



Press Release
Shree Halasidhanath Sahakari Sakhar Karkhana Limited
December 07, 2023

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	65.00	ACUITE B Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	65.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE B' (read as ACUITE B')** on the Rs.65.00 Cr bank facilities of Shree Halasidhanath Sahakari Sakhar Karkhana Limited (SHSSK).

This rating is now an indicative rating and is based on the best available information.

About the Company

Shree Halasidhanath Sahakari Sakhar Karkhana Limited (SHSSK) is a Belgaum-based co-operative society and started its commercial operations in April, 1987. The entity is presently managed by the directors i.e. Mr. Chandrakant S. Kothiwale, Mr. Malagonda P. Patil, Mr. Appasaheb S. Jolle, Mr. Vishwanath S. Kamate, Mr. Ramagonda Y. Patil, Mr. Ramagonda B. Patil, Mr. Avinash A. Patil, Mr. Samit B. Sasane, Mr. Sukumar Baburao Patil Budihalkar, Mr. Rajaram M. Khot, Mr. Mhalappa S. Pisutre, Mr. Pratap J. Metrani, Mr. Kallappa B. Naik, Mrs. Manisha V. Rangole, Mrs. Ujwala P. Shine and Mr. Sujit S. Joshi. The company runs sugar factory having a sugar cane crushing capacity of 3500 TCD. Further, the company has a cogeneration power plant with capacity of 15 MW. The excess electricity generated is sold to Hubli Electricity Supply Company Limited (HESCOM).

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. Acuite has also 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 has 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 rating is based.

Rating Sensitivities

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

All Covenants

None

Liquidity Position

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

Outlook

None

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	238.31	129.94
PAT	Rs. Cr.	(20.77)	(20.92)
PAT Margin	(%)	(8.72)	(16.10)
Total Debt/Tangible Net Worth	Times	(4.58)	(5.25)
PBDIT/Interest	Times	0.68	0.48

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statements (NDS) from the rated entity, despite multiple requests, and followups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.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. Acuite'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
13 Jan 2023	Cash Credit	Long Term	30.00	ACUITE B Stable (Reaffirmed)
	Cash Credit	Long Term	35.00	ACUITE B Stable (Reaffirmed)
19 Oct 2021	Cash Credit	Long Term	30.00	ACUITE B Stable (Reaffirmed)
	Cash Credit	Long Term	35.00	ACUITE B Stable (Reaffirmed)
27 Jul 2020	Cash Credit	Long Term	30.00	ACUITE B Stable (Assigned)
	Cash Credit	Long Term	35.00	ACUITE B 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
Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	30.00	ACUITE B Reaffirmed Issuer not co- operating*
Belgaum DCC Bank Ltd.	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	35.00	ACUITE B Reaffirmed 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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