

May 28, 2025

GM Sugar & Energy Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	50.00	50.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Long Term-Fund Based-Term Loan	71.95	71.95	[ICRA]B+(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Long Term / Short Term-Unallocated	3.05	3.05	[ICRA]B+(Stable); ISSUER NOT COOPERATING/ [ICRA]A4; ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Total	125.00	125.00	

*Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has kept the Long-Term and Short-Term ratings for the Bank Facility of GM Sugar & Energy Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with GM Sugar & Energy Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Sugar
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

GM Sugar and Energy Limited (GSEL) operates a 4,800 TCD sugar mill and 18MW at Sangur, Haveri district in Karnataka. GSEL had acquired the lease of the Karnataka Cooperative Sugar Factory (KCSF) in 2007 for a period of 32 years. KCSF was operating a 1,250 TCD sugar cane plant from 1983-84. The middle Karnataka zone where the sugar factory is located is known for high yield of sugarcane in the well irrigated belts of river Varada. Post takeover of the sugar plant, GSEL has increased the sugar cane crushing capacity to 2,500 TCD in October 2012 and 4,800 TCD in April 2020 and has also installed 18MW cogeneration unit in February 2012. Key products of the company presently include Sugar, Power, and Molasses. The lease rent payable to KCSF is Rs 1.65 crore for FY2021 and increasing 2.5% every year.

Key financial indicators:

Standalone	FY 2022 (Rs. In Crore)	FY 2023 (Rs. In Crore)
Operating Income (Rs. crore)	196.58	257.77
PAT (Rs. crore)	2.12	49.38
OPBDITA/OI (%)	21.42%	12.11%
PAT/OI (%)	1.08%	19.16%
Total Outside Liabilities/Tangible Net Worth (times)	3.87	4.37
Total Debt/OPBDITA (times)	7.30	17.64
Interest Coverage (times)	1.50	1.81

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortization

Source: MCA

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
BRICKWORKS	[BWR]C/[BWR]A4; ISSUER NOT COOPERATING	April 11, 2025

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2026)			Chronology of Rating History for the past 3 years		
	Type	Amount Rated (Rs. Crore)	Date & Rating in	Date & Rating in	Date & Rating in	Date & Rating in
			May 28, 2025	FY2025	Mar 19, 2024	Jan 20, 2023
1 Cash Credit	Long Term	50.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING
2 Term Loan	Long Term	71.95	[ICRA]B+(Stable); ISSUER NOT COOPERATING	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING
3 Unallocated	Long Term/Short Term	3.05	[ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple
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, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	50.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Term Loan-1	FY 2020	-	FY 2029	55.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Term Loan-2	FY 2021	-	FY 2026	16.95	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	3.05	[ICRA]B+(Stable); ISSUER NOT COOPERATING/ [ICRA]A4; ISSUER NOT COOPERATING

Source: GM Sugar & Energy Limited

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

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

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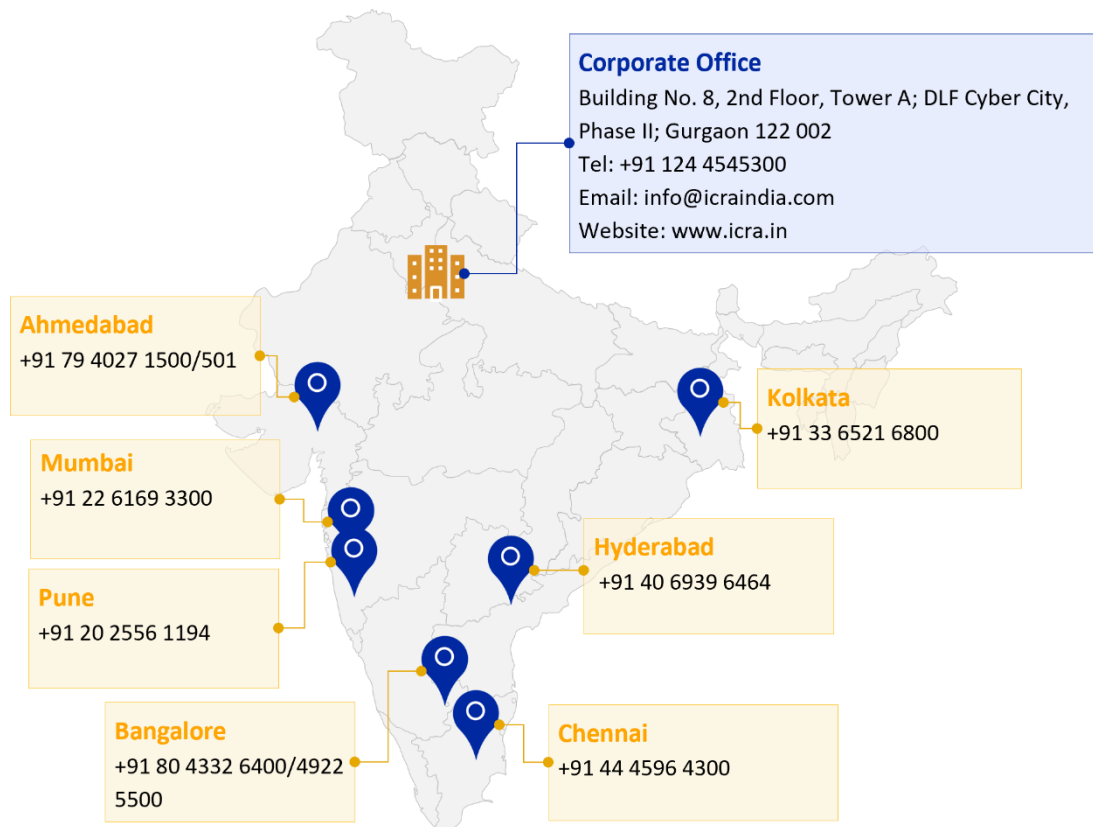


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