



Press Release
SHREE CHHATRAPATI SHAHU SAHAKARI SAKHAR KARKHANA LIMITED
January 13, 2026
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	150.00	ACUITE BB+ Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	150.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs.150.00 Cr. bank facilities of Shree Chhatrapati Shahu Sahakari Sakhar Karkhana Limited (SCSSSKL). The outlook is '**Stable**'.

Rationale for rating assigned

The rating assigned factors in the SCSSSKL's lower operating profits, average financial risk profile, intensive working capital operations and stretched liquidity. However, these weaknesses are offset to some extent by the long operational track record of the society in the sugar industry, its integrated operations with cogeneration and ethanol units, support derived from cooperative structure and established farmer base in Kolhapur, Maharashtra. Further, the operations remain susceptible to the agro-climatic risks and volatility in sugar prices.

About the Company

Established in 1977, SCSSSKL is a cooperative society owned by the sugarcane growers (~98% shareholding), based in Kolhapur, Maharashtra. The organisation started its operation in 1980 and has completed its 46th crushing season last year with a current capacity of 8,500 TCD for production of sugar, 34 MW for power generation and 180 KLPD for distillery operations. The manufacturing unit of the company is located at Kagal taluka of Kolhapur District. The current directors of the company are Mr. Suhasinidevi Vikramsinh Ghatge, Mr. Amarsinh Gopalrao Ghorpade, Mr. Samarjeetsinh Vikramsinh Ghatage, Mr. Veerkumar Appasaheb Patil, Mr. Yashvant Jayvantrao Mane, Mr. Yuvraj Arjunrao Patil, Mr. Dhananjay Sadashiv Patil, Mr. Sachin Sadashiv Magdum, Mr. Shivajirao Shankar Patil, Mr. Sunil Sadashiv, Magdum, Mr. Satish Raygonda Patil, Mr. Sanjay Ramchandra Narke, Mr. Bhauso Shivram Kamble, Mrs. Sujata Rangrao Toraskar, Mrs. Rekhatai Pratap Patil, Mr. Jitendra Anandrao Chavan.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of SCSSSKL to arrive at the rating.

Key Rating Drivers

Strengths

Long operational track record and established presence in sugar and distillery businesses

The society has an extensive presence of more than four decades in the sugar industry with a wide acceptance among local farmers thereby facilitating adequate and timely cane procurement, ensuring an adequate crushing period which has helped the company improve its scale of operations over the years. The organization at present has more than 14,000 cane producing members and 20,000 plus cane suppliers. Further, the manufacturing unit of company is located is richly surrounded by rivers and dams. The operating revenue of the company increased to Rs. 531.45 Cr. in FY25 compared to Rs. 421.06 Cr. in FY24 on account of increase in sugar as well as ethanol sales for the company on back of the inventory available for the company as on March 31, 2024.

Integrated nature of operations providing better revenue mix

SCSSKL had an integrated nature of operations comprising an operational cane crushing capacity of 8,500 TCD, co-generation power plant with capacity of 34 MW and a distillery with capacity of 45 KLPD till FY24. Further, the company in June 2023 undertook a capital expenditure of ~Rs.186 crores to upgrade its crushing capabilities to 8,500 TCD, distillery to 180 KLPD, and co-generation to 34 MW. Therefore, FY25 witnessed rise in ethanol sales on back of higher diversion of sugarcane syrup towards manufacturing of ethanol, which increased to Rs. 108.38 crore in FY25, compared to Rs. 62.34 crores in FY24. Acuite believes that the company's scale of operations will continue to improve through the utilisation of its enhanced capacities, supported by favourable government measures.

Weaknesses

Low operating profitability

Despite an increase in operating income, the company's EBITDA declined to Rs.27.52 crore in FY25, down from Rs.30.75 crore in FY24, primarily due to elevated cane procurement costs. Further the PAT figures for the company were also marked lower at Rs.0.17 crores in FY25 as against Rs.0.44 crores in FY24.

