

JK India Eagritech Limited

July 29, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 100.00 Crore (Enhanced from Rs 50.00 Crore)	Regulator [^]
Long Term Rating	IVR BBB-/Stable (Rating upgraded and removed from Issuer Not Cooperating category; Outlook revised to Stable from Negative)	RBI

[^]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.

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics 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.

Rationale

Infomerics has upgraded the long-term rating of JK India Eagritech Ltd (Erstwhile JK Sugar and Commodities Pvt Ltd) to IVR BBB- with Stable outlook from IVR BB with Negative outlook and simultaneously removed the rating from 'Issuer not Cooperating' category. The upgrade reflects the company's growing scale of operations, the improvement in its operating profitability and its low-risk business model.

The ratings derive strength from the large scale attained in FY26 (refers to the period from 1st April to 31st March) displaying a revenue growth of 21.9% over previous year which reflects the increasing number of trades on the 'eBuySugar.com' online trading platform. The ratings also factor-in the improving operating profitability (albeit thin margins on account of trading nature of business) which is attributed to the calibrated increase in margins on trades originated on the platform. The ratings also take into account the low-risk business model and experienced promoters and management. However, ratings are constrained due to exposure to risk related to government regulations, exposure to agro climatic risks and cyclical trends in sugar business, and moderate capital structure.

Outlook: Stable

The Stable Outlook reflects Infomerics' expectation that the company will continue to benefit from its established position in the sugar trading industry, experienced

management, and strong relationships with sugar mills and customers. The outlook is further supported by the company's asset-light, predominantly back-to-back trading model, which limits inventory risk, along with the expected increase in trading volumes through its digital platform.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	NA

Key Rating Drivers with Detailed Description

Strengths

- **Growing scale of operations albeit thin profitability**

The Total Operating Income (TOI) of the company grew by 21.9% year-on-year to Rs. 1,875.10 crore in FY26 (Prov.) from Rs. 1,538.87 crore in FY25, primarily driven by higher trading volumes in sugar and expansion of its customer base through higher empanelment of sugar mills and buyers on the eBuySugar.com platform. In line with the increase in scale of operations, and with the company increasing trading margins in a calibrated manner, EBITDA and PAT improved to Rs. 20.63 crore and Rs. 13.29 crore, respectively, in FY26 (Prov.) from Rs. 6.17 crore and Rs. 6.02 crore in FY25. Consequently, EBITDA and PAT margins improved to 1.10% and 0.71% in FY26 (Prov.) from 0.40% and 0.39%, respectively, in FY25. The improvement in profitability was supported by better operating leverage, stronger relationships with sugar mills enabling improved procurement economics through advance funding arrangements, and a gradual increase in trading margins following successful onboarding of customers and suppliers. However, profitability continued to remain moderate owing to the inherently low-margin nature of the high-volume sugar trading business. Further, the company's digital platforms, eBuySugar and ChiniMandi, are presently focused on scaling user adoption and ecosystem development with the company charging only nominal trading margin on eBuySugar and not charging any platform or transaction fees for eBuySugar, and ChiniMandi continuing as a free information portal. Revenue from ChiniMandi is currently limited to conferences, advertising and sponsorships. Revenue from AgriMandi is generated vide customised research services on topics related to sugar and biofuel industries. The company reported

a TOI of Rs. 475.22 crore during Q1 FY27 as verified by Infomerics from the company's GST returns. Despite the low profitability margins, the viability of the business model is reflected in the strong improvement in RoCE, from 9.75% in FY25 to 20.40% in FY26. This was despite the significant increase in net worth in FY26 to Rs.48.5cr from Rs.30.5cr in FY25. Increase in net worth is due to a combination of accretion of profits, rights issue equity shares, bonus issue and capitalisation of reserves into fresh equity shares.

- **Low risk business model**

The company follows a predominantly back-to-back trading model, accounting for around 80% of its trading operations, which significantly mitigates inventory and price risks associated with sugar trading. Under this model, sugar is sourced from millers against confirmed customer orders and dispatched directly from mills to buyers, thereby minimizing inventory holding, storage costs, and exposure to commodity price fluctuations. The company maintains limited inventory only for select large-volume transactions where operationally required. Further, it strengthens supply assurance by extending advance payments to select sugar mills before the crushing season, enabling timely procurement at competitive rates and stable margins. This asset-light operating model, coupled with integrated logistics support and a large network of customers and sugar mills, allows the company to handle high transaction volumes while maintaining a relatively low-risk business profile.

- **Experienced promoters and management**

The promoters of the company have experience in this line of activity, having been engaged in the field of sugar trading for 32 years. Their knowledge and managerial experience, while being assisted by a team of experienced and qualified professionals, provides a competitive advantage in terms of developing multiple revenue streams complementing the core sugar trading activity. The company has got a strong management team in place with experienced persons inducted in the positions of CEO, CFO, CTO and CMO. These persons have a strong track record of work experience in reputed corporates.

