



Press Release

Sahakar Maharshi Shankarrao Kolhe Sahakari Sakhar Karkhana Limited (SMSK)

July 02, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Fund Based Bank Facilities	60.00	IVR B+/ Negative; ISSUER NOT COOPERATING * (IVR B Plus with Negative Outlook; ISSUER NOT COOPERATING) *	IVR BB-/ Negative; ISSUER NOT COOPERATING * (IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING) *	Downgraded and continued in the ISSUER NOT COOPERATING category	Simple
Total	60.00 (Rupees Sixty crore only)				

*Issuer did not co-operate; based on best available information

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has downgraded the ratings assigned to the bank facilities of SMSK and continued the ratings under the ISSUER NOT COOPERATING category which reflects lack of adequate information available and the uncertainty around its credit risk. Infomerics Ratings assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.



Press Release

Non-cooperation by Issuer

Infomerics Ratings has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated 24th April 2024, 9th May 2024, 7th June 2024 and concurrently over several phone calls. However, despite repeated requests by Infomerics Ratings, the SMSK's management has not submitted the essential details/information for surveillance exercise.

Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics Ratings has to assign the rating based on the best available information.

Accordingly, the rating for the bank facilities of SMSK aggregating Rs.60.00 crore has been continued in the 'ISSUER NOT COOPERATING' category by Infomerics Ratings.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Policy on issuer not cooperating](#)

About the Company :

SMSK was set up in 1960 by Hon. Shri Shankar Rao Genuji Kolhe (Founder Director). Shri Shankarrao Genuji Kolhe (aged 93 years) is BSc Agriculture and has more than 6 decades of expertise in sugar industry. The company has an integrated facility to manufacture sugar (4500 TCD), generate power (12 MW), and produce distillery products (120 KLPD). The facility is located at Sahajanandnagar, Kopargaon, Ahmednagar, Maharashtra. Out of the total 12 MW power generated from the Cogen plant, nearly 50% is exported to Maharashtra State Electricity Distribution Company Limited. The company has signed PPA with Maharashtra State Electricity Distribution Company Limited and is valid up to 2031.



Press Release

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2020	31-03-2021
	Audited	Audited
Total Operating Income	394.55	422.66
EBITDA	25.11	48.18
PAT	8.44	12.33
Total Debt	173.76	342.40
Tangible Net Worth	63.04	49.55
EBITDA Margin (%)	6.36	11.40
PAT Margin (%)	2.13	2.92
Overall Gearing Ratio (x)	2.76	6.91
Interest Coverage (x)	1.74	1.53

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA:

India Ratings and Research vide its press release dated 12th January 2024 has maintained the case under ISSUER NOT COOPERATING category on account of non-submission of requisite information.

Brickwork Ratings vide its press release dated 02nd May 2024 has continued the case under ISSUER NOT COOPERATING category on account of non-submission of requisite information.

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings – 2024 -25			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					May 12 2023	-	March 07 2022
1.	Term Loan - I	Long Term	25.00	IVR B+/ Negative; ISSUER NOT COOPER ATING *	IVR BB-/ Negative; ISSUER NOT COOPERATI NG *	-	IVR BB / Stable



Press Release

Sr. No.	Name of Security/Facilities	Current Ratings – 2024 -25			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					May 12 2023	-	March 07 2022
2	Term Loan - II	Long Term	35.00	IVR B+/ Negative; ISSUER NOT COOPERATING *	IVR BB-/ Negative; ISSUER NOT COOPERATING *	-	IVR BB / Stable

*Issuer did not co-operate; based on best available information

Analytical Contacts:

Name : Sree Harsha Tel: (022) 62396023 Email: sree.harsha@infomerics.com	Name: Amey Joshi Tel: 022) 62396023 Email: amey.joshi@infomerics.com
--	---

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.



Press Release

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan -I	Not Available	Not Available	Not Available	Not Available	25.00	IVR B+ / Negative; ISSUER NOT COOPERATING
Term Loan -II	Not Available	Not Available	9.10%	July 2022	35.00	IVR B+ / Negative; ISSUER NOT COOPERATING

Annexure 2: Facility wise lender details : Not Applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.