

Press Release

Asomi Finance Private Limited

November 22, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 13.00 Cr.
Long Term Rating	ACUITE BB- (Downgraded from ACUITE BB) (Withdrawn)

#Refer Annexure for details

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) on the Rs. 13.00 crore bank facilities of ASOMI FINANCE PRIVATE LIMITED (AFPL). This rating is now withdrawn.

The rating has been withdrawn on account of request received from the company and NOC received from the banker.

The downgrade in the rating reflects consistent deterioration in parameters such as loan book size, total income, return of average assets and return on capital employed. The total loan portfolio stood at Rs.10.24 crores in FY19 against Rs.17.50 crores in FY17. The total income stood at Rs.4.32 crores in FY19 against Rs.7.90 crores in FY17 while PAT stood at Rs.0.09 crores in FY19 against Rs.0.36 crores in FY17. Similarly, return on average assets and return on average net worth declined to 0.45 per cent and 0.69 per cent respectively in FY19 against 2.38 per cent and 5.32 per cent in FY17.

Incorporated in 1995, Asomi Finance Private Limited (AFPL) is engaged in the financing of Self-Help groups based in Assam and extends financial support for income generating activities in the agriculture and allied sectors.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Application of Financial Ratios and Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Non-Banking Finance Entities - <https://www.acuite.in/view-rating-criteria-10.htm>

About the Rated Entity - Key Financials

	Unit	FY19 (Actual)	FY18 (Actual)	FY17 (Actual)
Total Assets	Rs. Cr.	14.12	26.67	30.55
Total Income (Net of Interest Expense)	Rs. Cr.	4.32	6.48	7.90
PAT	Rs. Cr.	0.09	0.33	0.36
Net Worth	Rs. Cr.	13.44	13.36	13.66
Return on Average Assets (RoAA)	(%)	0.45	1.16	2.38
Return on Average Net Worth (RoNW)	(%)	0.69	2.45	5.32
Total Debt/Tangible Net Worth (Gearing)	Times	0.03	0.95	1.18
Gross NPAs	(%)	-	-	-
Net NPAs	(%)	-	-	-

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

Not Applicable

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
24-Oct-2019	Cash Credit	Long Term	8.00	ACUITE BB (Indicative)
	Secured Overdraft	Long Term	3.00	ACUITE BB (Indicative)
	Term Loan	Long Term	2.00	ACUITE BB (Indicative)
26-Jul-2018	Cash Credit	Long Term	8.00	ACUITE BB (Indicative)
	Secured Overdraft	Long Term	3.00	ACUITE BB (Indicative)
	Term Loan	Long Term	2.00	ACUITE BB (Indicative)
04-May-2017	Cash Credit	Long Term	8.00	ACUITE BB / Stable (Assigned)
	Secured Overdraft	Long Term	3.00	ACUITE BB / Stable (Assigned)
	Term Loan	Long Term	2.00	ACUITE BB / Stable (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE BB- (Downgraded and Withdrawn)
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE BB- (Downgraded and Withdrawn)
Term Loan	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE BB- (Downgraded and Withdrawn)

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About Acuite Ratings & Research:

Acuite Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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