

Sustainable Agro-Commercial Financial Limited (Revised)

May 29, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	333.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Non-convertible debentures	70.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (Care Ratings), vide its press release dated April 05, 2019, had placed ratings of Sustainable Agro-Commercial Financial Limited (SAFL) under the 'issuer non-cooperating' category as SAFL had failed to provide information for monitoring of the rating exercise as agreed to in its rating agreement. SAFL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated May 05, 2024, April 25, 2024, and April 15, 2024. In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating on the basis of the best available information which, however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating.

CARE Ratings reaffirms the rating of facilities/Instruments of SAFL at CARE D; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders and public at large) are hence requested to exercise caution while considering above rating(s).

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of key rating drivers:

At the time of the last rating on May 31, 2023, following were key rating strengths and weaknesses (updated from information available from the registrar of company):

Key weaknesses

Weak Financial Profile:

Portfolio outstanding as on March 31, 2023, was ₹193.09 crore (PY: ₹248.42 crore). The company's total income declined by 79% YOY to ₹4.06 crore in FY23 (PY: ₹19.19 crore), which has been due to decrease in interest income. Return on total assets (ROTA) and return on net worth (RONW) decreased constantly from FY20 to FY23, primarily due to lower profit after taxes (PAT). In 9MFY24, the company reported PAT of ₹1.56 crore as against net loss of ₹56 crore in FY23 due to provision reversal.

Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Financial Ratios - Financial Sector](#)

[Non Banking Financial Companies](#)

About the company and industry

Industry classification

Macro-economic indicator	Sector	Industry	Basic industry
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¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications.

Financial services	Financial services	Finance	Non-banking financial company (NBFC)
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SAFL is an NBFC promoted by Jain Irrigation Systems Ltd (JISL), Jalgaon with IFCWashington as an anchor investor in 2012. SAFL obtained RBI approval on July 05, 2012. In March 2015, Mandala Capital Ltd (an agri-focused private equity fund) invested in SAFL to the extent of 20% of the total equity holding of ₹120 crore, while JISL holds 49.00%, individuals of the Promoter Group holding 21.00%, and IFC – a member of the World Bank Group, holds 10.00% equity share capital. SAFL is engaged solely and exclusively in financing agriculture and allied activities. SAFL is a non-deposit taking NBFC.

SAFL focuses on providing agri-loans with a wide and diverse range of financing options for agricultural activities. The main product is micro irrigation system financing, being the captive financing arm of Jain Irrigation Systems Limited. It also finances other products including pipes, and pumps for lift irrigation among others.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	52.54	19.19	4.06
PAT	3.84	-30.51	-56.02
Interest coverage (times)	1.26	-0.99	-2.65
Total Assets	382.15	315.6	238.12
Net NPA (%)	NA	14	66
ROTA (%)	1	-9	-20

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: As Per its PR dated July 06, 2020, India Ratings has placed SAFL in the Issuer Not Cooperating category as the company did not provide relevant information for carrying out review and non-cooperation is continuing per the latest PR published on May 29, 2023.

As Per its PR dated September 15, 2021, Infomerics Ratings has placed SAFL in the Issuer Not Cooperating category on account of NDS pendency from July 2021 onwards and non-cooperation is continuing per the latest PR published on October 19, 2023.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debentures-Non-Convertible Debentures (Proposed)		NA	NA	NA	70.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan (Proposed)		-	-	NA	333.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

NA: Not applicable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan (Proposed)	LT	333.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (31-May-23)	1)CARE D; ISSUER NOT COOPERATING* (30-May-22)	1)CARE B; Stable; ISSUER NOT COOPERATING* (16-Aug-21)
2	Debentures-Non-Convertible Debentures (Proposed)	LT	70.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (31-May-23)	1)CARE D; ISSUER NOT COOPERATING* (30-May-22)	1)CARE B; Stable; ISSUER NOT COOPERATING* (16-Aug-21)

*Issuer did not cooperate; based on best available information.

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non-Convertible Debentures	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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