Coromandel Sugars Limited (Revised)

April 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long term Bank Facilities	15.00 (Reduced from 80.00)	CARE BB (RWD); ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Continues to be on Rating Watch with Developing Implications and moved to ISSUER NOT COOPERATING category
Long Term / Short-term bank facilities	-	Withdrawn	Withdrawn
Long term Bank Facilities	-	Withdrawn	Withdrawn

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Coromandel Sugars Limited (CSL) to monitor ratings, vide email communications dated January 14, 2026, January 20, 2026, February 02, 2026, February 19, 2026, March 18, 2026, and March 23, 2026, and numerous phone calls. However, despite repeated requests, the company has not provided the requisite information for monitoring rating. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CareEdge Ratings has reviewed the rating assigned to the long-term fund-based limit basis best available information, which however, in CareEdge Ratings' opinion, is not sufficient to arrive at a fair rating. Ratings on CSL's bank facilities will now be denoted as CARE BB; (RWD); ISSUER NOT COOPERATING*.

CARE Ratings Limited (CareEdge Ratings) has also withdrawn ratings assigned to remaining bank facilities of CSL with immediate effect, as the company has repaid the amount in full and there is no amount outstanding against the facility as on date. This action has been taken considering receipt of 'No Due Certificates' and request from client.

Users of this rating (including investors, lenders and, public at large) are hence requested to exercise caution while using these rating(s).

Ratings have been downgraded considering non-availability of requisite information due to non-cooperation by CSL with CareEdge Ratings efforts to undertake a review of ratings outstanding. Ratings continue to be on 'Rating Watch with Developing Implications' following the announcement by the group entity ICL on stock exchange, where ICL Financial Services Limited and ICL Securities Limited (wholly owned subsidiaries of ICL) will divest their entire stake in CECL to Adam & Coal Resources Private Limited, a Chennai-based company engaged in importing and trading coal. On completion of the aforesaid transaction, CECL will cease to be a subsidiary of ICL. CSL, in which CECL currently holds 49.99% stake, would also cease to be an associate of ICL. It is also noted that ICL Financial Services Limited and ICL Securities Limited, shall enter an agreement with Adam & Coal Resources Private Limited, the proposed buyer, on finalisation of terms. As indicated by the management, the company entered a sale agreement for sale of the unit to M/s Hemagiri Sugars and Renewables Private Limited, although the approval of sale transactions is subject to due diligence of from the government.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on March 27, 2025, following were the rating weaknesses and strengths:

Key weaknesses

Moderate scale and profitability

CSL recorded total operating income (TOI) of ₹297.03 crore in FY24, which declined by 8% on a year-over-year (y-o-y) basis from ₹328.32 crore in FY23, mainly due to decrease in sugar sales, considering lower cane availability. Sugar sales dipped to ₹241 crore for FY24 against ₹281 crore in FY23, affected by lower recovery and cane availability. Dip in sugar was slightly offset

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

by an increase in sale of molasses to ₹36.22 crore in FY24 against ₹28.60 crore in FY23, considering improved realisation due to buoyant demand for ethanol. On the other hand, the company's PBILDT margin improved to 14.24% in FY24 from 12.36% in FY23 largely due to improved realisations in segments while cost remained stable. However, the company reported losses at net level of ₹6.49 crore in FY24 owing to minimum alternate tax (MAT) credit entitlement.

Leveraged capital structure and weak coverage indicators

CSL's capital structure continues to be highly leveraged marked by overall gearing of 2.36x as on March 31, 2024, though slightly improved from 2.88x as on March 31, 2023, considering repayment of term loan and unsecured loan from related parties. The company's total debt reduced to ₹275.2 crore as on March 31, 2024 (PY: ₹358.52 crore), majorly comprising term loan of ₹125.09 crore and unsecured loan/ debentures from group companies of ₹129.60 crore. The company also gave loans and advances to group companies and accounting for this, adjusted overall gearing stands at similar level at 2.38x as on March 31, 2024. Coverage indicators also remain weak marked by total debt to gross cash accrual (TD/GCA) of 17.76x as on March 31, 2024, and interest coverage ratio of 1.32x.

