



**Press Release**  
**Innovative Microfinance For Poverty Alleviation And Community Transformation**

**November 15, 2023**

**Rating Reaffirmed and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	34.80	ACUITE B   Reaffirmed   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	34.80	-	-

**Rating Rationale**

Acuite has reaffirmed the long-term rating of '**ACUITE B**' (read as **ACUITE B**) on the Rs. 34.80 crore bank facilities of Innovative Microfinance for Poverty Alleviation and Community Transformation (IMPACT). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

**About the Company**

Established in 2004, Innovative Microfinance for Poverty Alleviation and Community Transformation (IMPACT) is a Tamil Nadu-based company classified under section 8 of The Companies Act, 2013. IMPACT focuses on activities related to empowerment of women and provides training to self-help groups apart from micro finance lending. The company operates across Tamil Nadu, Kerala, Chhattisgarh and Uttar Pradesh. The Company headed by Mr. Suvisedagan Aruliah, Chief Executive Officer and with Mr. Cherian Thomas as Chairman of the Board. The Directors of IMPACT are Mr. Baby Jomon, Mr. Madhav Durga Bellamkonda, Ms. Benita Grace Paul Nangia, Mr. Senthiaappan Umamaheswaran and Ms. Lisha John.

**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). Acuite endeavored 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.

## All Covenants

Not Applicable

## Liquidity Position

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

## Outlook

Not Applicable

## Other Factors affecting Rating

Not Applicable

## Key Financials:

	Unit	FY18	FY17
Total Assets	Rs. Cr	40.72	30.90
Total Income (Net of Interest Expense)	Rs. Cr	3.81	3.24
PAT	Rs. Cr	0.85	0.66
Net Worth	Rs. Cr	8.56	7.50
Return on Average Assets (RoAA)	(%)	2.38	2.37
Return on Average Net Worth (RoNW)	(%)	10.62	9.29
Total Debt/Tangible Net Worth (Gearing)	Times	3.73	3.08
Gross NPAs	(%)	0.16	0.95
Net NPAs	(%)	0.03	0.13

## 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>
- 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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
29 Aug 2022	Term Loan	Long Term	5.00	ACUITE B ( Issuer not co-operating*)
	Term Loan	Long Term	3.75	ACUITE B ( Issuer not co-operating*)
	Proposed Bank Facility	Long Term	0.01	ACUITE B ( Issuer not co-operating*)
	Term Loan	Long Term	2.00	ACUITE B ( Issuer not co-operating*)
	Term Loan	Long Term	9.50	ACUITE B ( Issuer not co-operating*)
	Term Loan	Long Term	9.54	ACUITE B ( Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE B ( Issuer not co-operating*)
08 Jun 2021	Proposed Bank Facility	Long Term	0.01	ACUITE B ( Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE B ( Issuer not co-operating*)
	Term Loan	Long Term	9.54	ACUITE B ( Issuer not co-operating*)
	Term Loan	Long Term	9.50	ACUITE B ( Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE B ( Issuer not co-operating*)
	Term Loan	Long Term	3.75	ACUITE B ( Issuer not co-operating*)
	Term Loan	Long Term	2.00	ACUITE B ( Issuer not co-operating*)
09 Mar 2020	Term Loan	Long Term	5.00	ACUITE B (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	2.00	ACUITE B (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	9.54	ACUITE B (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	9.50	ACUITE B (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE B (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	3.75	ACUITE B (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	0.01	ACUITE B (Downgraded and Issuer not co-operating*)

## 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	0.01	ACUTE B   Reaffirmed   Issuer not co-operating*
Pallavan Grama Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	3.75	ACUTE B   Reaffirmed   Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	9.54	ACUTE B   Reaffirmed   Issuer not co-operating*
Indian Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	9.50	ACUTE B   Reaffirmed   Issuer not co-operating*
Small Industries Development Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	5.00	ACUTE B   Reaffirmed   Issuer not co-operating*
Federal Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	2.00	ACUTE B   Reaffirmed   Issuer not co-operating*
South Indian Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	5.00	ACUTE B   Reaffirmed   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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