Average financial risk profile

The financial risk profile of the company remained average, marked by moderate net worth, average gearing, and below average debt protection metrics. The net worth of the company stood moderate at Rs.105.33 crore as on March 31, 2025 as against Rs.111.46 crore as on March 31, 2024. The decrease in the net-worth is on account of redemption in price fluctuation fund, which the company had created out of reserves accumulated over the years. The company's gearing ratio stood at 3.61 times as of March 31, 2025 as against 3.76 times as of March 31, 2024. The company in FY24 had undertaken a debt funded capex for which the company had availed a term loan of Rs.171 crores which elevated the TOL/TNW to 5.26 times as on March 31, 2025 (5.55 times as on March 31, 2024). Moreover, the debt service coverage ratio continues to remain below unity (0.75 times for FY25, 0.76 times for FY24) due to inadequate cash accruals.

Intensive Working capital operations

The company's working capital operations though improved continue to remain intensive with gross current asset days of 255 days in FY2025 as compared to 403 days in FY2024. The improvement is marked mainly due to reduced inventory to 211 days in FY25, which stood high 373 days in FY2024 owing to stock piling due to sugar export restrictions. Further, the debtor's days of the company remain between 40-50 days. However, the average bank limit utilization for the last 12 months ended November 2025 stood moderately low at ~34.59 percent. Acuite believes that working capital operations of the company may continue to remain intensive considering the nature of business.

Susceptibility to regulatory changes and inherent volatility in sugar prices

The sugar industry is susceptible to movements in sugarcane and sugar prices which results in

volatile profitability. While the government policy of Fair and Remunerative Price for sugarcane has brought some amount of stability and predictability in input price, open market sugar price remains dependent on the demand-supply scenario. Besides this, the government also regulates domestic demand-supply through restrictions on imports and exports, sugar release orders and buffer stock limits. Government interventions will remain a driver for the profitability of sugar mills and continue as a key rating sensitivity factor.

Rating Sensitivities

- Improvement in operating income and profitability, leading to generation of sufficient net cash accruals to service the debt obligations
- Improvement in the working capital operations
- Changes in government regulations

Liquidity Position Stretched

The liquidity position of the organisation is marked stretched with insufficient net cash accruals (NCA) of Rs.14.89 crores in FY25 as against maturing debt repayment obligations of Rs.28.18 crore in the same year, which were repaid through additional voluntary deposits from the farmers and working capital adjustments. Moreover, going ahead while the cashflows are expected to improve to Rs.20-25 crore, it shall still remain insufficient for repayment obligations of around Rs.26 crores over the medium term. The current ratio also stood low at 0.92 times in FY25. However, the average bank limit utilization for the last 12 months ended November 2025 stood at ~34.59 percent. Further, the society had a cash and bank balance of Rs.15.91 crore as on March 31, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	531.45	421.06
PAT	Rs. Cr.	0.17	0.44
PAT Margin	(%)	0.03	0.11
Total Debt/Tangible Net Worth	Times	3.61	3.76
PBDIT/Interest	Times	1.60	1.96

Status of non-cooperation with previous CRA (if applicable)

ICRA, vide its press release dated October 29, 2025, had denoted the rating of Shree Chhatrapati Shahu Sahakari Sakhar Karkhana Limited as 'ICRA B+/Stable' 'Downgraded and Issuer not co-operating'.

Any other information

None

Applicable Criteria

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

Rating History :

Not Applicable

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 (BOI)	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	45.00	Simple	ACUITE BB+ Stable Assigned
BANK OF INDIA (BOI)	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BB+ Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	80.00	Simple	ACUITE BB+ Stable Assigned
BANK OF INDIA (BOI)	Not avl. / Not appl.	Working Capital Term Loan	31 Dec 2021	Not avl. / Not appl.	30 Nov 2027	5.00	Simple	ACUITE BB+ Stable Assigned

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