Press Release

Parvati Sweetners and Power Limited

April 07, 2026

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	11.31	IVR BB-/Stable; Withdrawn (IVR Double B Minus with Stable Outlook and withdrawn)	IVR BB-/Stable (IVR Double B Minus with Stable Outlook)	Rating reaffirmed and simultaneously withdrawn	Simple
Total	**11.31 (Rs. Eleven- Crore and Thirty- One Lakh 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has reaffirmed its ratings on the bank facilities of Parvati Sweeteners and Power Limited (PSPL) and simultaneously withdrawn its ratings with immediate effect. Withdrawal is based on the request received from PSPL and No Objection Certificate (NOC) from the lender, ICICI Bank. The withdrawal is in line with Infomerics' policy on withdrawal of ratings.

The reaffirmation of ratings continues to factor the established operational track record along with experienced management, comfortable capital structure with adequate coverage indicators. The rating, however, remains constrained by elongated operating cycle and exposure to intense market competition.

The outlook is stable on account of the PSPL's established presence in the industry further supported by favourable demand prospects of sugar industry.

Key Rating Sensitivities:

Upward Factors

Not Applicable

Downward Factors

Not Applicable

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Established track record of operations and experienced management**

The company commenced its operations in 2013 and has an extensive track record across Madhya Pradesh. The founder and chairman bring over three decades of experience in the sugar industry, while the other directors have nearly 15 years of industry experience. The long-standing experience of the leadership team, coupled with the company's established operational history, strengthens its overall risk profile.

- **Comfortable capital structure**

PSPL's capital structure remained comfortable during FY25 and continued to remain healthy in H1FY26. The tangible net worth improved to Rs. 101.86 crore as on March 31, 2025, from Rs. 101.27 crore as on March 31, 2024, supported by accretion to reserves, notwithstanding moderation to Rs. 95.02 crore in H1FY25 due to losses incurred. Further, total debt levels declined to Rs. 30.41 crore in FY25 from Rs. 53.06 crore in FY24 and remained largely stable at Rs. 32.63 crore as on September 30, 2025 (H1FY26). Consequently, the overall gearing improved to 0.30x in FY25 from 0.52x in FY24 and continued to remain comfortable at 0.32x as on September 30, 2025. The total indebtedness, as reflected by TOL/TNW, also improved to 0.38x as on March 31, 2025, from 0.67x as on March 31, 2024, and remained at a comfortable level of 0.43x as on September 30, 2025 (H1FY26)

Key Rating Weaknesses

- **Substantial decline in revenue and losses incurred in 9MFY26**

During 9MFY26, PSPL incurred EBITDA losses of Rs 6.54 crore (FY25: Rs 7.10 crore) as compared with operating profit of Rs 3.82 crore during corresponding period last year (CPLY) mainly impacted by supply related disruptions in the region which has led to temporarily plant shutdown during the period. At PAT level, PSPL has reported a loss of Rs. 10.56 crore during 9MFY26 (FY25: Rs 0.58 crore) as compared with net profit of Rs. 1.25 crore during CPLY.

- **Working capital intensive nature of operations due to elongated operating cycle**

Inventory management is crucial for the company as it needs to maintain optimal inventory of sugar to meet the customer demand and unforeseen supply shortage. Instances of build-up of inventory normally take place during the year end. Accordingly, the average inventory period of the company stood at around 500 days in FY25 (383 days in FY24). The average collection period and average creditor days in FY25 stood at 8 days and 18 days respectively. Hence, the operating cycle (FY25: 490 days and FY24: 371 days) was mainly elongated by inventory build-up. Furthermore, operating cycle is expected to be elongated due to lower than expected sales in 9MFY26. Any further elongation in operating cycle will remain a key monitorable, going forward.

- **Exposure to intense competition in the overall industry**

The sugar manufacturing industry is highly competitive, with limited pricing power due to its commoditized nature, resulting in moderate industry-wide margins. Furthermore, the company's sales are concentrated in Madhya Pradesh, exposing it to geographical concentration risk. In addition to the same, the industry is exposed to climatic risk like unseasonal or excessive rainfall.

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 –Stretched

The company's liquidity is expected to remain stretched in the near to medium term due to continued operating losses, resulting in a high reliance on external borrowings and promoter support for meeting upcoming term-debt obligations. Accordingly, the company's ability to ramp up operations over the near to medium term will be crucial to sustain its debt servicing capability, though internal accruals.

About the Company

PSPL is engaged in sugar manufacturing with cogeneration capabilities. It is operated by "LNCT Group", one of the leading group engaged in education sector within Madhya Pradesh. The other business verticals of the group are Pharmaceuticals, Real Estate, Information Technology, and Infrastructure in Madhya Pradesh. The unit is located in Dabra District of Madhya Pradesh and is operational since 2013. Furthermore, the unit also has multi-fuel boiler in operation which helps to generate power in offseason as well help to process raw sugar with higher capacity in off season too. The sugar factory is presently crushing at a rate of 2500 TCD with 3.75 MW cogeneration capabilities.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	80.58	53.57
EBITDA	10.96	7.11
PAT	1.43	0.58
Total Debt	53.06	30.41
Tangible Net Worth	101.27	101.86
EBITDA Margin (%)	13.60	13.26
PAT Margin (%)	1.77	1.09
Overall Gearing Ratio (x)	0.52	0.30
Interest Coverage (x)	0.67	2.44

** Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: Nil

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/ Facilities	Current Ratings (2026-27)			Rating History for the past 3 years				
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26			Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					February 23, 2026	November 24, 2025	April 23, 2025	February 25, 2025	February 22, 2024
1	ECLGS	Long Term	1.70	IVR BB-/ Stable; Withdrawn	IVR BB-/ Stable	IVR BB/ Negative	IVR BB/ Stable	IVR BB/ Stable	IVR BB+/Stable
2	Dropline OD	Long Term	3.61	IVR BB-/ Stable; Withdrawn	IVR BB-/ Stable	IVR BB/ Negative	IVR BB/ Stable	IVR BB/ Stable	IVR BB+/Stable
3	Cash Credit	Long Term	6.00	IVR BB-/ Stable; Withdrawn	IVR BB-/ Stable	IVR BB/ Negative	IVR BB/ Stable	IVR BB/ Stable	IVR BB+/Stable

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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.

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

For more information and definition of ratings please visit www.infomerics.com.

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
ECLGS	-	-	-	March, 2027	1.70	IVR BB-/Stable (Withdrawn)
Dropline OD	-	-	-	July, 2026	3.61	IVR BB-/Stable (Withdrawn)
Cash Credit	-	-	-	-	6.00	IVR BB-/Stable (Withdrawn)

Annexure 2: Facility wise lender details:
https://infomericstorage.blob.core.windows.net/uploads/len_parvatisweet_mar26_93cb91b73f.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.