

Singodwala Fintech Private Limited

April 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.00	CARE B; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE B+; Stable

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) had, vide its press release dated February 23, 2024, placed the ratings of Singodwala Fintech Private Limited (SFPL) under the 'Issuer non-cooperating' category as SFPL had failed to provide information for monitoring of the ratings as agreed to in its Rating Agreement. SFPL continues to be non-cooperative despite repeated request for submission of information through phone calls and emails dated January 08, 2025, January 18, 2025, and January 28, 2025. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on Singodwala Fintech Private Limited's bank facilities will now be denoted as **CARE B; Stable; ISSUER NOT COOPERATING***.

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

The ratings have been revised on account of limited information available.

Analytical approach: CARE Ratings Limited (CARE Ratings) has adopted standalone approach along with factoring support from the promoters and its group entity SWLPL.

Outlook: Stable

Detailed description of the key rating drivers

At the time of last rating on February 23, 2024, the following were the rating weaknesses and strengths (updated for the information available from registrar of companies).

Key weakness

Risk related to fluctuations in prices of underlying stock:

SFPL provides financing to farmers/traders based on the value of agri-commodities stored in the warehouse of its group entity SWLPL at the LTV ratio of around 80-85%. Agri-commodity prices are directly affected by various factors like monsoon during the year, area under cultivation, global pricing scenario (linked to global demand supply) and government policies. As the prices of these agri-commodities are prone to fluctuation, the company faces the risk of decline in the value of the underlying stock.

Small scale operations with short track record and limited portfolio seasoning:

SFPL commenced operations in 2019, and the business has a vintage of over five years. As a result, the loan portfolio has limited seasoning. CARE Ratings notes that performance of the portfolio through different economic cycles and geographies as the portfolio seasons is yet to be established. As on March 31, 2024, loan portfolio stood at ₹5.92 crore.

Improving but moderate profitability:

SFPL reported a profit after tax (PAT) of ₹0.14 crores on total income of ₹1.43 crores in FY24 against a PAT of ₹0.13 crores on total income of ₹1.12 crores in FY23.

Geographical concentration of portfolio:

The company mainly operates in Jaipur, Rajasthan. As on December 31, 2022, the entire portfolio of SFPL's business was concentrated in Rajasthan, operating from its single branch in Jaipur. The company doesn't have a significant expansion plan currently and will continue business from the same branch.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Key strengths

Promoter's relevant experience of dealing in agri commodities along with support from group entity in sustenance and growth of business operations through various means:

SFPL is promoted and held by Mr. Sanjay Agarwal, CEO and Managing Director at SFPL, along with his wife Mrs. Rekha Agarwal, Director, with 50% stake each. Mr. Sanjay Agarwal is a Chartered Accountant & Company Secretary having 12 years of experience with HDFC Bank Limited as regional operation manager in Rajasthan. Furthermore, he has experience of around 4 years with other group entities (RK Warehouse) in the commodity financing business. Mrs. Rekha Agarwal, a graduate in commerce, is associated with the group entity of SFPL. The experience of the promoter in agri commodity financing through his family business and other group entities is of key utility for SFPL. Since inception, the promoters have infused a capital of ₹ 5 crores in the company.

Adequate capitalisation and low gearing levels:

The tangible net worth (TNW) of SFPL remained stable at ₹5.14 crore as on March 31, 2024 (As on March 31, 2023 - ₹5.00 crore) as against the total borrowings of ₹0.04 crore as on March 31, 2024 (As on March 31, 2023 - ₹0.05 crore); accordingly, the overall gearing improved to 0.01x as on March 31, 2024 (vs. 0.02x as on March 31, 2023).

Strong asset quality with nil NPAs:

The company has nil NPA since inception. SFPL makes a general provision for standard assets at rate of 0.25% as per norms applicable to NBFCs. The number of accounts that turn into NPA are usually very few, however, in case they do, the company realises amount through liquidation and writes off the accounts.

Applicable criteria

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Policy on Default Recognition](#)

[Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Financial Ratios - Financial Sector](#)

[Non Banking Financial Companies](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Investment Company

Incorporated in 2019, Singodwala Fintech Private Limited (SFPL) is an RBI registered non-deposit taking Non-Banking Finance Company (NBFC). The company is mainly into commodity pledge financing. It provides loans against agri-commodities to farmers. The agri commodities it primarily deals in are barley, gram, groundnut, and millet. These loans are provided for both, personal and business purposes. Company has an online platform 'apnagodamfinance.com' to facilitate sales of commodities. It has also recently launched mobile application for the same purpose. This portal is a stage government registered platform for buying and selling of agricultural produce. The portal is jointly owned by SFPL's group entity having common promoters, Singodwala Warehousing & Logistic Private Limited (SWLPL). SWLPL provides warehousing and logistic facilities through 17 warehouses across Rajasthan. It acts as a layered service provider for SFPL, acting as custodian and settlement agency of commodities pledged with SFPL. Further, majority of SFPL's customers are sourced through referrals from SWLPL. SFPL operates in the state of Rajasthan with its business concentrated mainly in and around Jaipur. The loan portfolio of the company stands at ₹4.18 crore as on March 31, 2023.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	1.15	1.12	1.43
PAT	0.09	0.13	0.14
Total Assets	7.89	5.18	9.99
Net NPA (%)	0.00	0.00	NA
ROTA (%)	1.24	2.06	1.90

A: Audited; UA: Unaudited; NA: Not available; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit-Proposed	-	-	-	-	5.00	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan-Proposed	-	-	-	-	5.00	CARE B; Stable; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for the 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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	5.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (23-Feb-24) 2)CARE BB-; Stable (19-Apr-23)	-
2	Fund-based - LT-Cash Credit	LT	5.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (23-Feb-24) 2)CARE BB-; Stable (19-Apr-23)	-

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

LT - Long term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

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

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

Contact us

Media Contact Name: Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Name: Priyesh Ruparelia Director CARE Ratings Limited Phone: +91-22-67543593 E-mail: priyesh.ruparelia@careedge.in
Relationship Contact Name: Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-6754 3404 E-mail: saikat.roy@careedge.in	Name: Geeta Chainani Associate Director CARE Ratings Limited Phone: +91-22-6754 3447 E-mail: geeta.chainani@careedge.in
	Name: Kumer Bisht Associate Executive CARE Ratings Limited E-mail: kumer.bisht@careedge.in

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For the detailed Rationale Report and subscription information,
please visit www.careedge.in**