

Mawana Sugars Limited

May 18, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	-	-	Reaffirmed at CARE BBB+; Stable and Withdrawn

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn the outstanding rating of 'CARE BBB+; Stable' [Triple B Plus; Outlook: Stable] assigned to bank facilities of Mawana Sugars Limited (MSL) with immediate effect. This action has been taken based on request from MSL and receipt of 'No Objection Certificate' from the bank that has extended the facilities rated by CareEdge Ratings.

The reaffirmation of rating assigned to the bank facilities of Mawana Sugars Limited (MSL) factors in improvement in the company's financial performance in FY25 (Audited) (refers to April 01 to March 31) characterised by comfortable capital structure & improved debt coverage indicators. The ratings also derive strength from the improved operational performance of the company marked by growing scale of operations and improved PBILDT margins in FY25 though remained subdued in 9MFY26. The liquidity profile of the company is supported by the sale proceeds of its two subsidiaries and subsequently the funds were utilised towards debt reduction. The ratings continue to derive strength from its experienced promoters with long track record of operations, diversified revenue streams and integrated business model with cogeneration and distillery operations. The rating, however, continue to remain constrained by susceptibility of the revenues and profitability to the demand-supply dynamics, working capital intensive nature of operations, susceptibility to agro-climatic conditions with cyclical and highly regulated nature of industry.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE'S expectation of a sustained operational and financial risk profile in the medium term.

Detailed description of key rating drivers: At the time of last rating on July 14, 2025, the following were the rating strengths and weaknesses.

Key strengths

Comfortable financial risk profile with improvement in capital structure and coverage indicators

The company's financial risk profile remained comfortable characterised by comfortable overall gearing and debt coverage indicators. The company's overall gearing improved to 0.86x as on March 31, 2025, against 1.27x as on March 31, 2024, mainly considering accretion of profits to reserves. Debt coverage indicators also remained comfortable marked by (TD/GCA) and interest coverage ratio stood at 3.56x and 4.32x, respectively, as on March 31, 2025, against 6.09x and 3.16x, respectively, in FY24. Moreover, the company also sold two of its subsidiaries and funds of Rs. 117 crores were utilised towards debt reduction leading to improvement in capital structure of the company in FY25. Going forward also, debt coverage indicators are expected to continue to remain comfortable as there is nil term debt outstanding and no major additional term debt is expected to be raised by the company in near future.

Growth in scale of operations and improvement in profitability margins in FY25

The company reported improvement in operational performance in FY25 characterised by growth in TOI and improvement in profitability margins though PBILDT margins remained subdued in 9MFY26. TOI increased to ₹1449.64 crore in FY25 as against ₹1355.13 crore in FY24 reporting year over-year (y-o-y) growth of ~7% despite of red rot issue in sugarcane leading to less recovery and subsequently lower production in FY25. Increase in sales is mainly on account of increase in volume and prices of sugar owing to better demand in domestic market. The company also reported improvement in PBILDT margins from 6.91% in FY24 to 8.80% in FY25, largely driven by increase in TOI of the business leading to attain economies of scale. During 9MFY26, the company achieved TOI of Rs. 1191.42 crore with PBILDT margins stood at 1.38% owing to major repair & maintenance expenses incurred in first two quarters and increase in prices of sugarcane for the current sugar season.

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

Experienced promoters and long track record of operations

MSL has been in business for more than 60 years and was promoted by late Mr. Sidharth Shriram. Currently, the overall operations of the company are looked after by Mr. Rakesh Kumar Gangwar, Managing Director of the company having experience of more than 2 decades in the sugar industry.

Integrated business model

MSL's sugar division is fully integrated with forward integration into cogeneration and distillery operations that de-risk the core sugar business of the company to some extent. MSL operates 19,000 tonnes crushed per day (TCD) of sugar capacities, which are forward integrated into power and alcohol business with cogeneration capacity of 53.50 megawatt (MWH) and ethanol capacity of 120 kilo litre per day (KLPD). During FY25, the sugar division contributed 82.88% (PY: 78.39%) of total gross sales followed by distillery division at 11.92% (PY: 16.12%) and rest 1.20% (PY: 1.29%) from power division.

