

July 20, 2023

Ramdev Sugars Private Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-Term Fund-based - Term Loan	3.40	3.40	[ICRA]BBB+ (Stable); withdrawn
Long-Term Fund Based – Cash credit	12.00	12.00	[ICRA]BBB+ (Stable); withdrawn
Short-Term Fund Based – Working Capital Facilities	28.92	28.92	[ICRA]A2; withdrawn
Total	44.32	44.32	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Ramdev Sugars Private Limited (RSPL) at the request of the company, and upon receipt of no objection certificate (NOC) from the bankers, which is in accordance with ICRA's policy on withdrawal of credit rating. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers, liquidity position, rating sensitivities, key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in the Sugar Industry Consolidation and Rating Approach Policy on Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/standalone	<p>For arriving at the rating, ICRA has combined the business and financial risk profiles of Narmada Sugars Private Limited (NSPL), Ramdev Sugars Private Limited (RSPL), Shrijee Sugar and Power Private Limited (SSPPL), Shakti Sugar Mill Private Limited (SSMPL) and Hanumant Sugars Private Limited (HSPL).</p> <p>These entities collectively referred to herein as the Maheshwari group, have a common management, are in the same line of business, and have significant business and financial linkages.</p>

About the company

NSPL commenced operations in 1992 at its Khandsari unit in the Narsinghpur district of Madhya Pradesh, with a capacity of 200 tonnes crushed per day (TCD). The cane crushing capacity has gradually increased over the years and currently stands at 5,000 TCD. The company's sugar operations are further supported by a bagasse-based co-generation power plant of 30 MW and a distillery unit with an ethanol manufacturing capacity of 60 kilolitres per day (KLPD) which will be further enhanced by 100 KLPD in FY2023. NSPL is a part of the Madhya Pradesh-based Maheshwari Group. The Group is promoted by Mr. Navneetlal

Maheshwari and Mr. Rajesh Maheshwari. The entire operations of the Group are managed by the members of the Maheshwari family.

NSPL, along with four other companies of the Maheshwari Group viz. RSPL, SSPPL, SSMPL and HSPL, has a combined capacity of 17,500 TCD which will be enhanced to 19,500 TCD in FY2023. All the five entities operate in the fertile areas of Madhya Pradesh, where the climatic conditions are conducive for sugarcane cultivation, and irrigation is mainly through tube wells. The profiles of the four entities are provided below.

Ramdev Sugars Private Limited (RSPL): Started operations in 2000 and has a capacity of 3,500 TCD. It also has a bagasse-based captive power plant of 3 MW capacity. The company's unit is in the Hoshangabad district of Madhya Pradesh.

Shrijee Sugar and Power Private Limited (SSPPL): Started its operations in 2012 and has a capacity of 2,500 TCD. It also has a bagasse-based captive power plant of 2.5 MW capacity and a 45-KLPD distillery unit. The company's unit is in the Betul district of Madhya Pradesh.

Hanumant Sugars Private Limited (HSPL): Started operations in 2016 and has a capacity of 2,500 TCD. It also has a bagassebased captive power plant of 2.5-MW capacity. The company's unit is in the Betul district of Madhya Pradesh.

Shakti Sugar Mill Private Limited (SSMPL): Started operations in 2007 and has a capacity of 4,000 TCD which will be enhanced to 6,000 TCD in FY2023. It also has a bagasse-based captive power plant of 2.5-MW capacity. The company's unit is in the Narsinghpur district of Madhya Pradesh.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument		Current rating (FY2024)				Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Amount outstanding as on March 31, 2023 (Rs. crore)	Date & rating	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021	
					Jul 20, 2023	Sep 07, 2022	Jun 22, 2021	-	
1	Term Loans	Long Term	3.40	-	[ICRA]BBB+ (Stable); withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	-	
2	Cash Credit	Long Term	12.00	-	[ICRA]BBB+ (Stable); withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	-	
3	Working Capital Facilities	Short Term	28.92	-	[ICRA]A2; withdrawn	[ICRA]A2	[ICRA]A2		

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-Term Fund based - Term Loan	Simple
Long-Term Fund based - Cash credit	Simple
Short-Term Fund Based – Working Capital Facilities	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or

complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-Term Fund Based - Term loan	FY2021	NA	FY2025	3.40	[ICRA]BBB+ (Stable); withdrawn
NA	Long-Term Fund Based – Cash credit	NA	NA	NA	12.00	[ICRA]BBB+ (Stable); withdrawn
NA	Short-Term Fund Based – Working Capital Facilities	NA	NA	NA	28.92	[ICRA]A2; withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis:

Instrument Name	Remarks	Consolidated Approach
Narmada Sugars Private Limited	Group Entity	Full Consolidation
Shakti Sugar Mill Private Limited	Group Entity	Full Consolidation
Hanumant Sugars Private Limited	Group Entity	Full Consolidation
Shrijee Sugar and Power Private Limited	Group Entity	Full Consolidation

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