



### Press Release

**Shree Halasidhanath Sahakari Sakhar Karkhana Limited**

**October 07, 2024**

**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	65.00	ACUITE C   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	65.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-
* The issuer did not co-operate; based on best available information.			

### Rating Rationale

Acuite has downgraded the long-term rating to ‘**ACUITE C**’(read as **ACUITE C**) from ‘**ACUITE B**’(read as **ACUITE B**) on the Rs. 65.00 Crore bank facilities of Shree Halasidhanath Sahakari Sakhar Karkhana Limited (SHSSK). The rating continues to be flagged as “Issuer Not Co-operating” and is based on the best available information.

The rating downgrade reflects instances of penal charges observed in the term loan statements of SHSSK, based on information available in the public domain. However, ACUITE has not been able to ascertain the reason for the delays, as the company has been non-cooperative.

### 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:**

Acuité has 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. Acuité 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 Acuité’s policies.

**Limitation regarding information availability:**

The rating is based on information available from sources other than the issuer/borrower. Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and

investors regarding the use of such information, on which the indicative credit rating is based.

### **Rating Sensitivity**

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

### **Liquidity Position**

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

### **Outlook: Not Applicable**

### **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

None

## Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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. 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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 Dec 2023	Cash Credit	Long Term	30.00	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	35.00	ACUITE B (Reaffirmed & Issuer not co-operating*)
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	35.00	ACUITE B   Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE B   Stable (Reaffirmed)

\* The issuer did not co-operate; based on best available information.

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE C   Downgraded   Issuer not co-operating* ( from ACUITE B )
Belgaum DCC Bank Ltd.	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE C   Downgraded   Issuer not co-operating* ( from ACUITE B )

\* The issuer did not co-operate; based on best available information.

## Contacts

Mohit Jain Senior Vice President-Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Sahil Sawant Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a>

### 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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