Key weaknesses**Working capital intensive operations**

Sugar industry being seasonal in nature has high working capital requirements during the peak season which is from November to April. The company has high working capital requirement during the peak season to procure their primary raw material, i.e., sugarcane and manufacture sugar during this period. The inventory holding period of the company thus stood stretched at 225 days for FY25 from 209 days in FY24. The working capital cycle of the company further elongated to 197 days in FY25 as against 169 days in FY24 owing to decline in creditor period led by payment of cane dues and increase in inventory period. The trade payables of the company stood at Rs. 134.00 crore as on March 31, 2025 (PY: Rs. 150.34 crore) as against past dues of more than Rs. 500 crores. Pursuant to the guidelines of GoI, the company has reduced its cane dues to up to 14 days and will be maintaining the same going forward. Consequently, the average creditor period of the company has reduced to 39 days in FY25 as against 50 days in FY24. The high working capital requirements were largely met through bank borrowings which remained utilised ~73% for last twelve months ended March 2025.

Vulnerable to agro-climatic risks, cyclical and regulated nature of sugar business

The industry is cyclical and vulnerable to the government policies for reasons including its importance in the wholesale price index (WPI) as it classifies as an essential commodity. The government, on its part, resorts to regulations such as fixing the raw material prices in the form of State Advised Prices (SAP) and Fair & Remunerative Prices (FRP). All these factors impact the cultivation patterns of sugarcane in the country, thus affecting profitability of the sugar companies. MSL's profitability, and other Uttar Pradesh-based sugar mills, continue to remain vulnerable to the state government's policy on cane prices. Thus, the company's performance can be impacted by disproportionate increase in cane price in a particular year. The profitability remains vulnerable to the Government's policies on exports, MSP, and remunerative ethanol prices. In addition, the cyclicity in sugar production results in sugar price volatility. However, the sharp contraction in sugar prices is curtailed after the introduction of MSP by the Central Government in June 2018. Higher diversion of sucrose towards ethanol in the recent years resulted in favourable demand supply dynamics in the country, thus resulting in improved realisations currently. Over the long term, higher ethanol production with increased diversion towards B-heavy molasses and direct sugar juice by the industry is expected to help in curtailing the excess supply of sugar, resulting in lower volatility in sugar prices and cash flows from the sugar business.

Liquidity: Adequate

The liquidity profile of the company is adequate with free cash and bank balance of around Rs. 6.10 crores as on March 31, 2025. The company has projected gross cash accruals of Rs. ~105.37 crore as against nil debt repayment obligations for FY26. The capex requirements of the company are at around Rs. 20 to 30 crore which will majorly be funded through internal accruals. The company has sugar stock of around Rs. 778.53 crores as on March 31, 2025 out of which around Rs. 547 crore is pledged for working capital and rest is free and the total sugar stock of Rs. 550 crores as on June 30, 2025 and out of which Rs. 350 crores is pledged and rest Rs. 200 crores is free. The average working capital utilisation is ~73.89% in latest 12 months ending on March 2025 as against 97.65% in previous year. The company utilise the sales proceeds of Rs. 117 crores generated from sale of its two subsidiaries towards reduction of CC outstanding and to support operating cycle of the business.

Applicable criteria

[Policy on Default Recognition](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Sugar Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Sugar

Incorporated in 1961, MSL is a part of the Shriram Group. The group is a diversified group with business interests into sugar, ethanol and power among other things. The Group has been operating in the sugar industry for more than 70 years. MSL is currently engaged in the manufacturing and marketing of Sugar, Ethanol and Co- generation of Power at its units at Mawana Sugar Works, Mawana, Distt. Meerut, (U.P.) and Nanglamal Sugar Complex, Nanglamal, Distt. Meerut (U.P). As on March 31, 2025, the company had an installed capacity of 19000 TCD for sugar, 53.50 MW for power and 120 KLPD for manufacturing of ethanol.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	1,355.13	1,449.64	1191.42
PBILDT*	93.62	127.58	16.48
Profit after tax (PAT)	42.59	71.40	-25.69
Overall gearing (x)	1.27	0.86	-
Interest coverage (x)	3.16	4.32	1.03

A: Audited UA: Unaudited; 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		-	-	-	0.00	Withdrawn

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 2026-2027	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
1	Fund-based - LT/ST-Working Capital Limits	LT/ST	-	-	-	-	1)Withdrawn (27-Jun-24)	1)CARE BBB; Stable / CARE A3+ (06-Jul-23)
2	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (27-Jun-24)	1)CARE BBB; Stable (06-Jul-23)
3	Fund-based - LT-Cash Credit	LT	-	-	1)CARE BBB+; Stable (18-May-26)	1)CARE BBB+; Stable (14-Jul-25)	1)CARE BBB; Stable (27-Jun-24)	1)CARE BBB; Stable (06-Jul-23)

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: NA

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI

²SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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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