyclicality of the sugar business. Further, cyclical nature of the sugar industry significantly impacts the operating performance and cash flow generation of the sugar companies.

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.

Key strengths

Established track record of operations in cooperative sugar segment
SBTL has a long operational track record of over five decades in the cooperative sugar sector, with operations based in the Amrutnagar–Sangamner region of Maharashtra. The entity benefits from an established presence in its command area, supporting cane availability and continuity of operations. The longstanding operations and familiarity with local farmers provide operational stability, which supports its business profile. The combination of the society's multi-decade operating history and its current governance framework contribute to its position as an established entity within the regional co-operative sugar sector.

Integrated operations with multiple revenue stream
SBTL operates an integrated sugar manufacturing setup with presence across sugar, distillery (ethanol/ENA), and co-generation segments, enabling value addition from by-products and improved monetization of sugarcane. The integrated structure provides partial support against cyclicality in sugar realizations. However, the revenue profile continues to remain skewed towards the sugar segment, which accounted for around 65%–80% of total income during FY23–FY25, while the contribution from the ethanol segment remained relatively modest and volatile at around 3%–10%, thereby limiting the extent of diversification benefits. The

entity has undertaken capacity expansion in its sugar and distillery segments, which is expected to support improved operational scale and diversification over the medium term, subject to stabilization of operations and optimal utilisation.

Liquidity: Stretched

Liquidity position of the entity remains stretched, marked by tightly matched gross cash accruals against repayment obligations of over ₹31.75 crore for FY27 and ₹41.77 crore for FY28. The entity has working capital limits of ₹525 crore and the utilization of the same remains around 80% for last twelve months ending June 2026. It has free cash and bank balance of ₹0.87 crore as on March 31, 2026. The current ratio and quick ratio stood weak at 1.00x and 0.19x respectively as on March 31, 2026 (compared to 0.81x and 0.18x respectively as on March 31, 2025). The net cash flow from operating activities stood positive at ₹11.10 crore in FY26 (compared to positive ₹42.54 crore in FY25).

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

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

Incorporated in 1996, SBTL is engaged in manufacturing of sugar and allied by-products. It operates an integrated manufacturing facility at Sangamner in Maharashtra, which includes sugar, distillery, and cogeneration units. Currently, the company operates with sugar installed capacity of 5,500 tonnes cane per day (TCD) (to be increased up to 9,000 TCD from upcoming sugar season), 80 KLPD for distillery and 30-megawatt (MW) co-generation unit. SBTL also produces manure through press mud and sold it to shareholders. Further, it has installed a granular PROM (Phosphorus Rich Organic Manure) plant with total capacity of 100 MT/day. SBTL also produces Vermi compost, Azotobacter, PSB, Trico Derma, De composting culture, manures & sell to the farmers at very low cost.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	572.32	535.78
PBILDT	51.91	53.60
Profit after tax (PAT)	0.59	0.13
Overall gearing (x)	2.57	2.67
Interest coverage (x)	1.45	1.51

A: Audited; UA: Unaudited; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	28-01-2033	103.00	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 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-Term Loan	LT	103.00	CARE BB; Stable				

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: 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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