



Press Release
BLAZE TRUST
June 07, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	12.00	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	12.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB-' (read as ACUITE double B minus) from Acuite BB (Acuite Double B)** on the Rs.12.00 Cr. bank facilities of Blaze Trust. The rating is flagged as 'Issuer not corporating' and is based on the best available information.

The rating has been downgraded on account of information risk.

About the company

Blaze Trust is a Non-Government Organisation-Micro Finance based in Tamil Nadu, India. The trust had started its operations in the year 2007. The trust focuses on Joint Liability Group (JLG), Self- Help Group (SHG), and Micro Credit Group (MCG) lending model for providing collateral free, small ticket-size loans amounting to Rs.10,000 to Rs.40,000 to group of economically active poor women for a period of 12 to 36 months. Blaze is presently working as a business correspondent with Kiara Microcredit Private Limited. The total portfolio of Blaze Trust stood at Rs 8.54 Crore of which managed portfolio stood at Rs 1.27 Crore as on March 31,2021.

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 noncooperation by the issuer along with an 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). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivity

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

Material Covenants

None

Liquidity Position

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

Outlook:

Not Applicable

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY21 (Actual)	FY20 (Actual)
Total Assets	Rs. Cr.	9.42	7.59
Total Income*	Rs. Cr.	1.50	1.10
PAT	Rs. Cr.	0.15	0.15
Net Worth	Rs. Cr.	2.07	1.92
Return on Average Assets (RoAA)	(%)	1.78	2.31
Return on Average Net Worth (RoNW)	(%)	7.57	9.30
Debt/Equity	Times	3.52	2.95
Gross NPA	(%)	0.94	0.21
Net NPA	(%)	-	-

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

Status of non-cooperation with previous CRA (if applicable):

None

Any other information

Acuite has received the NDS for the month of April 2023 from the rated entity, confirming the no default on its debt obligations.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.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
11 Apr 2022	Proposed Bank Facility	Long Term	12.00	ACUITE BB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	12.00	ACUITE BB- Downgraded Issuer not co-operating*

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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