

Press Release

Shree Datta Shetkari Sahakari Sakhar Kharkhana Limited

November 08, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	125.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	125.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs.125.00 crore bank facilities of Shree Datta Shetkari Sahakari Sakhar Kharkhana Limited (SDSSSKL). This rating is now an indicative rating and is based on the best available information. The rating has been downgraded on account of information risk.

About the Company

M/s. Shree Datta Shetkari Sahakari Sakhar Kharkhana Limited (SDSSSKL) started its operations in 1970 with a license to operate a 1250 Tons Crushed per Day (TCD) sugar plant in Shirol, Kolhapur. It is a co-operative society governed by the Multi-State Co-operative Societies Act of 2002 since it has its operations in two states Maharashtra and Karnataka. Its founding members were Late Mr. Dattajirao Kadam, Late Mr. Dinkarrao Yadav, Late Mr. Vishwasrao Ghorpade and Late Mr. S R Patil. Currently, Mr. Ganpatrao Patil is its Chairman and day to day operations are managed by MD Mr. MV Patil. Today, the entity has a sugarcane crushing capacity of 9000 TCD and distillery capacity of producing 60 KLPD and 30 KLPD rectified spirits and ethanol respectively.

About the Group

USDPCCL is a Special Purpose Vehicle (SPV) of Urjankur Nidhi Trust [UNT] (Government of Maharashtra entity formed to facilitate non-conventional energy sources) and SDSSSK that operates a 36 MW bagasse based thermal power plant in Kolhapur, Maharashtra. It was incorporated in 2008 and began commercial operations in 2011. Mr. MV Patil is currently its managing director. USDPCCL has signed an agreement with its parent sugar factory for acquisition of bagasse fee cost against supply of part of electricity generated by it. For the rest of its output it has signed a power purchase agreement (PPA) with MSEDCL in 2013 valid for 13 years.

Non-cooperation by the issuer/borrower

Acuite 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. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an 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 (in the absence of information provided by 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 Sensitivities

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials:

The issuer has not provided with the latest financial statements to comment upon.

Status of non-cooperation with previous CRA

Crisil vide it's Press Release, dated December 28, 2021, rated SDSSSKL - Crisil B; Issuer Not Cooperating.

Any other information

The rated entity has not shared the latest No Default Statement (NDS), despite repeated requests and followups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
06 Oct 2021	Cash Credit	Long Term	71.00	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	8.00	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	46.00	ACUITE BBB Stable (Reaffirmed)
02 Jul 2021	Cash Credit	Long Term	25.00	ACUITE BBB 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	46.00	ACUITE BB+ Downgraded Issuer not co- operating*
Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	71.00	ACUITE BB+ Downgraded Issuer not co- operating*
Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	8.00	ACUITE BB+ Downgraded Issuer not co- operating*

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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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