



Press Release
G M Sugar And Energy Limited
July 18, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE BB Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	10.00	-	-

Rating Rationale

Acuite has downgraded its long term rating to 'ACUITE BB' (read as ACUITE double B)' from 'ACUITE BB+' (read as ACUITE double B plus) on the Rs 10.00 crore bank facilities of G M Sugar & Energy Limited. This rating is now an indicative rating and is based on best available information.

The rating downgraded on account of information risk .

About the Company

GM Sugar and Energy Limited was incorporated in 2007 and is engaged in manufacturing of sugar and power generation. It is promoted by Mr. Gowdara Siddesh Anith Kumar, Mr. Prasanna Kumar Mallikarjunappa Gowdara, Mr. Yaragenahalli Siddabasappa Nataraju and Mr. Rajiv Gowdara Lingaraju. It is a Bangalore based Public Limited company.

About the Group

Gem Laboratories Private Limited

Bangalore based Gem laboratories Private Limited was incorporated in 1993 and is a Sugar Trading company who Purchases from GM Sugar It is promoted by Mr. Gowdara Siddesh Anith Kumar, Mr. Prasanna Kumar Mallikarjunappa Gowdara.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavoured to gather information about the entity/ industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit ratings is based.

Rating Sensitivities

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

None

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	133.94	129.89
PAT	Rs. Cr.	(0.27)	0.68
PAT Margin	(%)	(0.20)	0.52
Total Debt/Tangible Net Worth	Times	2.22	1.96
PBDIT/Interest	Times	1.68	1.76

Status of non-cooperation with previous CRA

Brickwork Ratings vide its press release dated 15 March 2022, has mentioned the rating of GMSEL to 'BWR C/A4' (Downgraded & Issuer Not Cooperating) as on 15 March 2022.

ICRA vide its press release dated 20.01.2023, had downgraded and reaffirmed the company to ICRA B+/Stable/A4; issuer Not Cooperating.

Any other information

Not Applicable

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 May 2022	Cash Credit	Long Term	10.00	ACUITE BB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE BB Downgraded Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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