



**THE SUKHJIT  
STARCH AND CHEMICALS  
LIMITED**

EVOLVING WITH NATURE

Ref: SSC/SVP/SE/2026-26/ C-305

Dt: 12/06/2026

**BY E-FILING**

To, The General Manager-Listing Department BSE Limited 25th Floor, P.J. Towers, Dalal Street, Fort, MUMBAI- 400 001 <b>Ref: Security Code: 524542</b>	To, The General Manager-Listing Department The National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, BandraKurla Complex, Bandra (E), Mumabi- 400 051 <b>Ref: Symbol: SUKHJITS</b>
---	---

**Reg: CREDIT RATING**

Dear Sir,

We refer to the above and wish to convey that CRISIL has revised the Credit Rating for our Long Term Bank Facilities & Fixed Deposits, from 'Crisil A + / Negative' to 'Crisil A / Stable'. However, the credit rating for Short Term Bank Facilities has been reaffirmed as 'Crisil A1'.

The Rating Rationale, explaining the necessary details for revising the Credit Rating is attached.

The said Rating Rationale has already been uploaded on the website of the Company.

You are requested to kindly take note of the same.

Thanking You,

Yours Faithfully,

For THE SUKHJIT STARCH & CHEMICALS LTD

Sr. VICE PRESIDENT (FINANCE)  
& COMPANY SECRETARY



Regd. Office : Rehana Jattan,  
Tehsil Phagwara,  
Distt Kapurthala - 144 407  
(Pb.) India

T : 01824 468800, 518800  
E : sukhjit@sukhjitgroup.com  
w : www.sukhjitgroup.com

FSSC:22000 Company  
CIN : L15321PB1944PLC001925

## Rating Rationale

June 12, 2026 | Mumbai

### The Sukhjit Starch and Chemicals Limited

Long-term rating downgraded to 'Crisil A/Stable'; Short-term rating reaffirmed

#### Rating Action

Total Bank Loan Facilities Rated	Rs.405 Crore
Long Term Rating	Crisil A/Stable (Downgraded from 'Crisil A+/Negative')
Short Term Rating	Crisil A1 (Reaffirmed)

Rs.90 Crore Fixed Deposits	Crisil A/Stable (Downgraded from 'Crisil A+/Negative')
----------------------------	--

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

Crisil Ratings has downgraded its rating on the long-term bank facilities and fixed deposits of The Sukhjit Starch and Chemicals Limited (SSCL) to '**Crisil A/Stable**' from 'Crisil A+/Negative' and reaffirmed the short-term rating at 'Crisil A1'.

The downgrade factors into the weakening of the business risk profile of SSCL. After reporting lower-than-expected revenues of Rs 1,425 crore during fiscal 2026, the revenue is likely to remain flat, at Rs 1,400-1,500 crore, in fiscal 2027 amidst subdued realizations. The realizations remain moderated by 7-8% more than the softening of raw material prices, resultantly, operating profitability is estimated to decline to 5.26% during fiscal 2026, down from 6.9% in fiscal 2025 and significantly lower than previous expectations of 8-9%, further impacting cash accruals. Consequently, net cash accruals plummeted to approximately Rs 59 crores during fiscal 2026, missing Crisil's earlier estimate of Rs 100-120 crore. Going forward, operating profitability is anticipated to stabilize at 6-7% over the medium term, driven by expected stabilized realizations in the first quarter of fiscal 2027. The company's overall performance is likely to remain subdued, falling short of Crisil's earlier expectations, due to the combined impact of these factors.

The ratings also factor in the moderation in debt protection metrics, particularly the interest coverage ratio, which stood at 2.5 times for fiscal 2026 (compared to 3.6 times in fiscal 2025). While the expected improvement in profitability is likely to lead to an improvement in the interest coverage ratio to 4-5 times over the medium term. Although the healthy net worth and moderate reliance on external debt support the capital structure, with gearing below 0.5 times, it is expected to remain within the range of 0.4-0.5 times going forward as well. A sustained improvement in debt protection metrics, which would thereby strengthen the overall financial risk profile, will remain a key monitorable.

The ratings continue to reflect the strong market position of SSCL as a leading manufacturer of starch and its derivatives in the domestic maize processing industry. The ratings also factor in diverse and reputed clientele and Healthy capital structure. These strengths are partially offset by susceptibility to volatility in raw material prices and Moderate debt protection metrics.

#### Analytical Approach

Crisil Ratings has considered the standalone business and financial risk profiles of SSCL.

