Dated: March 17, 2026

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

Script Symbol: GODAVARIB

The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street
Mumbai-400001

Script Code:544279

Sub: Intimation of Credit Rating under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

Pursuant to Regulation 30 of SEBI (LODR) Regulation, 2015, we would like to inform you that CARE Rating Limited vide its press release dated 17th March, 2026, has reaffirmed the credit rating to **CARE BBB+ Stable** for Long Term Bank Facilities, **CARE A2** for Short Term Bank Facilities and **CARE BBB+ Stable** for Public Deposit of the Company

Press release dated 17th March 2026 issued by CARE Rating Limited to this effect is enclosed.

This is for your information and records.

Thanking you,
Yours faithfully

For Godavari Biorefineries Limited

MANOJ JAIN
Digitally signed by MANOJ JAIN
Date: 2026.03.17 20:48:50 +05'30'

Manoj Jain
Company Secretary & Compliance Officer
Membership No. F-7998

Godavari Biorefineries Limited

March 17, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	653.83	CARE BBB+; Stable	Reaffirmed
Short-term bank facilities	97.00	CARE A2	Reaffirmed
Fixed deposit	85.00	CARE BBB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Godavari Biorefineries Limited (GBL) reflects the company's adequate operating performance in FY25 (refers to April 01 to March 31) and 9MFY26, despite industry-wide headwinds of reduced profitability owing to higher sugarcane prices, restrictions on sugar exports and limited availability of molasses following the restriction on diversion of sugar syrup for ethanol production, and CARE Ratings Limited's (CareEdge Ratings') expectations of sustained performance over the medium term driven by its sizeable crushing and distillery capacities and long track record of operations. GBL's total operating income (TOI) grew by 11% YoY in FY25 largely driven by higher sugar sales even as its profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin contracted ~238 bps YoY to 5.55% in FY25 led by deterioration in profitability of distillery segment owing to restriction on cane diversion to ethanol, unavailability of molasses and consistent increase in cane prices against stable sugar and ethanol realisations. The reinstatement of sugar exports and diversion of cane for ethanol production in the ongoing sugar season and continued improvement in profitability of GBL's bio-based chemicals is expected to support recovery in performance in the current year. The lower-than-envisaged profitability and incremental borrowing to fund the growth capex led to moderation in total debt/PBILDT to 4.93x in FY25, below the negative threshold of 3.5x envisaged earlier. The metric is expected to gradually improve with expected recovery in profitability, partly aided by commercialisation of the planned grain-based distillery, and remains a key rating sensitivity.

Ratings continue to derive comfort from GBL's integrated sugar unit, proximity to high-yielding sugarcane cultivating regions and diversified product portfolio comprising sugar, distillery, co-generation and bio-based chemicals, which mitigates concentration risk. GBL's business risk profile also benefits from the company's strong and resourceful promoters, Somaiya Group, with a long track record in agri-based businesses and education sector.

However, ratings continue to remain constrained by the company's moderate capital structure and debt coverage indicators, despite some improvement in FY25 led by sizeable increase in net worth base and prepayment of term loans following the fresh equity infusion through the initial public offering (IPO) in Q3FY25, owing to continued debt-funded capital expenditure for setting up the fungible grain-based distillery and working capital intensive operations. Ratings also factor in GBL's presence in a highly regulated industry and its exposure to agri-climatic risks and cyclical nature of sugar industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Substantial increase in scale of operations and improvement in PBILDT margin above 10% on a sustained basis.
- Improvement in total debt to PBILDT below 2.5x on a sustained basis.

Negative factors

- Total debt to PBILDT above 3.5x on a sustained basis.
- Weaker-than-anticipated profitability and/or cash accruals leading to deterioration in the debt coverage indicators and liquidity.
- Any significant cost or time overrun in completion of the ongoing capex or delay in realisation of expected benefits from the capex.
- Significant elongation in the operating cycle resulting in deterioration in liquidity position.

Analytical approach: Consolidated

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

CareEdge Ratings has considered the consolidated financial statements of GBL and its subsidiaries, as detailed in Annexure-6, owing to their presence in similar line of business and operational and financial linkages.

