



Press Release
BALIRAJA SAKHAR KARKHANA LIMITED
February 06, 2026
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	110.00	ACUITE BBB Negative Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	110.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB**' (**read as ACUITE triple B**) on Rs.110.00 Cr. bank facilities of Baliraja Sakhar Karkhana Limited (BSKL). The outlook is revised from '**Stable**' to '**Negative**'.

Rationale for rating

The negative outlook reflects the deterioration in the financial risk profile arising from the significant debt-funded capex (higher than Acuite's expectations) pertaining to solar project and sugar capacity expansion undertaken by the group. Further, it also takes into account the delay in commencement of commercial operations of the Ethanol division from March 2025 to September 2025 due to pending approvals, which led to lower than projected operational performance for FY2025. Moreover, the rating reaffirmation reflects the group's established operational track record and the extensive experience of its management in the sugar industry. It also factors in the diversified revenue profile, which is predominantly driven by the integrated nature of sugar operations. However, the rating remains constrained by project execution risks associated with the ongoing solar power projects, as well as the intensive working capital requirements, evidenced by high gross current asset (GCA) days. In addition, the group's performance remains susceptible to regulatory interventions, volatility in sugar prices, and agro-climatic risks inherent to the industry.

About the company

Incorporated in January 2001, BSKL is a wholly owned subsidiary of SEIPL. The company's manufacturing facility is located in Purna, Maharashtra, with a sugar crushing capacity of 7,500 TCD (4,000 TCD enhanced from Sugar Season 25-26) and 15 MW of power generation capacity. Additionally, the company is setting up a solar power project with an installed capacity of 55 MW, which is expected to be operational from April 1, 2026. The current directors of the company are Mr. Shivaji Bhagwanrao Jadhav, Mr. Amit Shivajirao Jadhav, Mr. Ajay Shivajirao Jadhav, Mr. Sayeed Waheed Abdul, Mr. Poonam Ajay Jadhav, Mr. Dattatraya Digambar Reddy, Mr. Dinkar Bhimrao Jadhav and Mr. Uttamrao Gopalrao Deshmukh.

About the Group

Shraddha Energy and Infraprojects Private Limited (SEIPL)

Incorporated in December 2004, SEIPL is a Pune based company operating across multiple sectors - sugar milling, wind energy projects and infrastructure construction. The company has

a sugarcane crushing capacity of 10,000 TCD (5,500 TCD enhanced from Sugar Season 25-26) and a 9 MW co-generation facility for power generation. In addition to its sugar production, the company has also started the operation of its ethanol plant from September 2025, with an installed capacity of 350 KLPD. Further, the company also operates wind turbines in Maharashtra ~ 47.2 MW and Karnataka ~ 4.8 MW. and is also involved in construction projects, primarily focused on dams, barrages and lift irrigation systems. In line with its diversification strategy, the company is setting up a solar power project with an installed capacity of 109 MW, which is expected to be operational from April 1, 2026.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has consolidated the business and financial risk profiles of SEIPL and BSKL. The consolidation is on account of ownership of BSKL by SEIPL, similar line of operations, common management and cashflow fungibility between the companies.

Key Rating Drivers

Strengths

Experienced promoters and long track record of operations

Incorporated in December 2004, SEIPL is a part of Shraddha Group which is led by Mr. Shivaji Bhaganwanrao Jadhav who is having more than 40 years of experience in engineering, procurement and construction (EPC) and wind mill power generator and around 2 decades of experience in sugar industry. The group currently has 2 sugar manufacturing units located each at Jalna, Parbhani and Jalgaon district of Maharashtra with a total installed capacity of 17,500 TCD (upgraded from 10,500 TCD as of December 2025). In addition, the group has commissioned a 350 KLPD ethanol plant, which became operational in the current crushing season (SS 2025-26). The extensive experience of management has helped the group in getting wide acceptance among local farmers, facilitating adequate and timely cane procurement, ensuring an adequate crushing period which has helped the group improve its scale of operations over the years. Further, the group holds an order book of Rs 1,044.84 Cr. as on January 01, 2025 in the EPC segment and has tied up its wind power capacity with Maharashtra State Electricity Distribution Company Limited (MSEDCL) at a tariff rate of Rs.2.65 per unit till 2029.