#### Key Rating Drivers - Strengths

**Strong market position in the domestic maize processing industry:** The company was established in 1943 and has a strong track record of operations. It has a maize grinding capacity of 1,600 tonne per day (TPD) and near to double digit share in the domestic market based on installed capacity. The facilities are strategically located across North, South, and Eastern parts of the country, in proximity to source the key raw material, maize. Further, different weather conditions in stated regions allow steady procurement of maize throughout the year at competitive prices, providing additional edge to SSCL to price its products. The market position is further supported by the extensive industry experience of key promoters, Sardana family, and company's vintage in the industry. Resultantly, business has benefitted from the promoters' sound understanding of the industry and healthy relations with customers and suppliers. Further, with steady demand from all end-user segments such as packaging, FMCG and pharmaceuticals, SSCL booked revenue of Rs 1425.68 crore in fiscal 2026 and expected to further grow by 8-10% in fiscal 2027 supported by steady demand and increase traction from the new customer. Going forward, the company is likely to benefit from increase in business from existing customers as well as new customers.

**Diversified and reputed clientele:** Revenue depends on the product mix, which varies according to the demand and market prices of finished products. A major proportion of the starch output goes to the paper, packaging, and food and beverages industries. Derivatives such as glucose and sorbitol are used in the food and beverages and pharmaceutical sectors whereas by-products are used in the poultry and cattle feed and partly in the food industry as maize oil. The clientele is diversified with the top five customers contributing 16% to overall revenue in the nine months of fiscal 2026. The customer profile includes reputed brands such as Dabur India Ltd, Mars Wrigley India Pvt Ltd, Nestle India Ltd, Zydus Wellness Products Ltd and Marico Ltd.

**Healthy capital structure:** The capital structure has been comfortable, as reflected by gearing ratio of 0.5 times as on March 31, 2026. The same is backed by healthy accretion to reserves, with a net worth of Rs. 590.5 crores in fiscal 2026. In the ongoing fiscal, with no major debt-funded capital expenditure (capex) and accretion to reserves, the capital structure is expected to remain comfortable with gearing expected at 0.40-0.50 times as on March 31, 2027, providing headroom to take additional debt for business requirement.

#### Key Rating Drivers - Weaknesses

**Operating margin susceptible to volatility in raw materials prices and regulatory changes:** Operations are susceptible to the inherent risks associated with agriculture-based commodity business, such as availability of raw materials, fluctuation in prices, and changes in government regulations. Cost of maize forms 70% of the operating income. Therefore, any high fluctuation in raw material price may adversely impact the margin profile of the company. The realisations remains moderated by 7-8% more than the softening of raw material prices, resultantly, operating profitability is estimated to decline to 5.26% during fiscal 2026, down from 6.9% in fiscal 2025 and significantly lower than previous expectations of 8-9%, further impacting the cash accruals. Though prices of maize are stabilizing amid the removal of FCI restrictions, and with moderation in raw material prices, the operating margin is expected to improve to approximately 7-8% in fiscal 2027. However, its sustained improvement will remain a key monitorable.

**Modest debt protection metrics:** Low operating profitability and moderate dependence on working capital limits have resulted in moderate debt protection indicators especially interest coverage, which stood at 2.5 times in fiscal 2026 (3.61 times a year ago). Crisil Ratings believes that the company's reliance on external debt is expected to increase, amidst business growth, however, an expected improvement in operating profitability to 7-8%, shall improve the interest coverage to 3.5-4 times in fiscal 2027. Sustained improvement in debt protection metrics, thereby strengthening the overall financial risk profile, will remain a key monitorable.

#### **Liquidity** Strong

Bank utilization is moderate at around 93.4 percent for the past twelve months ended April 2026. Cash accruals are expected to be over Rs 50-70 crore which are sufficient against NIL term debt obligation over the medium term. In addition, it will act as a cushion to the liquidity of the company. Current ratio are moderate at 1.5 times on March 31, 2026. Furthermore, the group has been maintaining high unencumbered cash and liquid investments of ~Rs. 100 crores as of June 2026. The group is expected to maintain its unencumbered cash and liquid investments over the medium term. Low gearing and high networth support the company's financial flexibility and provide the financial cushion required in case of any adverse condition or downturn in the business.

#### **Outlook** Stable

Crisil Ratings believes that the business risk profile and liquidity profile of the company will remain support by extensive experience of promoters of SCCL.

#### **Rating sensitivity factors**

##### **Upward factors**

- Sustained improvement in operating income supported by volumetric growth along with sustenance of operating margin above 8%, leading to higher-than-expected net cash accruals of the company.
- Improvement in financial risk profile amid efficient working capital management, thus leading to improvement in debt protection metrics.

##### **Downward factors**

- Decline in operating income or operating margins falling below 4% leading to lower-than-expected net cash accruals.
- Stretch in working capital cycle or any large debt funded capex adversely affecting the financial risk profile, particularly liquidity profile.

#### **About the Company.**

SSCL was incorporated in the year 1943 promoted by Sardana family and its associates. The company is primarily engaged in the processing of maize (corn) and manufacturing of starch, its derivatives (liquid glucose, Sorbitol 70%, monohydrate dextrose, dextrin, etc) and other by-products. The company primarily manufactures starch, its derivatives and other by-products.