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectations that the company will generate healthy cash accruals and maintain adequate debt coverage metrics over the medium term supported by its established operational track record.

Detailed description of key rating drivers:

Key strengths

Strong promoter group and a long-standing track record in the sugar industry

GBL belongs to the Somaiya group, which is among the oldest and well-established industrial houses in India with diversified interests in sugar and its allied products, alcohol and bulk organic chemicals, bio-based specialty chemicals, healthcare, social welfare and education, including the Somaiya group of institutions, among others. The promoters have demonstrated their willingness to financially support the company in the past. GBL was established by Late KJ Somaiya in 1939 as The Godavari Sugar Mills Limited and is currently managed by his grandson, Samir Somaiya (Chairman and Managing Director). The company has over eight decades of track record in the sugar industry which an established presence in Karnataka and Maharashtra.

Favourable location with proximity to high-recovery sugarcane producing regions

GBL operates a fully integrated sugarcane processing facility at Sameerwadi, Karnataka, which houses sugarcane crushing, distillery, and co-generation power units. Additionally, the company runs a bio-based chemicals manufacturing plant at Sakarwadi, Maharashtra. The strategic location of these facilities in Maharashtra and Karnataka, regions known for high-recovery sugarcane, provides operational advantages over other parts of India. In FY25, the company achieved a gross recovery rate of 10.94% (FY24: 10.78%), underscoring the efficiency of its operations. The proximity to abundant sugarcane supply ensures consistent raw material availability, supporting stable production across sugar and allied segments.

Fully integrated unit with diversified product portfolio; rising contribution from bio-based specialty chemicals

GBL derives strength from its well-diversified product portfolio across the sugar value chain, encompassing sugar, co-generation, distillery, and bio-based chemicals. This diversification mitigates concentration risk and provides resilience against the cyclical nature of the sugar industry. In FY25, sugar, distillery, and biochemicals contributed 36% (FY24: 33%; FY23: 34%), 31% (FY24: 33%; FY23: 31%), and 29% (FY24: 30%; FY23: 32%) of total revenue, respectively, with the balance from power generation. While ethanol production currently relies on sugarcane as feedstock, the company is in the process of commissioning a grain-based ethanol facility, which will be fungible across multiple feedstocks. This strategic expansion is expected to enhance operational flexibility and improve margins over the medium term. The seasonal nature of sugar operations is offset by continuous revenue streams from distillery and chemical segments, supporting overall business stability. The company's recent focus on expanding its capacities in the bio-based specialty chemicals segment, which now accounts over 60% of the bio-based chemicals segment's revenue, has resulted in favourable segment margins, supporting overall profitability. GBL's continued research and development (R&D) investment in the specialty chemicals and cancer drug is expected to provide diversification and be margin accretive over the medium term.

Sustained growth in scale of operations with moderate profitability

On a consolidated basis, GBL's TOI rose to ₹1,870.25 crore in FY25 (FY24: ₹1,686.67 crore), primarily driven by ~20% growth in the sugar segment and modest single-digit growth across other segments. This improvement was largely supported by higher sales volumes, complemented by better realisations. With the reinstatement of sugar exports and increasing consumption, revenue from the sugar division is expected to maintain its upward trajectory. Additionally, despite India achieving 20% ethanol blending, demand for ethanol remains robust, which continues to benefit GBL. The government's focus on reducing the energy import bill further strengthens the long-term prospects of the ethanol segment. To capitalise on this opportunity, GBL is diversifying into grain-based distillery operations. The commissioning of this facility in Q1FY27 is expected to enhance both revenue and profitability. The growing contribution of specialty chemicals within the bio-based chemical division is providing incremental support to TOI and margins. In 9MFY26, GBL reported ~10% year-on-year growth, with TOI reaching ₹1,423.84 crore (9MFY25: ₹1,290.74 crore).