Cyclical and regulated industry

The industry is cyclical and is vulnerable to the government policies for factors such as its importance in the wholesale price index (WPI) as sugar is classified as an essential commodity. The governments (union and state) resort to regulations such as fixing raw material (sugarcane) prices in the form of fair and remunerative prices (FRP) and state advised prices (SAP). All these factors impact cultivation patterns of sugarcane in the country, affecting profitability of sugar companies. India also continues to carry high levels of sugar inventory, largely due to controlled release mechanism followed by the government.

Exposure towards agro-climatic risk

The sugar industry directly depends on the sugarcane crop, and its yield is susceptible to agro-climatic risks including pest and diseases. Climatic conditions, more specifically monsoons, influence operational parameters for a sugar entity, such as the crushing period and sugar recovery levels.

Key strengths

Demonstrated support from the group

CSL received support from erstwhile promoter group entities; ICL and Coromandel Electric Company Limited (CECL). As on March 31, 2024, total unsecured loans from group companies stood at ₹129.60 crore (PY: ₹145.47crore). As on March 25, 2025, total term loan outstanding is ₹106.03 crore. CSL had not received support from CECL since FY19. Going forward, considering proposed sale of stake in CECL by ICL, support received by CSL from group entities or promoters will be a key monitorable.

Partially diversified revenue stream

CSL has a partially diversified revenue stream, aided by additional income earned from the sale of molasses and generation of power from the co-gen plant. In FY24, CSL generated ~81% total income from sale of sugar (PY: 86%), 12% from sale of molasses (PY: 9%), 6% from sale of power (PY: 5%) and remaining from other income (export incentives, interest and dividend income). Current level of diversification provides partial de-risking of the core sugar business from inherent cyclicality and volatile sugar prices.

Relatively longer crushing period

CSL's command area has two major rivers including Cauvery and Hemavathy, and it is fed by canals and tube-wells. Generally, considering better cane availability, CSL's crushing period is longer. In FY24, CSL witnessed decline in cane crushing volumes to 5.87 lakh MT of sugarcane against 7.03 lakh MT in FY23. CSL's crushing volume declined in the last year due to lower sugarcane yield in the command area and increase in the competition for procurement of cane from unreserved areas. The recovery rate stood at 9.51% in FY24 (PY: 9.58%), considering stable climatic conditions in the initial phase of the season and utilisation of high-yield varieties of cane.

Liquidity: Stretched

CSL's liquidity is stretched considering weak financial profile, and in the past, comfort was derived from its parentage and group support, which may undergo change in light of recent announcement by ICL. CSL's GCA are expected to remain in the range of ₹15-16 crore in the medium term, which are insufficient to meet the repayment obligations of ~₹19-20 crore annually in FY26 and FY27. The company has sufficient liquidity in the form of working capital limits and, are unutilised to the extent of ₹68.2 crore of the sanctioned limit of ₹127 crore and a free fixed deposit of ₹15 crore. Liquidity will further be supported through expected sale of land property in company worth ₹18-20 crore in fiscal 2026. The company's average working capital utilisation was ~38% for 12-months ended June 2024.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Definition of Default
Information Adequacy Risk and Issuer Non-Cooperation
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Nonfinancial Sector
Short Term Instruments
Sugar Sector
Manufacturing Companies
Withdrawal Policy

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast-moving consumer goods	Fast-moving consumer goods	Agricultural food and other products	Sugar

Earlier promoted by the India Cements group, CSL is engaged in manufacturing sugar, molasses and also co-generation of power. Originally incorporated in 1996 under the name ICL Sugars Limited, its name was changed to CSL in 2007. CSL is an associate company of ICL with 49.99% ownership interest through its subsidiary Coromandel Electric Company Limited, and rest of the stake is held by other group company. The company commenced operations in August 1999 with an installed capacity of 2,500 tonne crushed per day (TCD). Its production facility at Makkavalli, Mandya, Karnataka, has an installed capacity of 3,500 tonnes crushed per day (TCD) and a multi-fuel cogeneration power capacity of 30 MW as on March 31, 2024.

