



## Press Release

INDITRA DE MICROFINANCE LIMITED

December 05, 2023

### Rating Downgraded, Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	195.50	ACUITE C   Downgraded   Issuer not co-operating*	-
Non Convertible Debentures (NCD)	10.00	ACUITE C   Downgraded   Issuer not co-operating*	-
Non Convertible Debentures (NCD)	20.00	Not Applicable   Withdrawn	-
Non Convertible Debentures (NCD)	20.00	Provisional   ACUITE C   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	4.50	-	ACUITE A4   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	230.00	-	-
Total Withdrawn Quantum (Rs. Cr)	20.00	-	-

### Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs. 195.50 Cr. bank facilities of Inditrate Microfinance Limited (IML). The rating is now flagged as "Issuer not corporating" and is based on the best available information.

Acuite has downgraded the long-term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs. 10.00 Cr. non-convertible debentures of Inditrate Microfinance Limited (IML). The rating is now flagged as "Issuer not corporating" and is based on the best available information.

Acuite has downgraded the long-term rating to '**Provisional ACUITE C**' (read as **Provisional ACUITE C**) from '**ACUITE Provisional BBB**' (read as **ACUITE Provisional triple B**) on the Rs. 10.00 Cr. non-convertible debentures of Inditrate Microfinance Limited (IML). The rating is now flagged as "Issuer not corporating" and is based on the best available information.

Acuite has downgraded the short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A2**' (read as **ACUITE A two**) on the Rs. 4.50 Cr. bank loan facilities of Inditrate Microfinance Limited (IML). The rating is now flagged as "Issuer not corporating" and is based on the best available information.

Acuite has withdrawn the long-term rating on the Rs. 20.00 Cr. non-convertible debentures of Inditrate Microfinance Limited (IML). The withdrawal is on account of request received from client on redemption of the facility and in accordance with Acuite's policy on withdrawal of ratings.

### Reason for downgrade:

The rating is downgraded basis the written feedback received for one of the term loan facility

(not rated by Acuité) in which the lender has confirmed the account being SMA-0 and delays in repayment of interest availed by Inditrade Fincorp Limited (group company).

## About the Company

Incorporated in 2016, Inditrade Microfinance Limited (IML, erstwhile Tree Microfinance Limited) is an NBFC-MFI engaged in extending microfinance loans to woman borrowers arranged in joint liability groups since 2017. The company has its head office in Mumbai and primarily operates, as of June 2022, through a network of 170 branches across 8 states and 1 Union territory namely Kerala, Tamil Nadu, Karnataka, Bihar, Gujrat, Maharashtra, Odisha, Madhya Pradesh and Puducherry. The company offers funding primarily for income generation activities and education loans for the borrower's children. The company is led by Mr. R. Vignesh (CEO) who has over a decade of experience in financial services. IML's total Assets Under Management (AUM) stood at Rs. 245.72 Cr. as on September 30, 2022.

## About the Group

Inditrade Group operates through its flagship company Inditrade Capital Limited (ICL; formerly known as JRG Associates). The company was taken over by its promoter Mr. Sudip Bandyopadhyay in 2015 by acquiring 73.4 percent stake from Barings Private Equity Partners. The group is engaged in commodity financing and derivatives & commodity trading since 2016 and in microfinance lending since 2017. The group has commenced Micro Small and Medium Enterprises (MSME) Lending in 2018 and rural marketing and DSA business. ICL operates through 7 subsidiaries namely Inditrade Fincorp Limited (erstwhile JRG Fincorp Limited), Inditrade Microfinance Limited, Inditrade Business Consultants Limited, Inditrade scalerator limited (erstwhile Inditrade commodities Trading Limited), Inditrade Rural Marketing Limited (erstwhile Inditrade Derivatives and Commodities Limited), Inditrade Insurance & Broking Private Limited and Inditrade Technologies Limited (erstwhile Inditrade Housing Finance Limited). The group's consolidated lending AUM stood at Rs. 537.67 Cr.as on March 31, 2022.