#### **Key Financial Indicators**

As on/for the period ended March 31	Unit	2026	2025
Operating income	Rs crore	1425.68	1487
Reported profit after tax	Rs crore	26.09	39.48
PAT margins	%	1.83	2.66
Adjusted Debt/Adjusted Networkth	Times	0.55	0.49
Interest coverage	Times	2.5	3.56

**Any other information:** Not applicable

#### **Note on complexity levels of the rated instrument:**

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit [www.crisilratings.com](http://www.crisilratings.com). Users may also call the Customer Service Helpdesk with queries on specific instruments.

#### **Annexure - Details of Instrument(s)**

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Fixed Deposits	NA	NA	NA	90.00	Simple	Crisil A/Stable
NA	Cash Credit	NA	NA	NA	250.00	NA	Crisil A/Stable
NA	Non-Fund Based Limit	NA	NA	NA	20.00	NA	Crisil A1
NA	Working Capital Demand Loan	NA	NA	NA	135.00	NA	Crisil A1

#### **Annexure - Rating History for last 3 Years**

	Current	2026 (History)	2025	2024	2023	Start of 2023

Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	ST/LT	385.0	Crisil A1 / Crisil A/Stable		--	08-08-25	Crisil A+/Negative / Crisil A1	09-08-24	Crisil A+ / Crisil A+/Stable	20-07-23	Crisil A1 / Crisil A+/Stable	Crisil A1 / Crisil A/Positive
			--		--		--	18-07-24	Crisil A1 / Crisil A+/Stable	02-02-23	Crisil A1 / Crisil A+/Stable	--
			--		--		--		--	30-01-23	Crisil A1 / Crisil A+/Stable	--
Non-Fund Based Facilities	ST	20.0	Crisil A1		--	08-08-25	Crisil A1	09-08-24	Crisil A1	20-07-23	Crisil A1	Crisil A1
			--		--		--	18-07-24	Crisil A1	02-02-23	Crisil A1	--
			--		--		--		--	30-01-23	Crisil A1	--
Fixed Deposits	LT	90.0	Crisil A/Stable		--	08-08-25	Crisil A+/Negative	09-08-24	Crisil A+ / Crisil A+/Stable	20-07-23	Crisil A+ / Crisil A+/Stable	Crisil A/Positive
			--		--		--	18-07-24	Crisil A+ / Crisil A+/Stable	02-02-23	Crisil A+ / Crisil A+/Stable	--
			--		--		--		--	30-01-23	Crisil A+ / Crisil A+/Stable	--

All amounts are in Rs.Cr.

#### Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	225	Punjab National Bank	Crisil A/Stable
Cash Credit	25	Punjab National Bank	Crisil A/Stable
Non-Fund Based Limit	20	Punjab National Bank	Crisil A1
Working Capital Demand Loan	50	YES Bank Limited	Crisil A1
Working Capital Demand Loan	85	Citibank N. A.	Crisil A1

#### Annexure: List of instruments and names of regulators of the instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

#### A. Rating activities

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

\* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Crisil Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

## Criteria Details

<b>Links to related criteria</b>
<a href="#">Basics of Ratings (including default recognition, assessing information adequacy)</a>
<a href="#">Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)</a>

Media Relations	Analytical Contacts	Customer Service Helpdesk
<p><b>Ramkumar Uppara</b> Media Relations <b>Crisil Limited</b> M: +91 98201 77907 B: +91 22 6137 3000 <a href="mailto:ramkumar.uppara@crisil.com">ramkumar.uppara@crisil.com</a></p> <p><b>Kartik Behl</b> Media Relations <b>Crisil Limited</b> M: +91 90043 33899 B: +91 22 6137 3000 <a href="mailto:kartik.behl@crisil.com">kartik.behl@crisil.com</a></p> <p><b>Divya Pillai</b> Media Relations <b>Crisil Limited</b> M: +91 86573 53090 B: +91 22 6137 3000 <a href="mailto:divya.pillai1@ext-crisil.com">divya.pillai1@ext-crisil.com</a></p>	<p>Nitin Kansal Director <b>Crisil Ratings Limited</b> D:+91 124 672 2154 <a href="mailto:nitin.kansal@crisil.com">nitin.kansal@crisil.com</a></p> <p>Gaurav Arora Associate Director <b>Crisil Ratings Limited</b> B:+91 124 672 2000 <a href="mailto:gaurav.arora@crisil.com">gaurav.arora@crisil.com</a></p> <p>Kshitij Mittal Rating Analyst <b>Crisil Ratings Limited</b> B:+91 124 672 2000 <a href="mailto:kshitij.mittal@crisil.com">kshitij.mittal@crisil.com</a></p> <p><b>For Analytical queries</b> Toll Free Number: 1800 266 6550 <a href="mailto:ratingsinvestordesk@crisil.com">ratingsinvestordesk@crisil.com</a></p>	<p>Timings: 10.00 am to 7.00 pm Toll Free Number: 1800 267 3850</p> <p>For a copy of Rationales / Rating Reports: <a href="mailto:CRISILratingdesk@crisil.com">CRISILratingdesk@crisil.com</a></p>