

## The Batasingaram Farmers Service Co-Operative Society Limited

July 15, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	15.00	CARE B-; Stable; 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 (CareEdge Ratings) vide its press release dated July 01, 2019, placed the rating(s) of The Batasingaram Farmers Service Co-Operative Society Limited (BFSCSL) under the 'issuer non-cooperating' category as BFSCSL failed to provide information for monitoring of the rating. BFSCSL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated March 03, 2025, March 13, 2025, and March 23, 2025. Aligned with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating based on the best available information, which in CareEdge Ratings opinion is not sufficient to arrive at a fair rating.

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

Reaffirmation in the rating factors in the non-cooperation by BFSCSL and CareEdge Ratings efforts to undertake a review of ratings outstanding. CareEdge Ratings views information availability risk as a key factor in its assessment of credit risk.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on April 17, 2024, the following were the rating strengths and weaknesses.

### Key weaknesses

#### Relatively small scale of operation

BFSCSL was founded on January 04, 1978, and despite the long existence and improved scale of operation; the society remains relatively small with an outstanding loan portfolio of ₹29.21 crore as on March 31, 2018.

#### Concentrated loan portfolio

BFSCSL's loan portfolio is diversified in crop loans, gold loans, agricultural loans, non-agricultural loans and loans against fixed deposits to its members. However, the loan portfolio has been concentrated to the agriculture loan constituting ~45%-80% in FY15-FY18. Apart from concentrated loan portfolio, the society also has regional concentration in Ranga Reddy, Telangana with total three operational branches.

#### Leveraged capital structure

The society's overall gearing has been on the higher side as on March 31, 2018, mainly due to high deposit received from members and increase in bank borrowings. The society has total debt of ₹28.30 crore as on March 31, 2018, against a small net worth base of ₹6.55 crore as on March 31, 2018. The capitalisation level has been low in the past with a moderate capital adequacy ratio of 13.49% as on March 31, 2017. However, this improved to 18.61% as on March 31, 2018. The net non-performing assets (NNPA) to net worth remains high at 43.91% as on March 31, 2018.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Weak asset quality and liquidity**

The society has weak asset quality with high NPA ratio reported in the last three years ending March 31, 2018. The gross non-performing assets (GNPA) ratio, although has been improving from 30.59% in FY15 to 11.53% in FY18; this remains on the higher side. In case of outbreak of pandemic COVID-19, the society has taken moratorium on loans availed from Central Bank of India for March 2020 – June 2020.

**Inadequate MIS system and safety mechanisms**

The society evolved with time and adopted computerised system which records the data and retrieves whenever required. However, the society is still not fully integrated with the other branches and still requires maintaining and recording data manually. The society has surveillance system installed at its branches and other properties which is a major safety measure adopted in the last few years.

**Increasingly rural focused and competitive sector**

Operations of the co-operative societies are similar to non-banking financial companies (NBFC), which have rapidly emerged as an important segment of the Indian financial system. NBFCs assume significance in the small business segment as they primarily cater credit requirements of the unorganised sector such as wholesale and retail traders, small-scale industries and small borrowers at the local level. The sector is also characterised by intense competition and fragmentation due to the presence of many unorganised money lenders, NBFCs and other players attributable to low entry barriers. Similarly, the emerging new age small finance banks have further increased the competition in the sector.

**Key strengths****Experienced management team and long track record of operation**

BFSCSL was founded by a group of farmers on January 04, 1978, with an objective to help small and marginal farmers, rural artisans and agriculture labourers. BFSCSL has long track record of operation and for four decades it has been engaged in lending money to its members. At present, Vithal Reddy is BFSCSL's president who joined the society in 2013. He has an industry experience of over two decades and is also the director of a co-operative bank in Ranga Reddy. He is also supported by qualified management team in day-to-day business activities.

**Minimum regulatory restrictions**

BFSCSL is registered under Andhra Pradesh Co-operative Societies Act of 1964 where each society is governed by its own set of bye-laws. There is no intervention from government regulatory bodies. However, the society has NPA provisioning norms for loans overdue for over 180 days which is similar to NBFCs.

**Improved operating income in FY15-FY18**

The society's total operating income TOI increased at a compound annual growth rate (CAGR) of 31.43% from ₹2.33 crore in FY15 to ₹4.70 crore in FY18 considering increase in the addition of number of members and increased ticket size of loan. Similarly, profit after tax (PAT) margin and return on total assets (ROTA) significantly grew in FY15-FY18.

**Moderate growth in loan portfolio**

The society registered significant growth in loan portfolio at CAGR of ~45% in FY15-FY17. However, the loan portfolio growth has been relatively moderate in FY18 with growth of ~8% registered during the year. The society's resource profile has been satisfactory with major portion of funding done through deposit from members. However, despite the growth, the size and scale of operation remains small.

**Applicable criteria**

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

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Other financial services

BFSCSL was founded on January 04, 1978, with an objective to help farmers particularly small and marginal farmers, rural artisans and agriculture labourers. BFSCSL is registered under Andhra Pradesh Co-operative Societies Act of 1964. It is engaged in lending money to its registered members from the corpus formed by taking deposits from its members and loans from banks. BFSCSL also procures and supplies agricultural inputs such as fertilisers, seeds, manures, cattle feeds and pesticides among others. The society runs by its own bye-laws which are framed conforming principles laid down in the Act and it is governed by the co-operative registrar. BFSCSL's loan portfolio is diversified in crop loan, gold loan, agricultural loan, non-agricultural loan and loan against fixed deposits. Any member who needs financial assistance should have 10% loan value as share capital.

Brief Financials (₹ crore) <sup>#</sup>	FY17 (A)	FY18 (A)	*FY19 to FY25 (UA)
Total operating income	3.81	4.70	NA
PAT	1.45	1.94	NA
Interest coverage (times)	1.98	2.17	NA
Total Assets	34.43	36.70	NA
Net NPA (%)	13.51	0.00	NA
ROTA (%)	4.84	5.45	NA

A: Audited; UA: Unaudited; NA: Not Available

\*Financials for FY19 onwards is not available, #Based on best available information

### Status of non-cooperation with previous CRA:

Ratings by Brickwork continue to be in Issuer Not Cooperating vide press release dated November 15, 2024, considering best available information, as the issuer did not cooperate.

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	7.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	-	March 2022	8.00	CARE B-; Stable; ISSUER NOT COOPERATING*

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

**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 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	8.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (17-Apr-24)	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (19-Jan-23)
2	Fund-based - LT-Cash Credit	LT	7.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (17-Apr-24)	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (19-Jan-23)

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

LT: Long term; ST: Short term; LT/ST: Long term/Short 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	Fund-based - LT-Cash Credit	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:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

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