The steady rise in cane prices by ~12% in the last two years against stagnant ethanol prices has weighed heavily on the company's profitability in FY25. Additionally, the temporary restriction on cane diversion to ethanol until mid-FY25 and limited in-house availability of molasses led to dependence on purchase from external vendors, which impacted the distillery segment's profitability as evident from the segment's earnings before interest and taxation (EBIT) margin declining to 2.55% in FY25 from above 9% between FY23 and FY24. Consequently, GBL's PBILDT profitability declined to 5.55% in FY25 (FY24: 7.93%). Looking ahead, operating profitability is expected to improve in the near term, supported by growing ethanol demand, adequate molasses availability in FY26, and higher sales of specialty chemicals within the bio-based chemical division. At net level, the company continues to book net loss in 9MFY26 at ~₹49 crore, although reduced from loss of ₹95 crore in 9M FY25, partly due to an exception expense of ~₹34 crore comprising additional harvesting charges of ₹26.7 crore paid by the company to its contractors amidst incremental payouts by its competitors and provision of ₹7.9 crore following the implementation of new labour code. However, considering the inherent characteristics of the industry and the company's established track record, its overall performance is expected to remain robust in the last quarter.

Key weaknesses

Moderate debt coverage metrics and sizeable contingent liabilities

GBL's debt coverage metrics, as reflected by total debt/PBILDT and PBILDT interest cover of 4.93x and 1.45x, respectively, in FY25 (PY: 5.53x and 1.77x, respectively), remain lower than rating category benchmarks primarily due to subdued operating profitability and relatively higher reliance on borrowings. While the overall gearing improved to 0.94x as on March 31, 2025 (PY: 2.79x) with substantial prepayment of term loans from IPO proceeds in FY25, incremental borrowings to fund the ongoing capital expenditure towards setting up of the grain-based distillery are likely to keep the capital structure at similar levels and constrain the debt coverage metrics. The company's ability to improve its debt coverage metrics led by operating efficiencies remains a key rating sensitivity.

Working capital-intensive operations

Being seasonal in nature, the sugar industry has high working capital requirements in the peak season, which is from November to April, to procure their primary raw material, sugarcane and manufacture sugar in this period. Moreover, the farmers' dues need to be cleared in a timely manner owing to regulatory oversight, increasing the overall working capital intensity of operations. GBL exports products on an advance basis and the collection period for the domestic sale of sugar to institutional customers and the sale of ethanol to oil marketing companies (OMCs) is steady at ~30 days. The company maintains adequate inventory to offer the steady supply of sugar per the requirements of institutional customers and the retail market throughout the year. With sugar prices gradually increasing over the sugar production cycle, it warrants a high level of inventory during the year-end. GBL's average working capital cycle has remained in the range of 75-80 days over the last two years with year-end inventory holding at 155-160 days.

Project implementation and stabilisation risk

The company is undertaking a planned capex towards setting up a 200 kilo litres per day (KLPD) grain-based distillery and debottlenecking of existing manufacturing facilities, partly funded by incremental borrowings. The grain-based distillery project, with fungible feedstock capacity, is scheduled to be commercialised in Q1 FY27 and benefit the company in terms of diversification of ethanol feedstock, reduce dependence on sugar syrup/molasses, increase distillery capacity and enhance operating flexibility. The company's ability to timely stabilise the additional capacities without significant cost overruns translating into enhanced profitability remains a monitorable.

Seasonal, cyclical, and regulated nature of sugar business

The sugar industry directly depends on the sugarcane crop and its yield, and is susceptible to agro-climatic risks. Climatic conditions, more specifically, the monsoons, influence operational parameters for a sugar entity, such as the crushing period and sugar recovery levels. Also, the degree of dispersion of monsoon precipitation across the sugar-growing areas also leads to fluctuating trends in sugar production in different regions. CareEdge Ratings notes that while the gross recovery rates for GBL have been at ~11% for the period ended March 31, 2025, the higher recovery rates lead to a reduction in the production cost of sugar, thus supporting the margins. The industry is cyclical by nature and is vulnerable to government policies for reasons, like its importance in the wholesale price index (WPI) as it classifies as an essential commodity. The government on its part resorts to regulations such as fixing the raw material prices in the form of state advised prices (SAP) and fair and remunerative prices (FRP). All these factors impact the cultivation patterns of sugarcane in the country, and thus, affect the profitability of sugar companies. Hence, the company's performance can be impacted by a disproportionate increase in cane prices in particular year. The profitability remains vulnerable to the government's policies on sugar and ethanol, minimum support price (MSP), and remunerative ethanol prices.

