

July 20, 2023

Shrijee Sugar and Power Private Limited: Ratings withdrawn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Long-Term Fund-based - Term Loan	48.80	48.80	[ICRA]BBB+ (Stable); withdrawn
Long-Term Fund Based – Cash credit	10.00	10.00	[ICRA]BBB+ (Stable); withdrawn
Short-Term Non-Fund Based – Bank Guarantee (Sublimit of CC	(2.00)	(2.00)	[ICRA]A2; withdrawn
Long-Term/Short-Term – Unallocated limits	15.00	15.00	[ICRA]BBB+ (Stable)/[ICRA]A2; withdrawn
Total	73.80	73.80	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Narmada Sugars Private Limited (NSPL) at the request of the company, and upon receipt of no objection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position, rating sensitivities, key financial indicators have not been captured as the rated instruments are being withdrawn.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	48.80	-	[ICRA]BBB+ (Stable); withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	-
2	Cash Credit	Long Term	10.00	-	[ICRA]BBB+ (Stable); withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	-
3	Non-Fund Based – Bank Guarantee (Sublimit of CC)	Short Term	(2.00)	-	[ICRA]A2; withdrawn	[ICRA]A2	[ICRA]A2	-
4	Unallocated limits	Long Term/ Short Term	15.00	-	[ICRA]BBB+ (Stable)/ [ICRA]A2; withdrawn	[ICRA]BBB+ (Stable)/ [ICRA]A2	[ICRA]BBB+ (Stable)/ [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 Non-Fund Based – Bank Guarantee (Sublimit of CC)	Very Simple
Long-Term/Short-Term – Unallocated limits	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 / Sanction	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-Term Fund Based - Term loan	FY2021	NA	FY2025	48.80	[ICRA]BBB+ (Stable); withdrawn
NA	Long-Term Fund Based – Cash credit	NA	NA	NA	10.00	[ICRA]BBB+ (Stable); withdrawn
NA	Short-Term Non-Fund Based – Bank Guarantee (Sublimit of CC)	NA	NA	NA	(2.00)	[ICRA]A2; withdrawn
NA	Long-Term/Short-Term – Unallocated limits	NA	NA	NA	15.00	[ICRA]BBB+ (Stable)/ [ICRA]A2; withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis:

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

ANALYST CONTACTS

Sabyasachi Majumdar
+91 124 4545 304
sabyasachi@icraindia.com

Anupama Arora
+91 124 4545 303
anupama@icraindia.com

Girishkumar Kadam
+91 22 6114 3441
girishkumar@icraindia.com

Menka Sabnani
+91 79 4027 1562
menka.sabnani@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

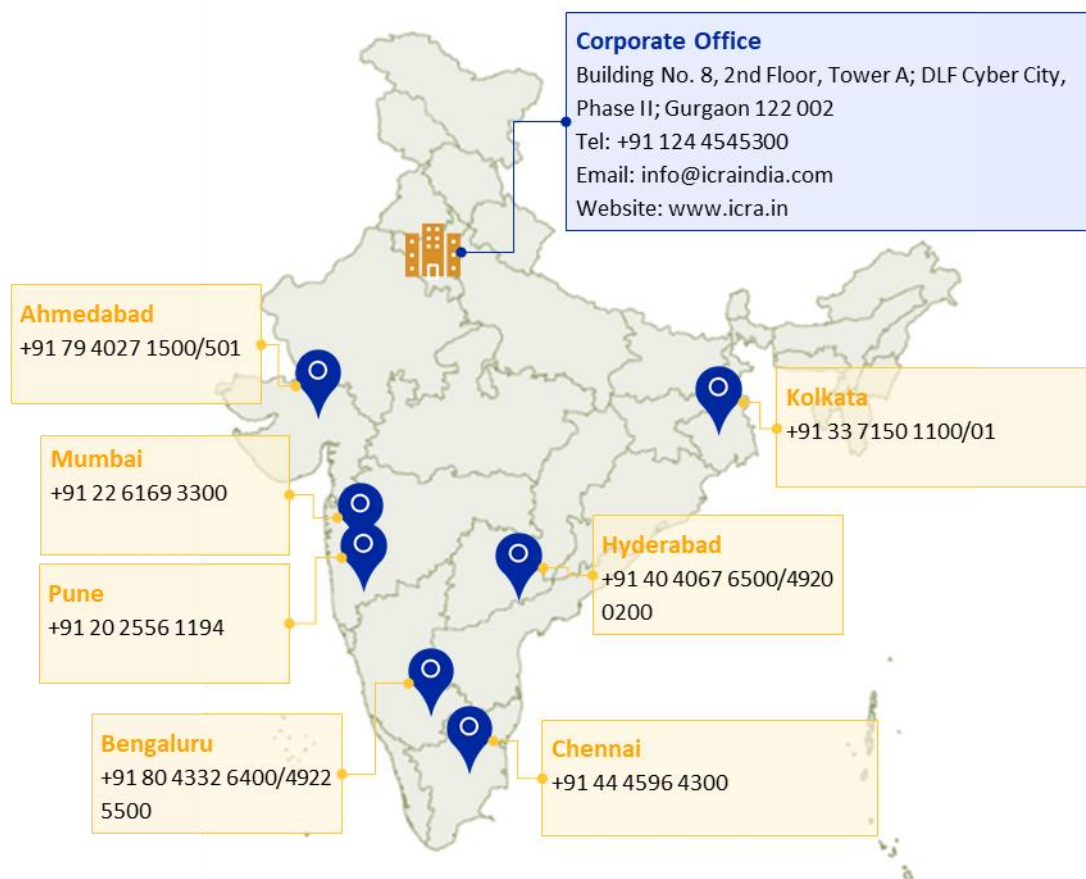


Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2023 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.