



## Press Release

### Agriwise Finserv Limited (AFL)

(Erstwhile StarAgri Finance Limited)

**November 29, 2023**

#### Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Rating Action	<u>Complexity Indicator</u>
Non-Convertible Debentures (NCD)	10.00	IVR BB+/Negative; Issuer Not Cooperating* (IVR Double B Plus with Negative Outlook; Issuer Not Cooperating)	Revised from IVR BBB- /Negative (IVR Triple B Minus) and moved to Issuer Not Cooperating category	Complex
Proposed Non-Convertible Debentures (NCD)	40.00	IVR BB+/Negative; Issuer Not Cooperating* (IVR Double B Plus with Negative Outlook; Issuer Not Cooperating)	Revised from IVR BBB- /Negative (IVR Triple B Minus) and moved to Issuer Not Cooperating category	Complex
Long term Bank Facilities – Term Loans	41.41 (Reduced from 79.54)	IVR BB+/Negative; Issuer Not Cooperating* (IVR Double B Plus with Negative Outlook; Issuer Not Cooperating)	Revised from IVR BBB- /Negative (IVR Triple B Minus) and moved to Issuer Not Cooperating category	Simple
Long term Bank Facilities – Proposed Term Loan	258.59 (Increased from 220.46)	IVR BB+/Negative; Issuer Not Cooperating* (IVR Double B Plus with Negative Outlook;	Revised from IVR BBB- /Negative (IVR Triple B	Simple



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		Issuer Not Cooperating)	Minus) and moved to Issuer Not Cooperating category	
Long term Bank Facilities – Cash Credit	50.00	IVR BB+/Negative; Issuer Not Cooperating* (IVR Double B Plus with Negative Outlook; Issuer Not Cooperating)	Revised from IVR BBB-/Negative (IVR Triple B Minus) and moved to Issuer Not Cooperating category	Simple
<b>Total</b>	<b>400.00</b>			

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

### Details of Facilities are in Annexure 1

#### Detailed Rationale

The aforesaid rating revision of Agriwise Finserv Private Limited continues to reflect lack of adequate information available about the performance of the company and 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, despite the rating revision.

#### Note on non-cooperation

Infomerics 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 October 26, 2023, October 30, 2023, October 31, 2023, and November 10, 2023, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.



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Availability of information is very critical in rating exercise. In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has moved the long term and short-term rating for bank loan facilities of Agriwise Finserv Private Limited aggregating to INR 400.00 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB+/Negative Outlook; ISSUER NOT COOPERATING' (pronounced IVR Double B plus with Negative Outlook; ISSUER NOT COOPERATING'); based on best available information.

Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

**Analytical Approach:** Standalone

**Applicable Criteria:**

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

[Criteria of assigning rating outlook](#)

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

**About the Company**

Agriwise Finserv Limited (AFL) (Erstwhile StarAgri Finance Limited), the company was renamed in FY20 and was incorporated in March 1995 post acquisition of a Baroda-based NBFC named Raylight Leasing and Finance Limited by Star Agriware housing and Collateral Management Limited during FY15 (Parent company of AFL). Company is catering the fund requirement of the Agri & MSME borrowers through the diversified product suite consist of Agri Term Loan, Secured Term Loan, Commodity based Financing (Agri Commodity Loans), Short-term Working Capital loans (Flexi loans) and B2C loans (Invoice discounting). The company re-started its operations under the current management in February 2015. The company has presence in 6 states across 22 locations and expanding to more locations in future.

**Financials (Standalone)**



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For the year ended* As on	INR in Crore	
	31-03-2021	31-03-2022
	Audited	Audited
Total Income	54.48	43.95
PAT	3.37	6.22
Tangible Net Worth	165.95	172.01
Total Loan Assets	325.30	243.01
ROTA (%)	0.87	1.82
Total CAR (%)	47.63	55.83
Gross NPA (%)	6.96	0.89
Net NPA (%)	3.46	0.44