Liquidity: Adequate

The liquidity of the company is adequate with projected gross cash accrual expected to be sufficient to meet the scheduled debt repayment obligation of ₹30-35 crore p.a. (including repayment obligation of lease liabilities) and likely maturity of public deposits of ₹25-30 crore p.a., which are expected to get rolled over. The company's free cash and bank balance stood at ₹26 crore as on September 30, 2025 and the average utilisation of working capital limits stood at ~60% in the 12 months ending September 30, 2025 with maximum utilisation at ~80%, indicating adequate liquidity buffer. GBL's current ratio stood at 1.13x as on March 31, 2025 (PY: 0.95x).

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Sugar Sector
Consolidation
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	Agricultural food and other products	Sugar

GBL was incorporated in 1939 by the late KJ Somaiya and his son, the late Dr. Shantilal K Somaiya. As on December 31, 2025, the promoter and promoter group hold 63.31% equity stake in the company through entities. GBL has two units, one is an integrated plant producing sugar, power and industrial alcohol, and second unit produces bio-based specialty chemicals. The integrated sugar plant is in Sameerwadi, Karnataka, and bio-based speciality chemical unit is in Sakarwadi, Maharashtra. Its chemicals division exports ethyl acetate to the Middle East, Africa, and European countries. The company has an in-house retail brand 'Jivana' for the sale of sugar, turmeric, and salt in Rajasthan Maharashtra, Karnataka, and Gujarat.

Brief Financials (₹ crore) - Consolidated	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	1,686.67	1,870.25	1,423.84
PBILDT*	133.77	103.88	40.91
Profit after tax (PAT)	12.30	-23.41	-49.36
Overall gearing (x)	2.79	0.94	NA
Interest coverage (x)	1.77	1.45	1.08

A: Audited UA: Unaudited; 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

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	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	-	-	-	-	85.00	CARE BBB+; Stable
Fund-based - LT-Cash Credit	-	-	-	-	276.00	CARE BBB+; Stable
Fund-based - LT-Term Loan	-	-	-	March 2034	377.83	CARE BBB+; Stable
Non-fund-based - ST-BG/LC	-	-	-	-	97.00	CARE A2

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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - ST-BG/LC	ST	97.00	CARE A2	-	1)CARE A2 (09-Jan-25)	1)CARE A3+ (20-Oct-23) 2)CARE A3+ (09-Oct-23)	1)CARE A3+ (09-Nov-22)
2	Fund-based - LT-Term Loan	LT	377.83	CARE BBB+; Stable	-	1)CARE BBB+; Stable (09-Jan-25)	1)CARE BBB; Stable (20-Oct-23) 2)CARE BBB; Stable (09-Oct-23)	1)CARE BBB; Stable (09-Nov-22)
3	Fund-based - LT-Cash Credit	LT	276.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (09-Jan-25)	1)CARE BBB; Stable (20-Oct-23) 2)CARE BBB; Stable (09-Oct-23)	1)CARE BBB; Stable (09-Nov-22)
4	Fixed Deposit	LT	85.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable	1)CARE BBB; Stable	1)CARE BBB; Stable

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	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	Date(s) and Rating(s) assigned in 2022-2023
						(09-Jan-25)	(20-Oct-23) 2)CARE BBB; Stable (09-Oct-23)	(09-Nov-22) 2)CARE BBB; Stable (22-Jun-22) 3)CARE BBB (FD); Stable (04-Apr-22)

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fixed Deposit	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Fund-based - LT-Term Loan	Simple
4	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Solar Magic Private Limited	Full	Wholly owned subsidiary
2	Cayuga Investments B.V.	Full	Wholly owned subsidiary
3	Godavari Biorefineries B.V.	Full	Step-down subsidiary
4	Godavari Biorefineries Inc., USA	Full	Step-down subsidiary
5	Sathgen Therapeutics LLC	Full	Step-down subsidiary

Note: As on December 31, 2025

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.

Contact us

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About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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