



Press Release
VISHWASRAO NAIK SAHAKARI SAKHAR KARKHANA LIMITED
October 20, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	7.50	ACUITE BB- Stable Upgraded	-
Total Outstanding Quantum (Rs. Cr)	7.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded the long-term rating to '**ACUITE BB-**' (read as **ACUITE double B Minus**) from '**ACUITE B+**' (read as **ACUITE B Plus**) on the Rs. 7.50 crore bank facilities of Vishwasrao Naik Sahakari Sakhar Karkhana Limited (VNSSKL). The outlook is '**Stable**'.

Rationale for rating

The rating upgrade considers the migration from 'Issuer Non-Cooperating' and takes into account long and established operational track record of the society in the sugar industry, its integrated operations with cogeneration resulting in growing operating income, support derived from cooperative structure and established farmer base in Sangli, Maharashtra. However, the rating is constrained due to VNSSKL's average financial risk profile, working capital intensive operations, Stretched liquidity and susceptibility of profitability to the agro-climatic risks and volatility in sugar prices.

About the Company

Vishwasrao Naik Sahakari Sakhar Karkhana Limited (VNSSKL) is based out of Sangli and was incorporated in 1972. The society currently operates a 5000 TCD sugar plant and is engaged in manufacturing and selling of sugar. The plant is also forward integrated with a cogeneration unit of 15 MW capacity. The society also owns a petrol pump, a distillery unit of 50 KLPD and an ethanol plant of 30 KLPD. The society is managed by its members with Shri. Amol Ashokrao Patil as its managing director.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of VNSSKL to arrive at the rating.

Key Rating Drivers

Strengths

Long and established operational track record in sugar industry and improving operating

income

Incorporated in 1972, the society maintained an extensive presence in sugar industry for over five decades. Its strong acceptance among local farmers has facilitated timely and adequate cane procurement, ensuring a consistent crushing period. This, in turn, has helped the society scale up its operations over the years. The operating revenue of the society increased to Rs. 378.22 crore in FY2025 compared to Rs. 323.89 crore in FY2024 driven by increase in production and sale of sugar. Additionally, the society recorded operating income of Rs. 72.91 Cr. in 3MFY2026. Despite the rise in operating income, the operating margins declined to 7.56 per cent in FY2025 as against 9.87 per cent in FY2024 due to increased raw material costs. As a co-operative entity, the society operates with a member-centric approach, often prioritizing farmer welfare over profitability. Similarly, the PAT margins fallen to 0.19 per cent in FY2025 from 0.23 per cent in FY2024.

Acuité believes that VNSSKL shall continue to benefit from the extensive experience of its promoters and established track record of operations in the sugar industry.

Integrated nature of operations providing better revenue mix

VNSSKL had an integrated nature of operations comprising an operational cane crushing capacity of 5,000 TCD, co-generation power plant with capacity of 15 MW and a distillery with capacity of 30 KLPD till FY24. The society undertook capital expenditure of approximately Rs. 150 crore to upgrade crushing capabilities to 7,000 TCD (to be operational from SS 2025-26), distillery to 105 KLPD, and co-generation to 22 MW (to be operational from SS 2025-26).

Acuité believes that the society's scale of operations will improve through the utilisation of its enhanced capacities, supported by government measures.

Weaknesses

Average Financial risk profile

The financial risk profile of the society remained average, marked by moderate net worth, below unity gearing, and average debt protection metrics. The net worth of the society stood moderate at Rs. 108.42 crore as on March 31, 2025 as against Rs. 110.28 crore as on March 31, 2024. The decrease in networth is on account of reduction in the environment project fund led to a decline in net worth. The total debt outstanding of Rs. 476.10 crore consists of working capital borrowings of Rs. 254.92 crore and long-term borrowings of Rs. 179.04 crore as on FY2025. The society's gearing ratio stood at 4.39 times as of March 31, 2025 as against 4.17 times as of March 31, 2024. The debt protection metrics remained average with Debt Service Coverage Ratio (DSCR) at 0.47 times in FY2025 as against 0.50 times in FY2024 and Interest Coverage Ratio (ICR) stood at 1.42 times and 1.43 times respectively as on 31st March 2025.

Intensive Working capital operations

The company's working capital operations though improved continue to remain intensive with gross current asset days of 261 days in FY2025 as compared to 360 days in FY2024. The improvement is marked mainly due to reduced inventory to 204 days in FY2025, which stood high 315 days in FY2024 owing to stock piling. Further, the debtor's days of the company remain between 40-50 days. However, the average bank limit utilization for the last 6 months ended June 2025 stood moderately low at ~54.78 percent.

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

Susceptibility to regulatory changes and inherent volatility in sugar prices

The sugar industry is susceptible to movements in sugarcane and sugar prices which results in volatile profitability. While the government policy of Fair and Remunerative Price for sugarcane has brought some amount of stability and predictability in input price, open market sugar price remains dependent on the demand-supply scenario. Besides this, the government also regulates domestic demand-supply through restrictions on imports and exports, sugar release orders and buffer stock limits. Government interventions will remain a driver for the profitability of sugar mills and continue as a key rating sensitivity factor.

Rating Sensitivities

- Improvement in operating income and profitability, leading to generation of sufficient net cash accruals to service the debt obligations.
- Improvement in the working capital operations.
- Changes in government regulations

Liquidity Position

Stretched

The liquidity position of the company is marked stretched with insufficient net cash accruals (NCA) of Rs.8.82 crore in FY2025 as against maturing debt repayment obligations of Rs.42.75 crore in the same year. Though net cash accruals were lower than term loan repayment, society still manage to pay using the incremental deposits received from the members. However, going ahead the cashflows of the company are expected to improve but still remain insufficient in range of Rs.9-10 crore against the repayment obligations in the range of Rs.53-54 crores over the medium term. The current ratio of the company improved and stood at 0.82 times in FY2025. The average bank limit utilization for last 6 months ended Jun 2025 stood at ~54.78 percent. Further, the society had cash and bank balance of Rs.7.56 crore as on March 31, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	378.22	323.89
PAT	Rs. Cr.	0.71	0.76
PAT Margin	(%)	0.19	0.23
Total Debt/Tangible Net Worth	Times	4.39	4.17
PBDIT/Interest	Times	1.42	1.43

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

Not Applicable

Any other information

None

Applicable Criteria

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

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite 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
05 Mar 2025	Working Capital Term Loan	Long Term	7.50	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
07 Dec 2023	Working Capital Term Loan	Long Term	7.50	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
02 Jan 2023	Working Capital Term Loan	Long Term	7.50	ACUITE BB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
BANK OF INDIA (BOI)	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Jul 2026	7.50	Simple	ACUITE BB- Stable Upgraded (from ACUITE B+)

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Sahil Sawant Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.