



Press Release

THE ANDHRA BANK FARMERS SERVICE CO OP SOCIETY LIMITED

January 10, 2025

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	5.00	ACUITE BB- Downgraded Issuer not co-operating*	-
Bank Loan Ratings	50.00	-	ACUITE A4 Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	55.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

* The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) on the Rs. 5.00 Cr. bank loan facility of The Andhra Bank Farmers Service Co OP Society Limited.

Acuite has downgraded its short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 50.00 Cr. bank loan facility of The Andhra Bank Farmers Service Co OP Society Limited.

The rating is now flagged as “Issuer Not-Cooperating” and is based on the best information available. The downgrade is on account of information risk.

About the Company

The Andhra Bank Farmers Service Co op Society Limited based in Tekulapally, Khammam established in 1982 with 19 villages. The new ruling body (administrative body / board) was formed on the 16.02.2020. Shri Bereddi Nagachandra Reddi as been elected as Chairmen of the Society and Sri N Saketh Kumar deputed from Union Bank of India as Managing Director. The society offers services to members such as Accepting deposits, banking services, crop loan to farmers, Agriculture Gold Loan to farmers, Sales of fertilizers to the farmers, Paddy, Maize procurement centre, Locker facility to farmers & others and Group Insurance Scheme through LIC. The directors are Mr. B Naga Chandra Reddy, Mr. T Vijayalakshmi, Mr. V Rama Narayana, Mr. K Bhaskar Rao, Mr. R Kishan, Mr. M Ravi, Mr. Ch vani Sri, Mr. Ram babu, Mr. K Nagamani, Mr. L Nagarjuna, Mr. B Upender, Mr. P Venkatramana, Mr. B Naga Chandra Reddy, Mr. T Vijayalakshmi.

Unsupported Rating

Not Applicable.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as “Issuer not-cooperating”, in line with prevailing SEBI regulations and Acuite’s policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on

which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable.

Other Factors affecting Rating

None.

Key Financials:

Particulars	Unit	FY23 Prov	FY22(Actual)
Total Assets	Rs. Cr.	52.94	48.66
Total Income*	Rs. Cr.	2.59	2.62
PAT	Rs. Cr.	0.99	1.31
Net Worth	Rs. Cr.	15.48	14.26
Return on Average Assets (RoAA)	(%)	1.95	2.95
Return on Average Net Worth (RoNW)	(%)	6.67	9.71
Debt/Equity	Times	2.42	2.41
Gross NPA	(%)	4.34	7.52
Net NPA	(%)	1.74	2.76

**Total income equals to Net Interest Income plus other income*

Status of non-cooperation with previous CRA

Not Applicable.

Any other information

None.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Banks And Financial Institutions: <https://www.acuite.in/view-rating-criteria-45.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
16 Oct 2023	Short-term Loan	Short Term	26.00	ACUITE A4+ (Assigned)
	Short-term Loan	Short Term	9.00	ACUITE A4+ (Assigned)
	Proposed Short Term Bank Facility	Short Term	15.00	ACUITE A4+ (Assigned)
	Term Loan	Long Term	1.00	ACUITE BB Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	4.00	ACUITE BB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
Union Bank of India	Not avl. / Not appl.	Short-term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	26.00	Simple	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
Union Bank of India	Not avl. / Not appl.	Short-term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)

* The issuer did not co-operate; based on best available information.

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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