



Press Release

Indreshwar Sugar Mills Limited

October 21, 2024

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	24.00	IVR B/ Negative; ISSUER NOT COOPERATING * (IVR Single B with Negative Outlook; Issuer Not Cooperating) *	IVR B+/ Negative; ISSUER NOT COOPERATING * (IVR Single B Plus with Negative Outlook; Issuer Not Cooperating) *	Downgraded and continues to remain under ISSUER NOT COOPERATING category	Simple
Total	24.00 (Rupees Twenty-Four Crore Only)				

**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 Ratings has downgraded its rating assigned and continued to classify to the bank facilities of Indreshwar Sugar Mills Limited (ISML) under issuer not cooperating category as it reflects lack of adequate information and the uncertainty around its credit risk. 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 to monitor its assigned rating to the bank facilities, vide various mail communications latest being dated October 01, 2024, October 03, 2024, October 05, 2024, October 08, 2024, October 10, 2024, October 14, 2024, and October 16, 2024. However, despite repeated requests by



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Infomerics, the company's management has not submitted the essential details/information for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the ratings based on the best available information. Accordingly, the bank loan rating aggregating to INR 24.00 crores of ISML shall be continued under the 'ISSUER NOT COOPERATING' category by Infomerics and the rating will reflect as IVR B/ Negative Outlook; ISSUER NOT COOPERATING; based on best available information.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

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

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

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

[Policy on Issuer Non-Cooperating](#)

[Criteria of assigning Rating outlook](#)

About the Company

The Patil family of Pune, Maharashtra, founded Indreshwar Sugar Mills Limited (ISML) in November 2010. ISML is engaged in the manufacturing of sugar, with a daily cane crushing capacity of 2500 tonnes per day. ISML also produces ethanol using 45 KLPD distillery and has a 12 MW co-generation plant. Its plant is located at Solapur, Maharashtra.



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Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	337.60	310.57
EBITDA	16.84	12.38
PAT	0.93	1.59
Total Debt	276.85	306.56
Tangible Net Worth	-25.18	87.70
EBITDA Margin (%)		
PAT Margin (%)	4.99	3.99
Overall Gearing Ratio (x)	0.27	0.50
Interest Coverage (x)	-11.00x	3.50x

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2024-2025)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in T-1	Date(s) & Rating(s) assigned in T-2	Date(s) & Rating(s) assigned in T-3
					Date (October 18, 2023)	Date (September 29, 2022)	Date (Month XX, 20XX)
1.	Term Loan	Long Term	24.00	IVR B/ Negative; ISSUER NOT COOPERATING*	IVR B+/ Negative; ISSUER NOT COOPERATING*	IVR BB-/ Stable	Rating

*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.

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.

Annexure 1: Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	February 2026	24.00	IVR B/ Negative; ISSUER NOT COOPERATING



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Annexure 2: Facility wise lender details: Not Applicable

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

Name of the Security		Detailed Explanation
	Financial Covenant	
	i.	
	ii.	
	Non-financial Covenant	
	i.	
	ii.	

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

Name of the company/Entity	Consolidation/Combined Approach

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.