Sayaji Industries Limited

September 08, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	58.80	CARE BB+; Positive	Reaffirmed; Outlook revised from Positive
Long-term / Short-term bank facilities	RBI	135.00	CARE BB+; Positive / CARE A4+	Reaffirmed; Outlook revised from Positive
Short-term bank facilities	RBI	23.50	CARE A4+	Reaffirmed
Fixed deposit	MCA	40.00	CARE BB+; Positive	Reaffirmed; Outlook revised from Positive

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities/instruments of Sayaji Industries Limited (SIL) continue to remain constrained considering its moderate capital structure and stretched liquidity. Ratings also factor in vulnerability of the company's profitability to raw material price volatility and foreign exchange rates, and its presence in the highly competitive agro-processing industry.

However, ratings continue to derive strength from experienced promoters, and established track record of over eight decades in the maize processing industry, strong product profile, and established sales network with diversified clientele. Ratings continue to factor its moderate scale of operations and lean operating cycle. CARE Ratings Limited (CareEdge Ratings) takes cognisance of profitability improvement for three quarters ended June 30, 2026, resulting in an improvement in SIL's debt coverage indicators. Improvement has been supported by benign raw material prices, stable demand conditions and benefits accruing from process improvement measures undertaken by the company in the past.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

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

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Total debt to PBILDT above 7x on a 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 Private Limited. Details of subsidiaries consolidated are listed under Annexure-5.

Outlook: Positive

The positive outlook reflects the likelihood of SIL sustaining its improved profitability, which is expected to support healthy gross cash accruals (GCA) and, consequently, further strengthen its debt protection metrics. The outlook may be revised to 'Stable' in case of lower-than-envisaged profitability constraining its overall financial risk profile.

Detailed description of key rating drivers:

Key weaknesses

Modest profitability

For three years ended FY26, SIL's profitability was adversely impacted considering significant increase in the key raw material prices (maize), subdue by-product prices and certain operational disruptions. While profitability continued to remain subdued in H1FY26, it improved in H2FY26 supported by benign raw material prices and rationalisation of power costs.

[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 ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

The improvement in the profitability sustained in Q1FY27 as well with PBILDT and profit after tax (PAT) margin of 6.14% (FY26: 4.20%) and 2.55% (FY26: 0.14%) respectively compared to 1.27% and a net loss respectively in Q1FY26. Improved profitability also supported a significant increase in GCA, which stood at ₹13.03 crore in Q1FY27 (FY26: ₹19.99 crore) against ₹1.89 crore in Q1FY26.

SIL commenced 4.5 MW gas turbine in Q3FY25 and solar power of 6.1 MW in Q2FY26. Resultantly, ~86% of its power requirement is being met through captive sources. The company is also undertaking technology modernisation and automation initiatives, and product upgradation capex. These measures, and benefits of lower dependence on grid power, are expected to be margin accretive and support further improvement in profitability, which remains modest at present.

Moderate capital structure and debt coverage indicators
Moderation in profitability and limited GCA increased SIL's reliance on external debt in FY25-FY26 and increase in debt levels. Debt level further increased as on June 30, 2026, considering increasing working capital requirement, moderating SIL's capital structure as on June 30, 2026, compared to 2.37x as on March 31, 2026. SIL also availed additional term loan of ₹26 crore in Q1FY27 for its on-going capex requirements. Capex is envisaged to be complete in phase-wise manner by Q2FY28. Despite increase in debt level, SIL's PBILDT margin improved marked by PBILDT interest coverage at 2.77x (FY26: 1.81x) and total debt to PBILDT at ~4x (FY26: 5.03x) in Q1FY27.

Susceptibility of profitability to volatile raw material price and foreign exchange fluctuation risk
Raw material (Maize seeds) is the major cost which decreased from ~78% in FY25 to 74% in FY26. Maize being an agriculture commodity; operations of players such as SIL are vulnerable to inherent risks associated with volatility in agri-based inputs 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 of minimum support price (MSP). The government has raised MSP of Maize from ₹2,400 per quintal for 2025-26 to ₹2,410 per quintal in 2026-27.

SIL derived ~87% of its TOI from domestic market in FY26 (FY25: 85%) and balance from the export market (majorly middle East countries). SIL hedges ~50- 60% of its foreign exchange exposure through forward contracts, while balance remains un-hedged.

Presence in a competitive agriculture processing industry
Maize processing industry is highly competitive with presence of few large players and large number of unorganised players. The industry witnessed capacity addition in the last 3-4 years by major players, limiting pricing flexibility to a certain extent. However, overall demand of maize starch and its derivatives is growing steadily from multiple end-used industries.

Key strengths

Experienced promoters and established track record of eight decades in manufacturing 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 Mehta family and is currently 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's operations through infusion of funds by way of monetisation of non-core assets and inter corporate deposit.

The team is assisted by tier-II staff that has been associated with the company since long. Promoters have also set-up other entities namely Alland and Sayaji LLP (ASL; CARE BBB-; Stable/CARE A3), and Sayaji Seeds Private Limited (SSPL; CARE BB; Stable/CARE A4). ASL is engaged in manufacturing oleoresin of gum arabica. SSPL is engaged in producing and marketing seeds such as maize, castor, paddy and wheat among others.

