

April 29, 2021

Kissandhan Agri Financial Services Private Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial Paper Programme	15.00	0.00	[ICRA]A2; withdrawn
Total	15.00	0.00	

*Instrument details are provided in Annexure-1

Rationale

The rating outstanding of [ICRA]A2 on the commercial paper programme of Kissandhan Agri Financial Services Private Limited (KAFSPL) has been withdrawn at the company's request, since no amount is outstanding against the rated instrument. This is in accordance with ICRA's policy on the withdrawal of credit ratings. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers, liquidity position, and rating sensitivities have not been captured as the rated instrument is being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies Consolidation and Rating Approach ICRA's Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not applicable
Consolidation/Standalone	Consolidated with parent – Sohan Lal Commodity Management Private Limited (SLCM), North End Foods Marketing Private Limited (NEFM) and Sohan Lal Commodity Management Limited, Myanmar

About the company

Kissandhan Agri Financial Services Private Limited (KAFSPL) is a wholly-owned subsidiary of Sohan Lal Commodity Management Private Limited (SLCM), which is a one-stop post-harvest agri-logistics group. KAFSPL provides financing solutions against storage receipts of agriculture commodities and strengthens the Group's presence across the agriculture supply chain. KAFSPL is a Reserve Bank of India (RBI) regulated non-banking financial company (NBFC). It provides finance on agricultural commodities against warehouse receipts (WRs) to farmers, joint liability groups (JLGs), small-and-medium-sized enterprises (SMEs), commodity traders, processors, exporters, importers and other agri intermediaries across the country. It provides financing against a diversified basket of agricultural commodities.

In FY2020, the company reported a profit of Rs. 1.4 crore on a total asset base of Rs. 193.3 crore as on March 31, 2020 against a profit of Rs. 8.4 crore on a total asset base of Rs. 230.8 crore as on March 31, 2019. Its net worth stood at Rs. 156.5 crore as on March 31, 2020 against Rs. 155.0 crore as on March 31, 2019. The gearing stood at 0.19 times as on March 31, 2020.

Key financial indicators (audited)

KAFSPL	FY2019	FY2020
Profit after tax (Rs. crore)	8.4	1.4
Net worth (Rs. crore)	155.0	156.5
Loan book (Rs. crore)	192.0	59.6
Total assets (Rs. crore)	230.8	193.3
Gearing (times)	0.46	0.19
Return on assets (%)	3.4%	0.7%
Return on net worth (%)	5.6%	0.9%
Gross NPAs (%)	1.5%	24.8%
Net NPAs (%)	0.5%	17.5%
Net NPA/Net worth (%)	0.6%	6.3%

Source: KAFSPL, ICRA research; All ratios as per ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the Past 3 Years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2019	
							Mar 19, 2019	Feb 19, 2019
1	Commercial Paper Programme	Short term	15.00	0.00	[ICRA]A2; withdrawn	[ICRA]A2	[ICRA]A2+	[ICRA]A2+

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [click here](#)

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE202E07245	Commercial Paper	NA	NA	NA	15.00	[ICRA]A2; withdrawn

Source: ICRA research

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Sohan Lal Commodity Management Private Limited	Parent	Full Consolidation
Kissandhan Agri Financial Services Private Limited	Subsidiary	Full Consolidation
North End Foods Marketing Private Limited	Subsidiary	Full Consolidation
Sohan Lal Commodity Management Limited, Myanmar	Subsidiary	Full Consolidation

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