



Press Release

Indian Sucrose Limited

April 03, 2026

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	180.59	IVR BBB-/Stable [IVR Triple B Minus with stable outlook]	IVR BBB-/Stable [IVR Triple B Minus with stable outlook]	Rating reaffirmed	Simple
Short Term Bank Facilities	19.41	IVR A3 [IVR A Three]	IVR A3 [IVR A Three]	Rating reaffirmed	Simple
Total	200.00	[Rupees Two Hundred crore only]			

Details of Facilities 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 reaffirmed its rating assigned to the bank facilities for the long-term facilities to IVR BBB- with stable outlook and short-term facilities to IVR A3 of Indian Sucrose Limited (ISL).

The reaffirmation of the ratings is driven by the company's improving scale of operations and healthy profitability. The credit profile is further supported by a comfortable capital structure and adequate debt coverage indicators. The promoters' extensive experience in the sugar industry, coupled with a long operational track record, continues to impart stability to operations. Additionally, the company derives locational advantages due to its proximity to the perennial Beas River, ensuring consistent availability of raw materials. The integrated operations, including power cogeneration, provide a cushion against the cyclical nature of the sugar industry, thereby strengthening the overall credit profile.

However, these strengths are partly offset by the inherently high working capital intensity, primarily due to elevated inventory levels at the end of the sugar season. The company also remains exposed to agro-climatic risks and cyclical industry trends. Further, profitability is susceptible to volatility in sugar realizations and sugarcane procurement costs, along with regulatory risks arising from government interventions in the sector.



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The 'Stable outlook reflects expected improvement in the performance of the company. However, Infomerics believes the company will continue to benefit from its operational track record in the business resulting in increased scale of operations.

IVR has principally relied on the standalone audited financial result of ISL up to FY25 (refers to period April 1st, 2024, to March 31st, 2025) and three years projected financials for FY2026 (refers to period April 1st, 2025, to March 31st, 2026) - FY2028 (refers to period April 1st, 2027, to March 31st, 2028), along with publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

- **Upward Factors**

- Sustained growth in scale of operations with improvement in profitability.
- Sustained improvement in liquidity marked by improvement in the operating cycle.

- **Downward Factors**

- Significant moderation in the scale of operation and/or moderation in profitability on a sustained basis.
- Elongation in the operating cycle impacting liquidity.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths:

Established operational track record with experienced promoters and locational advantages

The company benefits from the promoters' extensive experience of over two decades in the sugar industry, which has enabled it to establish strong relationships with customers and suppliers, supporting business stability. The long track record of operations further strengthens its operational profile. Additionally, the company derives locational advantages from its proximity to the cane-growing regions of Mukerian and Hoshiarpur (Punjab), with the catchment area supported by the Beas River basin and favourable agro-climatic conditions. This ensures adequate availability of quality sugarcane, as reflected in a healthy recovery rate of ~9.94% in FY2024.



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Integrated operations providing diversification and resilience to cyclicality

The company's forward integration into power cogeneration enhances revenue diversification and provides a cushion against the inherent cyclicality of the sugar business. The utilisation of by-products such as molasses and bagasse supports additional revenue streams and improves operational efficiency. In FY2025, the company derived 81.05% (FY2024: 86.05%) of its revenues from sugar, 10.60% (FY2024: 6.62%) from molasses and bagasse, and 5.86% (FY2024: 4.43%) from power cogeneration operations, respectively, thereby supporting overall revenue stability.

Growing scale of operation and improved profitability

The total operating income of the company has witnessed CAGR at 7.21% during last 3 years, ending March 31, 2025, further, on y-o-y the revenue growth stood at 3.23% during FY25 and stood at Rs. 545.69 crore compared to Rs. 528.62 crore during FY24 mainly due to the increase in the average sales realization value of sugar. Further, the growth in revenue is also attributed by increase in sales of electricity on account of optimal utilization of enhanced cogen capacity resulting into higher number of units generated. Owing to increase in scale of operations, the EBITDA margin improved by 38 bps and stood at 13.42% during FY25 compared to 13.04% during FY24 on account of decline in raw material consumption cost. With improvement in EBITDA margin, the PAT margin also improved and stood at 6.85% during FY25 compared to 6.04% during FY24 on account of decline in interest and finance cost.