Acuite believes that the group will continue to benefit from its established track record of operations and experience of its management team.

Diversified revenue streams and capacity expansions to improve operating performance

The group derives the majority of its revenue from sugar and its integrated operations, contributing 89% of FY25 revenue, followed by the EPC business at 4.99% and wind power at 3.68%. The operating revenue of the group declined to Rs. 582.62 Cr. in FY25 compared to Rs. 685.18 Cr. in FY24 on account of overall sugar production dip in the state of Maharashtra due to lower cane availability. The operating profit margin of the group also moderated to 19.17 percent in FY25 as against 21.34 percent in FY24 due to higher raw material cost marked by the group. However, revenue from the core sugar segment is expected to grow further in the current year, driven by the enhancement of its existing sugar crushing capacity and the commencement of commercial operations (COD) of its ethanol business from September 2025. Therefore, group recorded a revenue of Rs.482.86 Cr. in 9M FY26 and is expected to close the year at ~Rs 850 Cr. Furthermore, the group's foray into solar setup across both the companies is expected to generate increment revenues from FY27.

Acuite believes that the group's scale of operations will continue to improve through the enhanced utilization of its existing capacity, onset of distillery unit and planned commencement of Solar setup.

Weaknesses

Project risk

In FY26, the group has undertaken significant capital expenditure of Rs. 249.13 crore across its two companies—Rs. 124.10 crore in SEIPL and Rs. 125.03 crore in BSKL—funded through a debt-to-equity mix of 60:40. The capex is directed towards capacity enhancement, with SEIPL adding 5,500 TCD and BSKL augmenting 4,000 TCD. The enhanced capacity commenced operations from December 31, 2025.

In addition, the group is setting up solar power projects across both companies, with an overall installed capacity of 109 MW at SEIPL and 55 MW at BSKL. These projects entail a capital outlay of Rs. 454.50 crore and Rs. 231.65 crore respectively, funded through a debt-equity mix of approximately 73:27. As of February 1, 2026, around 45% of the project cost has been incurred, with commercial operations (COD) for both plants scheduled for April 1, 2026. It is noted that the debt component for the BSKL solar project has not yet been tied up, which remains a key factor to be monitored in terms of funding progress and timely completion.

Leveraged capital structure driven by debt funded capex

The net worth of the group has shown improvement on a year-on-year basis, rising to Rs. 340.97 crore as on March 31, 2025 from Rs. 273.19 crore as on March 31, 2024, supported by profit accretions. However, the debt availed in FY26 towards ongoing capex is expected to moderate the capital structure, with gearing projected to increase to 3.21 times as on March 31, 2026 from 1.45 times as on March 31, 2025. Consequently, the total debt of the group is expected to rise to ~Rs. 1,200 crore as on March 31, 2026 compared to Rs. 495.27 crore in FY25.

While debt protection metrics remained comfortable in FY25, with an interest coverage ratio of 5.75 times and a debt service coverage ratio of 1.89 times, a moderate decline is anticipated in FY26 owing to the higher debt burden. Nevertheless, these indicators are expected to improve over the medium term, supported by incremental cash accruals from the enhanced sugar capacity, ethanol operations, and solar projects. The ability of the group to achieve the projected accruals and maintain adequate coverage metrics will remain a key rating monitorable.

Intensive working capital operations

The working capital operations of group remain intensive, as indicated by gross current asset days (GCA) of 295 days in FY25 compared to 233 days in FY24. These are primarily impacted by increase in inventory days which rose to 278 days in FY25 from 233 days in FY24. Further, the group's debtor days remained stable at 28 days in FY25, in line with FY24. The group receives advance payment from its dealers for the sale of sugar, whereas for EPC and wind turbine it receives payment in ~30-45 days. The creditors days for the group reduced and stood at 110 days in FY25 as compared to 173 days in FY24.

