

Press Release

Inditrade Microfinance Limited (IML)

October 22, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 100.00 Cr.#
Long Term Rating	ACUITE BBB- Issuer not co-operating*

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

Refer Annexure for details

Rating Rationale

Acuité has reviewed its long term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 100.00 crore bank facilities of Inditrade Microfinance Limited (IML). This rating is now an indicative rating and is based on best available information.

Incorporated in 2016 and having started operations in 2017, IML, a non-deposit taking non-banking financial company - micro finance institutions (NBFC-MFI), is in the business of offering credit in semi-urban clusters to women entrepreneurs. It offers funding to set up traditional businesses and require capital to purchase basic equipment such as sewing machines, etc. and also for working capital requirements. Inditrade forayed into this business by acquiring stake in Chennai based Tree Microfinance. The name was changed to Inditrade Microfinance Limited in 2016. The company started its operations from Sholapur, Maharashtra. The operations of the company are actively managed by Mr. Vignesh, CEO of IML, who was associated with Maximal Finance & Investments limited, a gold and retail loan NBFC & SWAWS Credit Corporation India Private limited a micro finance company. Maximal Finance & Investments limited holds 14.55% stake in the company.

Non-cooperation by the issuer/borrower:

Acuité 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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Non-Banking Financial Entities - <https://www.acuite.in/view-rating-criteria-44.htm>

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.

About the Rated Entity - Key Financials

Parameters	Unit	FY19(Actual)	FY18 (Actual)	FY17 (Actual)
Total Assets	Rs. Cr.	179.05	59.80	5.68
Total Income (Net of Interest Expense)	Rs. Cr.	16.73	4.00	0.29
PAT	Rs. Cr.	2.14	0.24	-0.19
Networth	Rs. Cr.	41.18	11.04	5.56
Return on Average Assets (RoAA)	(%)	1.79	0.73	-6.84
Return on Net Worth (RoNW)	(%)	8.18	2.87	-7.00
Total Debt/Tangible Net Worth (Gearing)	Times	2.95	4.28	0.00
Gross NPA's	(%)	0.00	0.10	Nil
Net NPA's	(%)	0.00	0.01	Nil

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.

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument/Facilities	Term	Amount (Rs.Cr)	Ratings/Outlook
July 31, 2018	Proposed Term Loan	Long term	100.00	ACUITE BBB-/Stable (Assigned)

#Annexure – Details of Instrument rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the issue (Rs.Cr)	Ratings/Outlook
Proposed bank facility	Not Applicable	Not Applicable	Not Applicable	100.00	ACUITE BBB-Issuer not co-operating*

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

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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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