Comfortable capital structure and adequate debt coverage indicators

The capital structure of the company had remained comfortable marked by overall gearing at 0.82x as on March 31, 2025, improved from 0.97x as on March 31, 2024, on account of schedule repayment of term liabilities and USL. The indebtedness of the company stood moderate marked by TOL/TNW at 1.64x as on March 31, 2025, improved from 2.95x as on March 31, 2024, on higher increased in TNW compared to increase in total debt, however the creditors also increased. Debt protection metrics of the company also remain comfortable as on March 31, 2025. The coverage indicators have also shown satisfactory due to the increase in operating profit, interest coverage remains adequate at 2.94x in FY25, which was 2.56x in



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FY24. DSCR remained comfortable at 1.99x in FY2025 (2.00 in FY2024). Total Debt/EBIDTA stood at 2.90 times in FY25 compared to 3.03 times in FY2024.

B. Key Rating Weaknesses

Working capital intensive operations and exposure to agro-climatic risks

The company's operations remain inherently working capital intensive, as reflected in its elongated operating cycle driven by significant year-end inventory build-up, primarily comprising sugar stocks that are typically liquidated in the first half of the subsequent fiscal. Further, the business remains exposed to agro-climatic risks, as cane availability is dependent on rainfall and other weather conditions in the catchment area. Any adverse climatic conditions may impact cane production, thereby affecting crushing volumes and overall operations. The company is also exposed to the cyclical nature of the sugar industry.

Susceptibility of profitability to regulatory environment and input/output price volatility

The company's profitability remains vulnerable to fluctuations in sugar realisations and sugarcane procurement costs. While sugar prices are largely market-driven, cane prices are regulated by the government, creating a mismatch that can impact margins. Additionally, the sector remains subject to significant government intervention, including policies related to pricing, exports, and inventory controls, which may affect realisations and overall profitability.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

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

Liquidity – Adequate

The liquidity of the company is expected to remain adequate marked by its expected healthy gross cash accruals vis-à-vis its debt repayment obligations in the projected tenure. The company has earned a gross cash accrual of Rs.53.27 crore in FY25. Further, the company



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has projected to earn sufficient cash accruals in the range of ~Rs. 52.45 crore and Rs. 59.49 crore in comparison to its debt repayment obligation of Rs. 11.52 crore to Rs 4.37 crore in the projected period of FY26 to FY28. The unencumbered cash and bank balance stood at Rs. 138.15 crore as on March 31, 2025. Moreover, the average fund-based limit utilization of the company remained moderate at 93.97% indicating a limited liquidity buffer.

About the Company

ISL was originally promoted by Oswal Group as Oswal Sugars Limited in 1989 and the unit was set up in 1990-91 at G. T. Road, Mukerian, District Hoshiarpur, Punjab and is engaged in the manufacturing of White Crystal Sugar and also has a 59.50 MW power cogeneration plant. In 2000, Yadu Corporation took over the control of the company at that time it was a lossmaking unit. It was a small company then with 2500 TCD, the unit was taken over for revival. The management gradually increased the capacity gradually from 2500 TCD to 5000 TCD and to 9000 TCD.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	528.62	545.69
EBITDA	68.93	73.25
PAT	32.74	38.38
Total Debt	208.66	212.08
Tangible Net Worth	127.01	242.84
EBITDA Margin (%)	13.04	13.42
PAT Margin (%)	6.04	6.85
Overall Gearing Ratio (x)	1.64	0.87
Interest Coverage (x)	2.56	2.94

*Classification as per Infomerics Standard

Status of non-cooperation with previous CRA: Care Ratings Limited has maintained the ratings under Issuer Not Cooperating category on account of non-receipt of information despite repeated request to provide information for monitoring the ratings via press release dated December 01, 2025.

Any other information: Not Applicable



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Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25 (March 25, 2025)	Date(s) & Rating(s) assigned in 2023-24 (February 23, 2024)
1.	Cash Credit	Long Term	150.00	IVR BBB-/Stable	-	IVR BBB-/Stable	IVR BB+/Stable Oct 09, 2024 IVR B/Stable July 19, 2023 IVR BB+/Negative; NC
2.	Proposed	Long Term	30.59	IVR BBB-/Stable	-	IVR BBB-/Stable	IVR BB+/Stable Oct 09, 2024 IVR B/Stable July 19, 2023 IVR BB+/Negative; INC
3.	WHR	Short Term	19.41	IVR A3	-	IVR A3	IVR A4+ Oct 09, 2024 IVR A4



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							July 19, 2023 IVR A4; INC

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] 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.



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Annexure 1: Details of Facilities

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	150.00	IVR BBB-/Stable
Proposed	-	-	-	-	30.59	IVR BBB-/Stable
WHR	-	-	-	-	19.41	IVR A3

Annexure 2: Facility wise lender details:

[https://infomicstorage.blob.core.windows.net/uploads/LEN Indian Sucrose03 April 26_b401ac2c77.pdf](https://infomicstorage.blob.core.windows.net/uploads/LEN_Indian_Sucrose03_April_26_b401ac2c77.pdf)



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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.