Brief Financials-Standalone (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	297.03	211
PBILDT*	42.29	15
Profit after tax (PAT)	-6.49	6.60
Overall gearing (x)	2.36	2.03
Interest coverage (x)	1.32	0.47

A: Audited, Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	15.00	CARE BB (RWD); ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	0.00	Withdrawn
Fund-based - LT/ ST-Working Capital Limits		-	-	-	0.00	Withdrawn
Term Loan-Long Term		-	-	30-04-2029#	0.00	Withdrawn

*Issuer did not cooperate; based on best available information, #repaid.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	15.00	CARE BB (RWD); ISSUER NOT COOPERATING*	-	1)CARE BB+ (RWD) (27-Mar-25) 2)CARE BB+ (RWD) (08-Oct-24) 3)CARE BB+ (RWD) (06-Aug-24)	1)CARE BB+; Negative (23-Feb-24) 2)CARE BB+; Negative (26-Sep-23)	1)CARE BB+; Negative (22-Mar-23) 2)CARE BBB-; Stable (08-Nov-22) 3)CARE BBB-; Stable (13-Jun-22)
2	Fund-based - LT-Cash Credit	LT	-	-	-	1)CARE BB+ (RWD) (27-Mar-25) 2)CARE BB+ (RWD) (08-Oct-24) 3)CARE BB+ (RWD) (06-Aug-24)	1)CARE BB+; Negative (23-Feb-24) 2)CARE BB+; Negative (26-Sep-23)	1)CARE BB+; Negative (22-Mar-23) 2)CARE BBB-; Stable (08-Nov-22) 3)CARE BBB-; Stable

								(13-Jun-22)
3	Fund-based - LT/ ST-Working Capital Limits	LT/ST	-	-	-	1)CARE BB+ / CARE A4+ (RWD) (27-Mar-25) 2)CARE BB+ / CARE A4+ (RWD) (08-Oct-24) 3)CARE BB+ / CARE A4+ (RWD) (06-Aug-24)	1)CARE BB+; Negative / CARE A4+ (23-Feb-24) 2)CARE BB+; Negative / CARE A4+ (26-Sep-23)	1)CARE BB+; Negative / CARE A4+ (22-Mar-23) 2)CARE BBB-; Stable / CARE A3 (08-Nov-22) 3)CARE BBB-; Stable / CARE A3 (13-Jun-22)
4	Term Loan-Long Term	LT	-	-	-	1)CARE BB+ (RWD) (27-Mar-25) 2)CARE BB+ (RWD) (08-Oct-24) 3)CARE BB+ (RWD) (06-Aug-24)	1)CARE BB+ (CE); Negative (23-Feb-24) 2)CARE BBB- (CE); Negative (26-Sep-23)	1)CARE BBB (CE); Negative (22-Mar-23) 2)CARE A- (CE); Stable (08-Nov-22) 3)CARE A (CE); Negative (13-Jun-22)
5	Un Supported Rating-Un Supported Rating (Long Term)	LT	-	-	-	1)Withdrawn (06-Aug-24)	1)CARE BB+ (23-Feb-24) 2)CARE BB+ / CARE A4+ (26-Sep-23)	1)CARE BB+ / CARE A4+ (22-Mar-23) 2)CARE BBB- / CARE A3 (08-Nov-22) 3)CARE BBB- / CARE A3 (13-Jun-22)

*Issuer did not cooperate; based on best available information.
LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT/ ST-Working Capital Limits	Simple
3	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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