

March 05, 2025

JGN Sugar and Biofuels Private Limited: Update on Entity

Summary of rating(s) outstanding

Instrument [^]	Previous Rated Amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Outstanding
Long-term – Fund-based – Cash Credit	143.00	143.00	[ICRA]A (CE) (Stable)
Long-term – Fund-based – Term Loans	213.00	215.37	[ICRA]A (CE) (Stable)
Short-term - Fund-based – LER/ Forward Contract	5.20	5.20	[ICRA]A2+(CE)
Long-term/ Short-term – Unallocated	3.80	1.43	[ICRA]A (CE) (Stable)/ [ICRA]A2+(CE)
Total	365.00	365.00	

Rating Without Explicit Credit Enhancement	[ICRA]BBB/ [ICRA]A3+
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[^]Instrument details are provided in Annexure

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement

Rationale

This rationale is being released to convey the change in the rated limits, based on the latest information received from the entity.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology of Sugar
Parent/Group support	The ratings are based on the unconditional, irrevocable and continuing guarantee from BPML that covers all the repayment obligations of the sanctioned facilities.
Consolidation/Standalone	Standalone

About the company

JGN was incorporated for the Group's venture into the sugar and ethanol business. In November 2024, JGN commenced the production of sugar, ethanol, and generated power from its co-generation power plant in Sitarganj, Uttarakhand. The plant has been acquired on a 30-year lease from Uttarakhand Sahakari Chini Mills Sangh Limited on a develop, operate, maintain and transfer (DOMT) basis. BPML holds an 87.14% stake in JGN and has extended corporate guarantee to the entire debt sanctioned to JGN. The company decided to expand its sugar plant with the addition of ethanol manufacturing and a co-generation power plant. The old plant was unviable since it only produced sugar and had inefficient machinery. There was no issue of availability of sugar cane in the locality, which is key for the success of any integrated sugar plant. JGN has a capacity for ~6,000 tonnes of cane crushed per day (TCD) for sugar and ethanol plant, and 21.8 megawatts (MW) of co-generated power. The company distillery plant of 225 kilo liters per day (KLPD) to produce ethanol.

JGN commenced its commercial production from November 2024, from the start of the current SY. November-April is the peak season for sugar cane, when the company produces its sugar and ethanol to sell throughout the year. The company's profitability is prone to the cyclical nature of the sugar industry (though the sharp fall in sugar prices has been curtailed after the introduction of minimum selling price) and the agro-climatic risks related to cane production. Further, the profitability of sugar mills, including JGN, is exposed to the policies of the Central and state governments on cane prices, international trade, domestic quota, sugar and ethanol pricing, and interest subvention loans for distillery capacity expansions. However, BPML has been resourceful in infusing funds for repayment of its term loans or working capital requirements, if any.

About the Guarantor

Incorporated in 2006, BPML was established by Mr. Naresh Jhanjhi. The company is involved in the manufacturing of various categories of coated duplex boards that are extensively used in the printing and packaging industry (for packaging requirements in the FMCG, pharma, readymade garments, and automobile ancillary industries, etc). BPML also manufactures high-grade duplex boards that find application in the making of wedding cards, visiting cards and notebook covers, etc. The company also manufactures kraftpaper and poster papers, used in bakeries and food chains, grocery bags, printing calendars, bangle packing and others. Its manufacturing unit is in Kashipur, Uttarakhand, with an installed production capacity of 1,56,000 metric tonnes per annum.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current year (FY2025)				Chronology of rating history for the past 3 years						
	Type	Amount rated (Rs. crore)	05-Mar-2025	FY2025		FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long term	143.00	[ICRA]A (CE) (Stable)	04-Feb-2025	[ICRA]A (CE) (Stable)	-	-	-	-	-	-
Term Loans*	Long term	215.37	[ICRA]A (CE) (Stable)	04-Feb-2025	[ICRA]A (CE) (Stable)	-	-	-	-	-	-
LER/ Forward contract	Short Term	5.20	[ICRA]A2+(CE)	04-Feb-2025	[ICRA]A2+(CE)	-	-	-	-	-	-
Unallocated	Long term/ Short Term	1.43	[ICRA]A (CE) (Stable)/ [ICRA]A2+(CE)	04-Feb-2025	[ICRA]A (CE) (Stable)/ [ICRA]A2+(CE)	-	-	-	-	-	-

* total term loan sanctioned was Rs. 260 crore, however, the final drawdown amount is Rs. 215.37 crore only

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term – Fund Based – Cash Credit	Simple
Long Term – Fund Based – Term Loans	Simple
Short term - Fund Based – LER/ Forward contract	Very Simple
Long Term/Short Term – Unallocated	Not Applicable

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	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash Credit	NA	NA	NA	143.00	[ICRA]A (CE) (Stable)
NA	Term Loans*	Nov 2024	~9.5%	Aug 2032	215.37	[ICRA]A (CE) (Stable)
NA	LER/ Forward contract	NA	NA	NA	5.20	[ICRA]A2+(CE)
NA	Unallocated	NA	NA	NA	1.43	[ICRA]A (CE) (Stable)/ [ICRA]A2+(CE)

Source: Company; * total term loan sanctioned was Rs. 260 crore, however, the final drawdown amount is Rs. 215.37 crore only

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not applicable

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