

February 28, 2024

## Netafim Agricultural Financing Agency Private Limited: Ratings withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short-term fund-based bank facilities – WCDL	15.00	15.00	[ICRA]A3; withdrawn
Long-term/Short-term bank facilities – Unallocated	185.00	185.00	[ICRA]BBB- (Stable)/[ICRA]A3; withdrawn
<b>Total</b>	<b>200.00</b>	<b>200.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Netafim Agricultural Financing Agency Private Limited (NAFA) at the request of the company as the rated bank line facility remains closed as on date. The ratings have been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings.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 ratings were last reviewed.

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rating drivers, liquidity position, and rating sensitivities have not been captured as the rated instruments are being withdrawn.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

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Rating Methodology for Non-banking Finance Companies</a> <a href="#">Policy on Withdrawal of Credit Ratings</a>
Parent/Group support	Immediate Parent: Netafim Limited (Israel) Ultimate Parent: Orbia Advance Corporation S.A.B. de CV  NAFA is a subsidiary of Netafim Singapore Holding Pte Ltd, which is a step-down subsidiary of Netafim Limited (Israel). Netafim Limited (Israel) is a part of Orbia Advance Corp (ultimate parent; rated Baa3 by Moody's). The shared brand name, strong linkages with senior-level deputations and the track record of support strengthen ICRA's belief that NAFA will receive adequate and timely support (financial as well as operational) from its parent group, as and when required. The parent group also supports NAFA's borrowing programme through standby letter of credit (SBLC) arrangements.
Consolidation/Standalone	Standalone

### About the company

Incorporated in 2011, Netafim Agricultural Financing Agency Private Limited (NAFA) is a non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI) in 2013. It is a wholly-owned subsidiary of Netafim Singapore Holding Pte Ltd, which is a step-down wholly-owned subsidiary of Israel-based Netafim Limited, a global player in smart drip and micro-irrigation solutions. As of March 31, 2023, NAFA had a loan book of Rs. 265 crore with a net worth of Rs. 54 crore.

### Key financial indicators (audited)

NAFA	FY2021	FY2022	FY2023
Total income	2.1	5.1	3.0
PAT	-48.9	-22.8	-66.3
Total managed assets	330.9	311.8	363.5
Return on managed assets	-85.1%	-37.3%	-19.6%
Reported gearing (times)	3.3	3.9	4.2
Gross stage 3	71%	65%	67%
CRAR	27%	17%	NA

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: Not applicable**

### Rating history for past three years

	Instrument		Current Rating (FY2024)			Chronology of Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding *	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
			(Rs. crore)	(Rs. crore)	Feb 28, 2024	Dec 15, 2022	Oct 13, 2021	-	
1	Long-term fund-based bank facilities – Term loan	Long term	-	-	-	-	[ICRA]BBB-(Stable)	-	
2	Long-term fund-based bank facilities – Cash credit	Long term	-	-	-	-	[ICRA]BBB-(Stable)	-	
3	Short-term fund-based bank facilities – WCDL	Short term	15.00	0.0	[ICRA]A3; withdrawn	[ICRA]A3	[ICRA]A3	-	
4	Long-term/Short-term fund-based bank facilities – Unallocated	Long /Short term	185.00	0.0	[ICRA]BBB-(Stable)/[ICRA]A3; withdrawn	[ICRA]BBB-(Stable)/[ICRA]A3	[ICRA]BBB-(Stable)/[ICRA]A3	-	

As of February 12, 2024

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Short-term fund-based/Non-fund based bank lines	Simple
Long-term/Short-term bank facilities – Unallocated	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

#### Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Working capital demand loans	NA	NA	NA	15.00	[ICRA]A3; withdrawn
NA	Bank line facilities – Unallocated	NA	NA	NA	185.00	[ICRA]BBB- (Stable)/[ICRA]A3; withdrawn

Source: Company

#### Annexure II: List of entities considered for consolidated analysis

Not applicable

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