

Press Release

Finkurve Financial Services Limited (FFSL)

18 January, 2017

Rating Assigned

Total Instruments Rated*	Rs.75.00 Cr
Long Term Rating	SMERA B/Stable (Assigned)

**Refer Annexure for details*

Rating Rationale

SMERA has assigned rating of '**SMERA B' (read as SMERA B)** on the above mentioned facility of Finkurve Financial Services Limited (FFSL). The outlook is '**Stable**'.

FFSL (formally known as Sanjay Leasing Limited) incorporated in 1984 is a non-banking financial company (NBFC) that finances small and large companies.

List of key rating drivers and their detailed description

Strengths:

Experienced promoters: FFSL was registered as a non-deposit taking NBFC in 1984. The company was promoted by Mr. Ketan B. Kothari who possesses a decade of experience in the financial sector. The day-to-day operations are managed by Mr. Sachin Kothari.

Weaknesses:

Moderate loan portfolio: FFSL has a moderate loan portfolio of Rs.72.81 crore in FY2016 compared to Rs.30.29 crore in FY2015. The borrowers include group companies such as Riddhisiddhi Bullions Ltd, Supama Financial Services Ltd and outside entities like Ganpati Enterprises, Chetak Caterers LLP to name a few.

Investment in group companies: FFSL has invested Rs.9.82 crore (90 per cent of the net worth) in its group companies.

Applicable Criteria

- Non-Banking Entities : <https://www.smera.in/criteria-nbfc.htm>
- Default Recognition: <https://www.smera.in/criteria-default.htm>

Outlook: Stable

SMERA believes that FFSL will maintain a stable outlook over the medium term owing to its experienced management. The outlook may be revised to 'Positive' if FFSL scales up operations and diversifies its loan portfolio while maintaining its asset quality. Conversely, the outlook may be revised to 'Negative' in case of decline in scale of operation or deterioration in asset quality.

About the Company

FFSL (the erstwhile Sanjay Leasing Limited), a Mumbai-based NBFC, finances small and large companies. The day-to-day operations are managed by Mr. Sachin Kothari. The net worth stood at Rs.12.96 crore as on March 31, 2016 compared to Rs.11.77 crore a year earlier.

Analytical approach: SMERA has considered the business and financial risk profiles of Finkurve Financial Services Limited (FFSL) along with Supama Forex Private Limited (SFPL), Finkurve Commodities Private Limited (FCPL) and its associate company, Finkurve Bullion Private Ltd (FBPL).

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for the last three years:

Name of Instrument /Facilities	2017			2016		2015		2014	
	Scale	Amount (Rs. Crore)	Rating with Outlook	Date	Rating	Date	Rating	Date	Rating
Non-Convertible Debentures (Proposed)	LT	75.00	SMERA B/Stable (Assigned)	-	-	-	-	-	-

***Annexure – Details of instruments rated:**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/ Outlook
Non- Convertible Debentures (Proposed)	NA	NA	NA	75.00	SMERA B /Stable (Assigned)

Note on complexity levels of the rated instrument: <https://www.smera.in/criteria-complexity-levels.htm>

Contacts:

Analytical	Rating Desk
Mr. Vinayak Nayak, Head – Ratings Operations, SMERA Bond Ratings Tel: 022-67141190 Email: vinayak.nayak@smera.in Mr. Sudarson Swami, Rating Analyst Tel: 022-67141111 Email: sudarson.swami@smera.in	Varsha Bist Sr. Executive Tel: 022-67141160 Email: varsha.bist@smera.in

ABOUT SMERA

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