## Unsupported Rating

Not Applicable

## 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 the due date. Acuité 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 Acuité'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). Acuité 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

None

## Key Financials - (Consolidated)

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Particulars	Unit	FY23	FY22
Total Assets	Rs. Cr.	502.75	649.75
Total Income*	Rs. Cr.	102.09	125.23
PAT	Rs. Cr.	(20.34)	3.68
Net Worth	Rs. Cr.	193.57	214.40
Return on Average Assets (RoAA)	(%)	(3.53)	0.64
Return on Average Net Worth (RoNW)	(%)	(9.97)	1.79
Debt/Equity	Times	1.35	1.80
Gross NPA	(%)	N/A	2.59
Net NPA	(%)	N/A	1.09

\*Total income equals to Net Interest Income plus other income  
N/A – Not available

### Status of non-cooperation with previous CRA

Not applicable

### Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity which was due on Dec 01, 2023.

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Banks And Financial Institutions: <https://www.acuite.in/view-rating-criteria-45.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.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, Acuité 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
06 Dec 2022	Proposed Term Loan	Long Term	43.54	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	16.67	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	4.88	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Proposed Non Convertible Debentures	Long Term	20.00	ACUITE Provisional BBB+ (Downgraded from ACUITE Provisional A-   Negative)
	Term Loan	Short Term	4.50	ACUITE A2 (Downgraded from ACUITE A2+)
	Non Convertible Debentures	Long Term	20.00	ACUITE BBB+ (Downgraded from ACUITE A-   Negative)
	Term Loan	Long Term	11.50	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	1.75	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	15.22	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Non Convertible Debentures	Long Term	10.00	ACUITE BBB+ (Downgraded from ACUITE A-   Negative)
	Term Loan	Long Term	5.86	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	16.47	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	9.00	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	10.00	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	18.75	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	9.00	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	10.91	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	10.00	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	0.54	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Secured Overdraft	Long Term	2.95	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	7.50	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Secured Overdraft	Long Term	0.96	ACUITE BBB (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	14.50	ACUITE BBB+   Negative (Reaffirmed)
	Term Loan	Long Term	2.81	ACUITE BBB+   Negative (Reaffirmed)
	Term Loan	Long Term	2.75	ACUITE BBB+   Negative (Reaffirmed)
	Term Loan	Long Term	15.00	ACUITE BBB+   Negative (Reaffirmed)
		Long		

04 Apr 2022	Term Loan	Term	15.00	ACUITE BBB+   Negative (Reaffirmed)
	Proposed Term Loan	Long Term	45.94	ACUITE BBB+   Negative (Reaffirmed)
	Term Loan	Long Term	9.00	ACUITE BBB+   Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	20.00	ACUITE Provisional A-   Negative (Reaffirmed)
	Term Loan	Long Term	25.00	ACUITE BBB+   Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	10.00	ACUITE A-   Negative (Assigned)
	Non Convertible Debentures	Long Term	20.00	ACUITE A-   Negative (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE BBB+   Negative (Reaffirmed)
	Proposed Bank Facility	Long Term	50.00	ACUITE BBB+   Negative (Reaffirmed)
	Term Loan	Short Term	10.00	ACUITE A2+ (Reaffirmed)
07 Jan 2022	Proposed Non Convertible Debentures	Short Term	50.00	ACUITE Provisional A- (Withdrawn)
	Term Loan	Long Term	10.00	ACUITE BBB+   Negative (Assigned)
	Proposed Non Convertible Debentures	Long Term	30.00	ACUITE Provisional A-   Negative (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE A2+ (Reaffirmed)
	Term Loan	Long Term	15.00	ACUITE BBB+   Negative (Reaffirmed)
	Term Loan	Long Term	2.75	ACUITE BBB+   Negative (Reaffirmed)
	Term Loan	Long Term	2.81	ACUITE BBB+   Negative (Reaffirmed)
	Term Loan	Long Term	14.50	ACUITE BBB+   Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	20.00	ACUITE A-   Negative (Reaffirmed)
	Proposed Term Loan	Long Term	45.94	ACUITE BBB+   Negative (Reaffirmed)
	Term Loan	Long Term	25.00	ACUITE BBB+   Negative (Assigned)
	Term Loan	Long Term	15.00	ACUITE BBB+   Negative (Assigned)
	Proposed Bank Facility	Long Term	50.00	ACUITE BBB+   Negative (Assigned)
	Term Loan	Long Term	9.00	ACUITE BBB+   Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Short Term	20.00	ACUITE A2+ (Withdrawn)
	Proposed Non Convertible Debentures	Long Term	80.00	ACUITE Provisional A-   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	20.00	ACUITE A-   Stable (Reaffirmed)

