



## Press Release

### Sustainable Agro- Commercial Finance Limited

October 19<sup>th</sup>, 2023

#### Ratings

Instrument Facility /	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Bank Facilities-Long Term	130.90	IVR D; Issuer Not Co-operating*(IVR Single D; Issuer Not Co-operating*)	Reaffirmed and continued in Issuer Not Cooperating category	Simple
Proposed Long Term Bank Facilities	69.10	IVR D; Issuer Not Co-operating*(IVR Single D; Issuer Not Co-operating*)	Reaffirmed and continued in Issuer Not Cooperating category	Simple
<b>Total</b>	<b>200.00</b>	<b>Rupees Two Hundred Crore Only</b>		

*\* Issuer not cooperating; Based on best available information*

#### Details of Facilities are in Annexure 1

#### Detailed Rationale

The rating continues in Issuer Not Cooperating category because of continuous lack of adequate information regarding Sustainable Agro-Commercial Financial Limited performance and hence the uncertainty around its credit risk. Infomerics 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.

#### Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mails communications latest by October 06, October 09<sup>th</sup> and October 11<sup>th</sup> 2023, and concurrently over several phone calls. However,



## Press Release

despite repeated requests by Infomerics, the company's management has not submitted the complete details and fees for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term ratings for the bank loan facilities aggregating to Rs 200.00 crore of Sustainable Agro Commercial Finance Limited continue to be classified in the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR D; ISSUER NOT COOPERATING based on best available information.

Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Non-Banking Finance companies](#)

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

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Default Recognition Policy](#)

### **About the Company**

Sustainable Agro-Commercial Finance Limited (SAFL) is the first NBFC in India providing Agriloans with a wide and diverse range of financing options for almost every need of agricultural activity. SAFL only finances products which results in increased farm productivity and improvement in the lifestyle of farmers. The lending is in the nature of Asset Financing and only the equipment/asset financed would generally be held as Security. SAFL is promoted by Jain Irrigation Systems Ltd (JISL), Jalgaon with IFC -Washington and Mandala Capital Ltd as an anchor investor.

### **Financials**

For the Year ended*/ As on	31-03-2018	31-03-2019
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## Press Release

	Audited	Audited
Total Operating Income	53.41	57.38
PAT	7.53	5.49
Total Debt	178.12	194.68
Tangible Net Worth	157.18	162.60
<b>Ratios</b>		
PAT Margin (%)	23.44	(27.09)
Overall Gearing Ratio (x)	1.13	1.20

**Status of non-cooperation with previous CRA:** CARE has classified the ratings of the company under Issuer not cooperating category vide press release dated May 31, 2023 due to non-availability of relevant information.

India Ratings has classified the ratings of the company under Issuer not cooperating category vide press release dated May 29<sup>th</sup>, 2023 due to non-availability of relevant information.

**Any other information:** Not Applicable

### Rating History for last three years:

Sr. No	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (October 12, 2022)	Date(s) & Rating(s) assigned in 2021-22 (September 15, 2021)	Date(s) & Rating(s) assigned in 2020-21 (May 26, 2020)
1.	Cash Credit	Long Term	15.00	IVR D; ISSUER NOT COOPERATING*	IVR D; ISSUER NOT COOPERATING*	IVR D; ISSUER NOT COOPERATING*	IVR BBB-/Credit watch with developing implications (IVR Triple B Minus Under credit watch with developing implications)
2.	Term Loan	Long Term	115.90	IVR D; ISSUER NOT	IVR D; ISSUER NOT	IVR D; ISSUER NOT	IVR BBB-/Credit watch with



## Press Release

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				COOPERATING*	COOPERATING*	COOPERATING*	developing implications (IVR Triple B Minus Under credit watch with developing implications)
3.	Proposed Term Loan/NCD	Long Term	69.10	IVR D; ISSUER NOT COOPERATING*	IVR D; ISSUER NOT COOPERATING*	IVR D; ISSUER NOT COOPERATING*	IVR BBB-/Credit watch with developing implications (IVR Triple B Minus Under credit watch with developing implications)

\* Issuer not cooperating; Based on best available information

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a



## Press Release

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 visit [www.infomerics.com](http://www.infomerics.com).

**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, 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: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities –Cash Credit	-	-	-	15.00	IVR D; ISSUER NOT COOPERATING*



## Press Release

Long Term Bank Facilities – Term Loan	-	-	Up to 31 <sup>st</sup> January 2024	115.90	IVR D; ISSUER NOT COOPERATING*
Proposed Term Loan/NCD	-	-	-	69.10	IVR D; ISSUER NOT COOPERATING*

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

**Annexure 2: List of companies considered for consolidated analysis: Not Applicable.**

**Annexure 3: Facility wise lender details: Not available**

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: 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 [Complexity Level of Rated Instruments/Facilities](#).