## Swaraj Green Power and Fuel Limited

**September 26, 2025**

**Ratings**

| Instrument / Facility | Amount (Rs. crore) | Current Ratings | Previous Ratings | Rating Action | Complexity Indicator |
|---|---|---|---|---|---|
| Long Term Bank Facilities | 719.49 | IVR BBB/Stable [IVR Triple B with Stable Outlook] | IVR BBB/Stable [IVR Triple B with Stable Outlook] | Rating reaffirmed | Simple |
| Short Term Bank Facilities | 10.00 | IVR A3+ [IVR A Three Plus] | IVR A3+ [IVR A Three Plus] | Rating reaffirmed | Simple |
| **Total** | **729.49** | **[Rupees Seven hundred twenty-nine crore and forty-nine lakhs only]** | | | |

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

**Detailed Rationale**

Infomerics Ratings has reaffirmed its rating assigned to the bank facilities for the long-term facilities to IVR BBB with stable outlook and short-term facilities to IVR A3+ of Swaraj Green Power and Fuel Limited (SGPFL).

The rating reaffirmation is on account of extensive experience of the promoters and favourable policy framework. The ratings continue to draw comfort from improved profitability and moderate scale of operations. However, these rating strengths are partially offset by moderate financials risk profile and risk related to Government regulations. The company is also exposed to vagaries of nature and working capital intensive nature of operations.

The 'Stable' outlook reflects Infomerics Ratings expectation of improvement in scale of operations and sustained profitability. Infomerics believes the company will continue to benefit from its operational track record in the business resulting in increased scale of operations.

Infomerics Ratings has principally relied on the standalone provisional financial results of SGPFL up to 31 March 2025 (refers to period April 1st, 2024, to March 31st, 2025) and projected financials for FY2026 (refers to period April 1st, 2025, to 2 March 31st, 2026) - FY2028 (refers to period April 1st, 2027, to March 31st, 2028), and publicly available information/ clarifications provided by the company's management.

**Key Rating Sensitivities:**

**Upward Factors**

- Improvement in cane crushing levels and recovery rate leading to significant improvement in revenue and profitability.
- Sustained improvement in credit risk profile of the company; specific metrics being total debt to GCA below 3x on sustained basis.

**Downward Factors**

- Decline in the cane crushing volumes or recovery rate or an increase in the cane prices resulting in deterioration of profitability and debt coverage metrics.
- Any unplanned capex leads to moderation in the capital structure.

**List of Key Rating Drivers with Detailed Description**

**Key Rating Strengths**

- **Extensive experience of the promoters in the sugar industry**

The promoters have been engaged in the sugar business for several decades; the commercial operations were started in the year 2014-15, with capacity of 2000 Tonnes Crushed per Day (TCD) and distillery unit of 60 KLPD. Over the time, the company has increased its installed capacity to 5000 TCD and distillery unit with capacity of 500 KLPD.

- **Favourable policy framework**

The Government of India (GoI) has been supporting the sugar industry through various measures such as continuation of MSP, soft loans for clearing cane dues, interest subvention loans for ethanol capacity creation and expansion and remunerative prices for ethanol, resulting in improved domestic demand-supply balance. Additionally, the GoI has preponed the ethanol blending programme timeline to 2025 from 2030 for 20% mandatory blending of ethanol with petrol. All these measures of GoI have been positive for the sugar industry.

- **Improved profitability and moderate scale of operations**

The total operating income of the company declined by 10.46% as per the provisional FY25 results and stood at Rs. 675.27 crore compared to Rs. 754.14 crore during FY24 on account of decline in revenue generated from trading activities along with decline in sales volume of all the products except ethanol. During FY25, the total quota allocated stood at 401600 Qtls. compared to 4,33,530 Qtls. during FY24. The company has completed its ethanol capacity expansion project during FY24 which lead to increase in ethanol production and is more focused on increasing the manufacturing activities therefore the trading revenue has declined. Although decline in top line, EBITDA margin of the company has improved significantly by 1087 bps and stood healthy at 25.35% in FY25 (Provisional) compared to Rs. 14.48% in FY24 on account of increase in average sales realization of all its product manufactured, decline in manufacturing expenses along with higher margin on traded goods. Subsequently, the PAT margin of the firm has also improved significantly by 287 bps and stood at 5.64% as per FY25 provisional compared to 2.77% during FY24.

### B. Key Rating Weaknesses

- **Moderate financial risk profile; though marginal improvement.**

The capital structure of the company continued to remain moderate marked by overall gearing at 3.26x as on March 31, 2025, prov. Improved from 3.84x as on March 31, 2024, mainly due to accretion of profits to general reserve along with schedule repayment of term liabilities. Further, total indebtedness of the company as reflected by TOL/TNW also improved although continued to remain moderate at 4.17x as on March 31, 2025, prov., as compared to 4.76x as on March 31, 2024, on account of improved TNW along with decline in bank debt. The debt protection metrics of the company marked by Interest coverage ratio at 2.27 times in FY25 prov. Improved from 2.07x in FY24 on account of increase in profitability. The DSCR of the company has deteriorated from 1.26x for FY24 to 1.12 for FY25 on account of large repayment liabilities. Total debt to GCA stood high at 6.88x as on March 31, 2025, prov., although improved from 10.77x as on March 31, 2024, on account of improvement in GCA along with decline in total debt.

