



## Press Release

### GM Sugar and Energy Limited (GMSEL)

February 14, 2025

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	497.17	IVR BB+/- Negative; Issuer Not Cooperating* (IVR Double B Plus with Negative outlook; Issuer Not Cooperating*)	IVR BBB-/ Stable (IVR Triple B Minus with Stable outlook)	Rating downgraded and moved to Issuer Not Cooperating category and outlook revised	Simple
<b>Total</b>	<b>Rs. 497.17 Crore (Rupees Four Hundred Ninety Seven crore and Seventeen lakh only)</b>				

*\*Issuer did not cooperate; based on best available information*

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### Detailed Rationale

Infomerics has downgraded and migrated the ratings of GMSEL to 'Issuer Not Cooperating' category due to lack of adequate information, non-payment of annual surveillance fees and the uncertainty around its credit risks. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.

#### Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facilities, vide mail communications dated November 28, 2024, December 3, 2024, December 6, 2024, December 20, 2024, January 15, 2025, January 20, 2025, January 24, 2025 and January 30, 2025, and concurrently over



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several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details/information for surveillance exercise. Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information.

Accordingly, the rating for the bank facilities of GMSEL aggregating to Rs. 497.17 crore has been downgraded and migrated to ISSUER NOT COOPERATING category by Infomerics.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Policy on Issuer Not-Cooperating](#)

[Criteria of assigning Rating outlook](#)

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

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

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

[Rating Methodology for Manufacturing Companies](#)

### **About the Company**

GM Sugar and Energy Limited (GMSEL), a Bangalore based company, was established in 2007 and engaged in the manufacturing of sugar and power generation. GMSEL acquired the facility on lease from the Karnataka Cooperative Sugar Factory (KCSF) in 2007 for a period of 32 years. GMSEL operates two manufacturing units, Unit 1 located at Sangur Village with 4800 Tons of Cane Per Day (TCD) Sugar Crushing Unit and 18MW cogen plant and Unit 2 located at Kirigere Villaged with 5000 Tons of Cane Per Day (TCD) Sugar Crushing Unit and 30MW co-gen plant and new ethanol plant set up with 360 KLPD capacity (including grain-based capacity of 120 KLPD). The company is promoted by experienced professionals with over three decades of experience in the sugar industry.



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### Financials (Standalone):

(Rs. crore)		
For the year ended / As on	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	192.51	257.57
EBITDA	38.04	31.03
PAT	2.12	49.38
Total Debt	200.56	441.62
Tangible Net-Worth	207.69	259.22
<b>Ratios</b>		
EBITDA Margin (%)	19.76	12.05
PAT Margin (%)	1.08	19.16
Overall Gearing Ratio (x)	0.97	1.70
Interest Coverage (x)	1.40	1.81

\* Classification as per Infomerics' standards.

### Status of non-cooperation with previous CRA:

ICRA continued to maintain the ratings assigned to GMSEL's bank facilities in the 'Issuer Not Cooperating' category vide Press Release dated March 19, 2024, due to non-submission of information by the company.

Brickwork Ratings continued to maintain the ratings assigned to GMSEL's bank facilities in the 'Issuer Not Cooperating' category vide Press Release dated April 2, 2024, due to nonsubmission of information by the company

**Any other information: Nil**

### Rating History for last three years:

Sr. No	Name of Security/Facilities	Current Ratings (2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					(December 29, 2023)		
1.	Term Loan	Long Term	381.17	IVR BB+/ Negative; Issuer Not Cooperating*	IVR BBB-/ Stable	--	--



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Sr. No	Name of Security/Facilities	Current Ratings (2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (December 29, 2023)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
2.	Cash Credit	Long Term	116.00	IVR BB+/ Negative; Issuer Not Cooperating*	IVR BBB-/ Stable	--	--

*\*Issuer did not cooperate; based on best available information*

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).



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**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.





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### Annexure 1: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	--	--	June, 2024	381.17	IVR BB+/ Negative; Issuer Not Cooperating*
Cash Credit	--	--	--	116.00	IVR BB+/ Negative; Issuer Not Cooperating*

*\*Issuer did not cooperate; based on best available information*

**Annexure 2: Facility wise lender details:** Not Applicable

**Annexure 3: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated analysis:** Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).