



Press Release
GANGAMAULI SUGAR AND ALLIED INDUSTRIES PRIVATE LIMITED
September 11, 2025
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	130.00	ACUITE BB- Reaffirmed & Withdrawn	-
Bank Loan Ratings	20.00	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	150.00	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn its long-term rating of ‘**ACUITE BB-**’ (read as **ACUITE double B minus**) on Rs. 130 Cr. of bank loan facilities of Gangamauli Sugar and Allied Industries Private Limited (GSAIPL). The rating is being withdrawn on account of the request received from the company and no objection certificate (NOC) received from the lenders.

Also, Acuite has withdrawn its long-term rating of Rs. 20 Cr. bank facilities of GSAIPL without assigning any rating as the instrument is proposed facility. The rating is being withdrawn on account of the request received from the company.

The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility.

Rationale for rating

The rating reaffirmation takes into consideration the volatile operating performance of the company owing to nature of sugar business, though significant improvement recorded in revenue in FY25. The rating also factors the improved financial risk profile in FY25. However, rating remains constrained due to intensive working capital operations primarily due to high inventory holdings. Furthermore, the agro-climatic risks, susceptibility to regulatory changes, and cyclical trends in the sugar industry continue to be a key impact on the operating performance. However, rating draws comfort from the extensive experience of the promoters in the sugar industry.

About the Company

Incorporated in 2018, Maharashtra-based, Gangamauli Sugar and Allied Industries Private Limited (GSAIPL) is engaged in production of sugar and allied products with the current production capacity of 4,500 tonnes crushed per day (TCD). The current directors are Mr. Pravin Laxmanrao More and Mr. Laxman Nivruttirao More.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of GSAIPL to arrive at the rating.

Key Rating Drivers

Strengths

GSAIPL is currently managed by Mr. Pravin Laxmanrao More and Mr. Laxman Rao More who have more than two decades of experience in the sugar and allied products industry. The company operates sugar factory having a command area of 12,000 hectares of sugar plantation, located in Kailj Taluka, Beed District, Maharashtra which was taken under the SARFAESI Act from a consortium of banks in May 2022, under a long-term lease agreement of 25 years. The company's product profile includes refined white sugar, brown sugar, organic sugar, and specialty sugar. The company has also installed solar power plant, which is operational since April 2025 and going forward, the company plans to install a distillery unit with a capacity of 110 kilo litres per day (KLPD).

Improved operating revenue albeit moderation in profitability margins

The operating revenue of the company stood improved at Rs. 203.72 Cr. in FY25 (Prov.) post decline in FY24 to Rs. 121.36 Cr. from Rs. 148.00 Cr. in FY23. The fluctuation in the revenue is driven by irregular sugar production which depends on availability of sugarcane along with the quota restrictions. Further, the operating margins declined to 5.13 percent in FY25 (Prov.) from 7.53 percent in FY24 on account of increase in the raw material prices.

Moderate financial risk profile

The financial risk profile of the company is marked by average net worth which improved to Rs. 36.54 Cr. as on March 31, 2025(Prov.) as compared to Rs. 5.25 Cr. as on March 31, 2024, on account of conversion of unsecured loans to equity shares (amounting to Rs. 8.80 Cr.) and non-convertible preference shares (amounting to Rs. 20.85 Cr.) in FY25. Further, the total debt of the company also stood declined at Rs. 105.87 Cr. as on March 31, 2025 (Prov.) (Rs. 149.95 Cr. as on March 31, 2024) and therefore, the gearing (debt-equity) stood improved at 2.90 times in FY25 (Prov.) as compared to 28.56 times in FY24. The debt protection metrics also stood moderate marked by interest coverage ratio of 2.01 times in FY25 (Prov.) and debt service coverage ratio of 2.01 times in FY25 (Prov.).

Weaknesses

Intensive working capital operations

The working capital operations are intensive marked by gross current asset (GCA) of 161 days in FY25 (Prov.) (386 days in FY24), driven by higher inventory levels which stood at 152 days in FY25 (Prov.) (402 days in FY24). The inventory levels across the industry tend to be elevated, as sugar production typically begins in mid-October and concludes by mid-April, resulting in higher inventories around March. However, the company sells its sugar on cash basis resulting into the negligible debtor days in FY25 (Prov.), whereas the creditor days stood at 20 days in FY25 (Prov.) (131 days in FY24).

Susceptibility to regulatory changes and inherent volatility in sugar prices

The sugar industry is susceptible to movements in sugarcane and sugar prices which results in volatile profitability. While the government policy of fair remunerative prices (FRP) for sugarcane has brought some amount of stability and predictability in input price, open market sugar price remains dependent on the demand-supply scenario. Besides, the government regulates domestic demand-supply through restrictions on imports and exports, sugar release orders and buffer stock limits. The government interventions shall remain a driver for the profitability of sugar mills and continue as a key rating sensitivity factor.

Agro climatic risks and cyclical trends in the industry

The profitability of sugar mills shall remain vulnerable to the agro-climatic risks related to cane production. Being an agricultural product, the sugarcane crop is dependent upon weather conditions and is vulnerable to pests and diseases that may not only impact the yield per hectare but also the recovery rate. These factors can have a significant impact on the company's revenue and profitability.

Rating Sensitivities

Not Applicable

Liquidity Position Adequate

The company's liquidity position is adequate marked by net cash accruals of Rs. 8.14 Cr. in FY25 against no maturing debt repayment obligations over the same period. Further, the average bank limit utilisation stood moderate marked by fund-based limit utilisation of 52.20 percent for the last six months ended April 2025. However, the current ratio stood low at 0.75 times as on March 31, 2025 (Prov.). Further, the company had cash and bank balances of Rs. 1.42 Cr. as on March 31, 2025.

Outlook: Not Applicable

Other Factors affecting Rating
None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	203.72	121.36
PAT	Rs. Cr.	1.62	1.29
PAT Margin	(%)	0.80	1.07
Total Debt/Tangible Net Worth	Times	2.90	28.56
PBDIT/Interest	Times	2.01	2.72

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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	
10 Oct 2024	Cash Credit	Long Term	50.00	ACUITE BB-	Stable (Assigned)
	Cash Credit	Long Term	40.00	ACUITE BB-	Stable (Assigned)
	Cash Credit	Long Term	40.00	ACUITE BB-	Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	20.00	ACUITE BB-	Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
NKGSB Cooperative Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE BB- Reaffirmed & Withdrawn
Janta Sahakari Bank Ltd.	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE BB- Reaffirmed & Withdrawn
SVC Co-Op Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE BB- Reaffirmed & Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	Not Applicable Withdrawn

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About Acuité Ratings & Research

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