Weaknesses

- **Exposure to risk related to government regulations**

The sugar industry remains highly regulated, with government policies influencing key aspects such as sugarcane pricing through the Fair and Remunerative Price (FRP), sugar sales, exports, diversion of sugar for ethanol production, and domestic stock availability. For the 2026-27 sugar season, the Government of India has fixed the FRP at Rs. 365 per quintal linked to a basic recovery rate of 10.25%, which has increased from Rs. 355 per quintal in the previous season. The government also prescribes monthly sugar sale quotas for mills and periodically revises export policies to ensure domestic availability and price stability. Further, sugar exports remain effectively restricted, as the Government has not permitted general sugar exports for the 2025-26 season in order to maintain adequate domestic supply and control food inflation. The government has placed all categories of sugar (raw, white, and refined) under the "Prohibited" category until September 30, 2026. Consequently, changes in regulations, including cane pricing and export policies, can materially impact the profitability and cash flows of industry participants.

- **Exposure to agro-climatic risks and cyclical trends in sugar business**

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 unfavourable weather conditions. Climatic conditions and pest related attacks have a bearing on the cane output, which is the primary feedstock for a sugar producer. Climatic conditions, to be precise the monsoons, influence various operational structures for a sugar entity, such as the crushing period and sugar recovery levels. In addition, the degree of dispersion of monsoon precipitation across the sugar cane growing areas also leads to fluctuating trends in sugar production in different regions.

- **Moderate capital structure**

The capital structure of the company through improved in FY26 (Prov) remained moderate as reflected by the overall gearing and TOL/TNW ratios. The overall gearing improved to 1.45x as on March 31, 2026 (Prov.) from 1.60x as on March 31, 2025, primarily on account of an improvement in the tangible net worth to Rs. 48.53 crore from Rs. 30.49 crore. This in turn is attributed to a combination of accretion of profits, rights issue equity shares, bonus issue and capitalisation of reserves into fresh equity shares.

However, the TOL/TNW ratio moderated to 2.11x as on March 31, 2026 (Prov.) from 1.76x as on March 31, 2025, owing to an increase in total debt to Rs. 70.25 crore from Rs. 48.73 crore, in line with the higher working capital requirements arising from the increased scale of operations.

Liquidity – Adequate

The company's liquidity position remains adequate, supported by improving profitability and established banking relationships. The company has nil scheduled debt repayment obligations, providing financial flexibility. However, its operations are inherently working capital intensive, with funding requirements arising primarily from advances extended to sugar mills and short-term credit provided to customers. These requirements are predominantly met through bank working capital borrowings. The debt profile is largely characterised by working capital borrowings, with negligible term debt. Going forward, the availability of sanctioned working capital facilities, coupled with improved operating performance, is expected to remain sufficient to support the company's operational requirements and debt servicing commitments over the near to medium term.

Rating Sensitivities

Upward Factors

- Successful empanelment of additional clients on the trading platform resulting in sustained improvement in revenue and profitability while maintaining the debt protection metrics.
- Improvement in liquidity profile of the company.
- Overall gearing sustained below 1.0x and EBITDA interest cover sustained above 6.0x.

Downward Factors

- Any significant decline in revenue and/or profitability leading to deterioration in debt protection metrics.
- Overall gearing sustained above 1.75x and EBITDA interest cover sustained below 4.0x

About the Company

JK India Eagritech Ltd (JK India Eagritech) is a sugar trading company located at Kolhapur. The company was recently established in 2020 and specializes in the trading of sugar. With experience in agriculture, especially in sugar, the promoters identified challenges faced by farmers and millers due to middlemen. To address these issues, they launched "ChiniMandi" in 2018, an online information platform aimed at providing updates on the sugar and ethanol industry. All information provided on the website is disseminated free of cost. The company also organises conferences in these segments and earns from charges levied on participants. The company also started 'Ebuysugar.com' in 2020 which is an online platform for sugar trading aimed at streamlining the sugar trade and eliminating middlemen. The platform provides direct connections between stakeholders, offering a more efficient and transparent solution.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Provisional
Total Operating Income	1538.87	1875.10
EBITDA	6.17	20.63
PAT	6.02	13.29
Total Debt	48.73	70.25
Tangible Net Worth (TNW)	30.49	48.53
EBITDA Margin (%)	0.40	1.10
PAT Margin (%)	0.39	0.71
Overall Gearing (times)	1.60	1.45
Interest Coverage (times)	1.84	5.45

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria

[Rating Methodology for Trading Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition and Post Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on Issuer Not Cooperating](#)

Status of non-cooperation with previous CRA: Nil

Any other information: None

Rating History for last three years

Sr. No.	Instruments / Facilities	Current Ratings (Year 2026-27)				Rating History for the past 3 years		
		Type (Long Term/Short Term)	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
					April 06, 2026	MMM DD, YYYY	February 07, 2025	MMM DD, YYYY
1.	Fund based facilities	LT	100.00	IVR BBB-/Stable	IVR BB/Negative/Issuer Not Cooperating*	--	IVR BB+/Stable	--

*Issuer did not cooperate; based on best available information

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	Listing Status	Regulator^	<u>Complexity Indicator</u>
Cash Credit	--	--	--	--	60.00	IVR BBB-/Stable	--	RBI	Simple
Proposed	--	--	--	--	40.00	IVR BBB-/Stable	--	RBI	Simple

^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.

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/Len_IK_India_Eagritech29_Jul26_98647639d7.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

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	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/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, 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 ~	Refer foot note
15	Issuer Ratings #	Refer foot note
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 Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI

Sr. No.	Instrument / activity Name	Regulator of the instrument
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

* 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 Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

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.

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

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

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About Infomerics

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