\* Classification as per Infomerics' standards

**Details of Non-Co-operation with any other CRA: Nil**

**Any other information: N.A.**

### 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)	Date(s) & Rating(s) assigned in 2023-24 (Dated: December 24, 2023)	Date(s) & Rating(s) assigned in 2022-23 (Dated: December 09, 2022)	Date(s) & Rating(s) assigned in 2022-23 (Dated: August 09, 2022)	Date(s) & Rating(s) assigned in 2021-22 (Dated: February 18, 2022)	Date(s) & Rating(s) assigned in 2021-22 (Dated: October 06, 2021)	Date(s) & Rating(s) assigned in 2021-22 (Dated: September 17, 2021)
1.	Non-Convertible Debentures (NCD)	Long Term	10.00	IVR BB+/Negative	IVR BBB-/Negative	IVR BBB-/Stable	IVR BBB-/Credit Watch with Developing Implication	IVR BBB-/Credit Watch with Developing Implication	IVR BBB-/Credit Watch with Developing Implication
2.	Proposed Non-Convertible Debentures (NCD)	Long Term	40.00	IVR BB+/Negative	IVR BBB-/Negative	IVR BBB-/Stable	IVR BBB-/Credit Watch with Developing Implication	IVR BBB-/Credit Watch with Developing Implication	IVR BBB-/Credit Watch with Developing Implication
3.	Fund Based Facility – Term Loan	Long Term	41.41	IVR BB+/Negative	IVR BBB-/Negative	IVR BBB-/Stable	IVR BBB-/Credit Watch with Developing Implication	IVR BBB-/Credit Watch with Developing Implication	IVR BBB-/Credit Watch with Developing Implication
4.	Fund Based Facility – Proposed Term Loan	Long Term	258.59	IVR BB+/Negative	IVR BBB-/Negative	IVR BBB-/Stable	IVR BBB-/Credit Watch with Developing Implication	IVR BBB-/Credit Watch with Developing Implication	IVR BBB-/Credit Watch with Developing Implication



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5.	Fund Based Facility – Cash Credit	Long Term	50.00	IVR BB+/Negative	IVR BBB-/Negative	IVR BBB-/Stable	IVR BBB-/Credit Watch with Developing Implication	IVR BBB-/Credit Watch with Developing Implication	IVR BBB-/Credit Watch with Developing Implication

### Name and Contact Details of the Rating Analyst:

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### About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI). Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks. Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations. 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, suspend 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





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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	ISIN	Date of Issuance	Coupon Rate	Tenor/ Maturity	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Non-Convertible Debentures (NCD)	INE363 T07011	06/07/2020	12%	3 Years (06-07-2023)	10.00	IVR BB+/ Negative
Proposed Non-Convertible Debentures (NCD)	-	-	-	-	40.00	IVR BB+/ Negative
Long Term Fund Based Facility – Term Loan	-	-	-	-	41.41	IVR BB+/ Negative
Long Term Fund Based Facility – Proposed Term Loan	-	-	-	-	258.59	IVR BB+/ Negative
Long Term Fund Based Facility – Cash Credit	-	-	-	-	50.00	IVR BB+/ Negative

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

**Annexure 3: Facility wise lender details**

<https://www.infomerics.com/admin/prfiles/len-Agrwise-nov23.pdf>

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:**

**NCD issue of Rs 10 Crores**

Particulars	Non-Convertible Debentures
Instrument Description	12% RATED, LISTED, UNSUBORDINATED, SECURED, TRANSFERABLE, REDEEMABLE, NON-CONVERTIBLE



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	DEBENTURES.
ISIN	INE363T07011
Issue size	INR10.00 crore
Date of allotment	July 06, 2020
Redemption date	July 06, 2023
Redemption amount	INR10.00 crore
Coupon Rate	12.00%
Frequency of coupon payment	Annual
Investor	Union Bank of India
Purpose of the issue	Onward Lending
Name of the trustee	Catalyst Trusteeship Limited
<b>Covenants</b>	<p>To maintain the value of security at all times equal to 1.1 (One decimal point one) time or 110.0% (One hundred and ten percent) the aggregate amount of principal and interest outstanding of the NCDs where at least 1.1 (One decimal point one) time or 110.0% (One hundred and ten percent) of the security cover is from principal and interest receivables.</p> <p>Minimum CRAR as per the regulatory minimum prescribed by the Reserve Bank of India under the NBFC Master Directions.</p>

**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](http://www.infomerics.com).