Acuite believes that working capital operations of the group may continue to remain intensive considering the nature of business.

Susceptibility to regulatory, price volatility and agro-climatic risks

The group's operations remain inherently exposed to regulatory interventions, volatility in sugar prices, and agro-climatic risks associated with sugarcane production. While the government's Fair and Remunerative Price (FRP) policy provides some stability in input costs, the open market sugar prices continue to be driven by demand-supply dynamics, resulting in fluctuations in profitability. In addition, government controls on imports, exports, release orders, and buffer stock requirements significantly influence industry performance and remain a key rating sensitivity factor. Further, as sugarcane is an agricultural crop, production levels are vulnerable to monsoon patterns, weather conditions, and risks of pests and diseases, which can adversely impact yields and recovery rates. These combined factors underscore the cyclical nature of the industry and continue to pose challenges to the group's revenue

visibility and profitability sustainability.

Rating Sensitivities

- Higher than expected debt levels leading to further deterioration in the financial risk profile
- Stabilisation of operations for the ethanol and enhanced sugar capacity leading to an improvement in the operating performance and net cash accruals
- Timely Completion of ongoing capex towards solar setup along with debt tie up in BSKL
- Any stretch in working capital operations affecting the liquidity

Liquidity Position

Adequate

The liquidity position of group is adequate marked with net cash accruals (NCA) of Rs. 102.34 Cr. in FY25 as against maturing debt repayment obligations of Rs. 42.94 Cr. in the same year. Further, it is expected that group will generate NCA in range of Rs. 100-150 Cr. against the repayment obligations of around Rs.35-45 Cr. over the medium term. The current ratio of the group stood at 1.24 times in FY25. The average bank limit utilization for last 12 months ending October 31, 2025 stood at 47.18 percent. Further, the group had cash and bank balance of Rs.16.58 Cr. as on March 31, 2025.

Acuite believes that the liquidity position of the group will continue to remain adequate on the back of steady cash accruals.

Outlook: Negative

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	582.62	685.18
PAT	Rs. Cr.	67.78	78.73
PAT Margin	(%)	11.63	11.49
Total Debt/Tangible Net Worth	Times	1.45	1.19
PBDIT/Interest	Times	5.75	4.99

Key Financials (Standalone)

Particulars	Unit	FY25 (Actual)	FY24 (Actual)
Operating Income	Rs.Cr.	296.70	392.88
PAT	Rs.Cr.	35.94	60.68
PAT Margin	(%)	12.11	15.45
Total Debt/Tangible Net Worth	Times	2.52	3.09
PBDIT/Interest	Times	5.03	7.84

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Mar 2025	Term Loan	Long Term	6.21	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	60.00	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	40.00	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	3.55	ACUITE BBB Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.24	ACUITE BBB Stable (Assigned)
23 Dec 2024	Term Loan	Long Term	67.97	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	17.17	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	47.50	ACUITE Not Applicable (Withdrawn)
09 Aug 2024	Term Loan	Long Term	47.50	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	67.97	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	17.17	ACUITE D (Reaffirmed & Issuer not co-operating*)
15 May 2023	Term Loan	Long Term	67.97	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	17.17	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	47.50	ACUITE D (Reaffirmed & Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
TJSB Sahakari Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	60.00	Simple	ACUITE BBB Negative Reaffirmed Stable to Negative
TJSB Sahakari Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE BBB Negative Reaffirmed Stable to Negative
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.43	Simple	ACUITE BBB Negative Reaffirmed Stable to Negative
Saraswat Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	26 Apr 2030	5.19	Simple	ACUITE BBB Negative Reaffirmed Stable to Negative
TJSB Sahakari Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	03 Nov 2029	4.38	Simple	ACUITE BBB Negative Reaffirmed Stable to Negative

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No.	Company name
1	Shraddha Energy and Infraprojects Private Limited (SEIPL)
2	Baliraja Sakhar Karkhana Limited (BSKL)

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About Acuité Ratings & Research

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