- **Exposed to vagaries of nature and working capital intensive nature of operations**

Being an agro-based industry, performance of the company is dependent on the availability of sugarcane crop and its yield, which may get adversely affected due to adverse weather conditions. Climatic conditions, precisely monsoons influence various operational structures for a sugar entity, such as the crushing period and sugar recovery levels. Further the operations in sugar and ethanol sector remains working capital intensive. The working capital cycle of the company is elongated and stood at 280 days largely driven by high inventory of around 282 days, because of seasonal nature of business (crop season from October to April) and hence there is a peak build-up of sugar inventories at the fiscal end for sale next year, resulting in peak working capital requirements**.**

- **Exposure to risk related to Government regulations**

The sugar industry is highly exposed to risks related to Government regulations. Various Government Acts governs primarily all aspects of the business, which include the availability and pricing of sugarcane, sugar trade and by - product pricing. The procurement of sugarcane by the sugar entities is governed by the Sugarcane (Control) Order, 1966, which stipulates that the mills need to source their sugarcane only from the command area allocated to them. The order also makes it mandatory for the sugar mill to necessarily uplift the entire sugarcane production of the farmer, irrespective of the market demand, which has a considerable impact on the inventory holding pattern. Further, Government intervention also exists to control the sugar prices to curb food inflation and stabilize the sugar prices in the domestic market.

- **Cyclical nature of the sugar business**

The key parameters of the sugar supply in the domestic market for a given sugar season are typically controlled by factor like domestic sugar production, opening sugar stock levels and global sugar production and sugar imports. The industry is highly cyclical in nature because of variations in the sugarcane production in the country.

**Analytical Approach:** Standalone

**Applicable Criteria:**

Rating Methodology for Manufacturing Companies.

Financial Ratios & Interpretation (Non-Financial Sector).

Criteria for assigning Rating outlook.

Policy on Default Recognition

[Complexity Level of Rated Instruments/Facilities]

**Liquidity – Adequate**

The liquidity position of the company is adequate, marked by its sufficient cash accruals as against its repayment obligations. The Company's average fund-based working capital limit utilization stood moderate at 85.62% for the last 12 months ended July 2025 indicate adequate buffer in its working capital limits. Further, the company had free cash and cash equivalents to the tune of Rs.1.14 crore as on March 31, 2025. The current ratio of the company stood moderate at 1.16x as on March 31, 2025. Further, the company expects sufficient cushion in cash accruals against its debt repayments. The company is expecting GCA in the range of Rs. 140.09 Cr. - Rs. 182.63 Cr. during FY26-28 against debt repayment of Rs. 97.65 Cr.- 70.61 Cr. in FY26-28. The working capital cycle of the company stood at 280 days in FY25.

**About the Company**

SGPFL (erstwhile known as Swaraj India Agro Ltd) was incorporated in 2010 by Mr. Ranjeet Singh Naik Nimbalkar. The company is engaged in business of sugar manufacturing along with allied products. The factory is fully integrated in nature which comprises of installed sugar crushing capacity of 5000 TCD, cogeneration unit of 23 MW and distillery unit of 500 KLPD. The fully integrated plant of the company is located in Phaltan Taluka of Satara District of Maharashtra state. The entire integrated unit is spread over 87.50 Acres of Land in Phaltan, Satara.

**Financials (Standalone):** **(Rs. crore)**

| For the year ended/ As on* | 31-03-2024 | 31-03-2025 |
|---|---|---|
| | Audited | Provisional |
| Total Operating Income | 754.14 | 675.27 |
| EBITDA | 109.23 | 171.20 |
| PAT | 21.63 | 39.80 |
| Total Debt | 819.64 | 802.44 |
| Tangible Net Worth (Adj) | 213.47 | 246.41 |
| EBITDA Margin (%) | 14.48 | 25.35 |
| PAT Margin (%) | 2.77 | 5.64 |
| Overall Gearing Ratio (x) | 3.84 | 3.26 |
| Interest Coverage (x) | 2.07 | 2.27 |

* *Classification as per Infomerics' standards.*

**Status of non-cooperation with previous CRA:** Vide press release dated June 10, 2025, Brickwork Ratings India Private Limited have kept the ratings under non-cooperation category on account of non-submission of relevant information.

**Any other information:** Not applicable

**Rating History for last three years:**

| Sr. No. | Name of Security/Facilities | Current Ratings (Year 2025-2026) | | | Rating History for the past 3 years | | |
|---|---|---|---|---|---|---|---|
| | | Type (Long Term/Short Term) | Amount outstanding (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2024-25 | Date(s) & Rating(s) assigned in 2023-24 | Date(s) & Rating(s) assigned in 2022-23 |
| | | | | | July 02, 2024 | May 08, 2023 | - |
| 1. | Fund Based Limits | Long Term | 719.49* | IVR BBB/ Stable | IVR BBB/ Stable | IVR BBB/ Stable | - |
| 2. | Non-Fund Based | Short Term | 10.00 | IVR A3+ | IVR A3+ | IVR A3+ | - |

**Reduced from Rs. 788.50 crore*

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**About Infomerics:**

Infomerics Valuation and Rating Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

# Press Release

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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**Annexure 1: Instrument/Facility Details**

| Name of Facility/ /Security | ISIN | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook |
|---|---|---|---|---|---|---|
| Long Term Facility – Term Loan | - | - | - | Sep, 2029 | 309.89 | IVR BBB/Stable |
| Long Term Facility – Cash Credit | - | - | - | - | 359.60 | IVR BBB/Stable |
| Long Term Facility – Proposed | - | - | - | - | 50.00 | IVR BBB/Stable |
| Short Term Facility – Bank Guarantee | - | - | - | - | 10.00 | IVR A3+ |

**Annexure 2: Facility wise lender details:**
**https://www.infomerics.com/admin/prfiles/len-swarajgreen-sep25.pdf**

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable**

**Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.