31 Dec 2020	Term Loan	Long Term	6.47	ACUITE BBB+   Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	73.27	ACUITE BBB+   Stable (Reaffirmed)
	Term Loan	Long Term	2.29	ACUITE BBB+   Stable (Reaffirmed)
	Term Loan	Short Term	15.60	ACUITE A2+ (Reaffirmed)
	Proposed Non Convertible Debentures	Short Term	20.00	ACUITE A2+ (Reaffirmed)
	Term Loan	Long Term	2.37	ACUITE BBB+   Stable (Reaffirmed)
17 Sep 2020	Term Loan	Long Term	3.14	ACUITE BBB+   Stable (Reaffirmed)
	Term Loan	Long Term	11.11	ACUITE BBB+   Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	85.75	ACUITE BBB+   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	100.00	ACUITE Provisional A-   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Short Term	20.00	ACUITE A2+ (Assigned)
28 Aug 2020	Proposed Bank Facility	Long Term	85.75	ACUITE BBB+   Stable (Reaffirmed)
	Term Loan	Long Term	11.11	ACUITE BBB+   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	100.00	ACUITE Provisional A-   Stable (Assigned)
	Term Loan	Long Term	3.14	ACUITE BBB+   Stable (Reaffirmed)



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	INE02Y107057	Non-Convertible Debentures (NCD)	30 Mar 2022	10	30 Mar 2024	Simple	10.00	ACUITE C   Downgraded   Issuer not co-operating*
Not Applicable	INE02Y107040	Non-Convertible Debentures (NCD)	Not Applicable	Not Applicable	Not Applicable	Simple	20.00	Not Applicable   Withdrawn
Not Applicable	Not Applicable	Proposed Non Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	Simple	20.00	Provisional   ACUITE C   Downgraded   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	43.54	ACUITE C   Downgraded   Issuer not co-operating*
Bandhan Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	0.96	ACUITE C   Downgraded   Issuer not co-operating*
Jana Small Finance Bank Ltd.	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	2.95	ACUITE C   Downgraded   Issuer not co-operating*
Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	10.91	ACUITE C   Downgraded   Issuer not co-operating*
Capital First Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	10.00	ACUITE C   Downgraded   Issuer not co-operating*
Bandhan Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	9.00	ACUITE C   Downgraded   Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	16.47	ACUITE C   Downgraded   Issuer not co-operating*
Indian Overseas Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	18.75	ACUITE C   Downgraded   Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	16.67	ACUITE C   Downgraded   Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	10.00	ACUITE C   Downgraded   Issuer not co-operating*
IDBI Bank Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	7.50	ACUITE C   Downgraded   Issuer not co-operating*
Indian Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	15.22	ACUITE C   Downgraded   Issuer not co-operating*
Nabard Financial Services Limited	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	9.00	ACUITE C   Downgraded   Issuer not co-operating*
Capital Small	Not		Not	Not	Not			ACUITE C



Finance Bank	Applicable	Term Loan	available	available	available	Simple	0.54	Downgraded   Issuer not co-operating*
Small Industries Development Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	4.50	ACUITE A4   Downgraded   Issuer not co-operating*
Jana Small Finance Bank Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	5.86	ACUITE C   Downgraded   Issuer not co-operating*
Dhanlaxmi Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.75	ACUITE C   Downgraded   Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	4.88	ACUITE C   Downgraded   Issuer not co-operating*
Small Industries Development Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	11.50	ACUITE C   Downgraded   Issuer not co-operating*

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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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