Strong product profile and established sales network with diversified clientele
SIL is among the few plyers having presence in entire value-chain of starch and its derivative, with installed capacity of 950 tonnes per day (TPD). Apart from starch, it manufactures derivatives such as liquid glucose and value-added products such as dextrose monohydrate (DMH), anhydrous dextrose (ADH), and sorbitol among others. The process yields by-products (~22-27% of its standalone TOI) such as hydrol, maize gluten, and maize germs, among others. Proportion of byproducts in standalone sales remained ~24% in FY26 (FY25: 20%, FY24: 22%). SIL also manufactures dry food powder primarily tomato powder. Products being manufactured by SIL have diverse industrial applications such as pharmaceutical, food and confectionery, cosmetic, paint, textile, paper, and for poultry and animal feed. It has reputed and diversified clientele, with top 10 customers forms ~26% of its net sales in FY26 (FY25: 24%). SIL has established marketing and procurement network with its long presence in the industry.

Moderate scale of operation with lean operating cycle

SIL has moderate base with TOI of ₹1074.57 crore in FY26 (FY25: ₹1005.81 crore). It reported volume backed TOI growth of ~7% y-o-y basis. SIL's standalone TOI (FY26: ₹1010 crore) continues to remain a major contributor to its consolidated TOI (FY26: ₹1075 crore in FY26), with ~94% share in FY25 (FY24: 96% share). For Q1FY27 (consolidated), SIL reported TOI of ₹288.08 crore. With focus on optimum capacity utilisation, SIL is likely to sustain its scale of operations for FY27 in line with the FY26.

SSPL, a subsidiary of SIL, reported TOI of ₹64.73 crore in FY26 (FY25: ₹46.38 crore) with net profit of ₹0.28 crore (FY25: ₹0.29 crore). ASL reported TOI of ₹67.45 crore in FY26 (FY25: ₹58.32 crore) with PAT of ₹9.13 crore (FY25: ₹8.42 crore).

SIL generally keeps maize inventory of ~20-25 days and avails credit period of 50-60 days. Debtor's days remained lean at ~20-25 days. Payable days and inventory days in past three years remained high mainly owing to purchase of inventory near year end.

Liquidity: Stretched

SIL's liquidity position remained stretched, marked by moderate GCA, high average working capital utilisation of ~90% for 12-months ended June 2026 and below unity current ratio. Muted profitability and constrained GCA in the last 2-3 years substantially increased reliance on the external debt.

SIL is expected to achieve GCA of ~₹35-36 crore against debt repayment obligation of ~₹21 crore (including fixed deposit [FD] maturity) in FY27. Total repayment obligation includes fixed deposits of ~₹8 crore, of which ₹5 crore pertains to deposits from a director. Notably, the director's fixed deposit has already been renewed in May 2026. SIL's cashflow from operations improved from negative ₹22.58 crore in FY25 to ₹40.35 crore in FY26. SIL had cash and cash equivalents of ₹4.51 crore as on March 31, 2026 (₹4.88 crore as on March 31, 2025). SIL has lean operating cycle of 2 days in FY26 (FY25: 2 days). Historically, capex related to process improvement was funded from internal accruals and partly from working capital, leading to below unity current ratio.

Environment, social, and governance (ESG) risks: Not mandatory.

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 950 TPD (increased from 930 TPD as on March 31, 2025) of maize processing as on March 31, 2026.

Brief Financials (₹ crore) - Consolidated	March 31, 2025 (A)	March 31, 2026 (Ab)	June 30, 2026 (UA)
Total operating income	1005.81	1074.57	288.08
PBILDT*	-8.32	45.15	17.68
Profit after tax (PAT)	-11.10	1.50	7.34
Overall gearing (x)	2.34	2.37	NA
Interest coverage (x)	NM	1.81	2.77

A: Audited Ab: Abridged; UA: Un-audited; NM: Not meaningful NA: Not available; 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

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of 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
Fixed Deposit	MCA	Simple	Fixed deposits	-	7-9%	12-36 months	40.00	CARE BB+; Positive
Fund-based - LT-Term Loan	RBI	Simple	-	-	-	March 2031	58.80	CARE BB+; Positive
Fund-based - ST-Bill Discounting/ Bills Purchasing	RBI	Simple	-	-	-	-	23.50	CARE A4+
LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	RBI	Simple	-	-	-	-	135.00	CARE BB+; Positive / 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 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	58.80	CARE BB+; Positive	1)CARE BB+; Stable (23-Jun-26)	1)CARE BB+; Negative (25-Nov-25) 2)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)
2	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	135.00	CARE BB+; Positive / CARE A4+	1)CARE BB+; Stable / CARE A4+ (23-Jun-26)	1)CARE BB+; Negative / CARE A4+ (25-Nov-25) 2)CARE BBB-; Negative / CARE A3 (06-Jun-25)	1)CARE BBB-; Negative / CARE A3 (06-Jun-24)	1)CARE BBB; Negative / CARE A3 (19-Feb-24) 2)CARE BBB+; Stable / CARE A3+ (05-Jul-23)
3	Fund-based - ST-Bill Discounting/ Bills Purchasing	ST	23.50	CARE A4+	1)CARE A4+ (23-Jun-26)	1)CARE A4+ (25-Nov-25) 2)CARE A3 (06-Jun-25)	1)CARE A3 (06-Jun-24)	1)CARE A3 (19-Feb-24) 2)CARE A3+ (05-Jul-23)
4	Fixed Deposit	LT	40.00	CARE BB+; Positive	1)CARE BB+; Stable (23-Jun-26)	1)CARE BB+; Negative (25-Nov-25) 2)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)

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: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated

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

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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About us:
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