



**Press Release**  
**Sanghamithra Rural Financial Services**  
**April 01, 2024**

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

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	300.00	ACUITE BB+   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	300.00	-	-

**Rating Rationale**

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs. 300.00 Cr. bank facilities of Sanghamithra Rural Financial Services (SRFS). The rating now flagged as 'Issuer not co-operating' and is based on the best available information. The rating has been downgraded on account of information risk.

**About the Company**

Incorporated in 1995, Bangalore based, Sanghamithra Rural Financial Services (SRFS) is a 'Section 8' (under The Companies Act, 2013) non-profit organisation. It is promoted by Mysore Rehabilitation and development agency (MYRADA). The company extends micro credit through self-help groups (SHGs) model since 2000, and through joint liability group (JLG) model since January 2018. SRFS is led by Mr. Aloysius. P. Fernandez. The company has presence in three states namely Karnataka, Tamil Nadu and Maharashtra and operates through a network of 111 branches, with 101072 members as on September 30, 2022.

**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 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**

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**Rating Sensitivities**

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







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## Outlook

Not Applicable

## Other Factors affecting Rating

None

## Key Financials:

Particulars	Unit	FY2023 (Actual)	FY2022 (Actual)
Total Assets	Rs Cr	280.43	291.98
Total Income*	Rs Cr	23.92	17.08
PAT	Rs Cr	8.62	5.53
Networth	Rs Cr	74.69	67.69
Return on Average Assets (RoAA)	(%)	3.01	2.19
Return on Net worth (RoNW)	(%)	12.10	8.35
Total Debt/Tangible Networth	Times	2.69	3.25
Gross NPA	(%)	-	3.33%
Net NPA	(%)	-	1.09%

\*Total income equals to Net interest income plus other income

## Status of non-cooperation with previous CRA

Not Applicable

## Any other information

Acuite has received the NDS for the month of February 2024 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, 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
02 Jan 2023	Cash Credit	Long Term	5.55	ACUITE BBB   Stable (Reaffirmed)
	Cash Credit	Long Term	3.20	ACUITE BBB   Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	30.20	ACUITE BBB   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	79.91	ACUITE BBB   Stable (Reaffirmed)
	Secured Overdraft	Long Term	35.00	ACUITE BBB   Stable (Reaffirmed)
	Secured Overdraft	Long Term	35.00	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	1.91	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	9.83	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	2.50	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	25.00	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	3.71	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	20.10	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	6.67	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	1.32	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	16.60	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	8.50	ACUITE BBB   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB   Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB   Stable (Reaffirmed)
	Secured Overdraft	Long Term	15.00	ACUITE BBB   Stable (Reaffirmed)
	Secured Overdraft	Long Term	25.00	ACUITE BBB   Stable (Reaffirmed)
	Secured Overdraft	Long Term	20.00	ACUITE BBB   Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	0.01	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	7.36	ACUITE BBB   Stable (Reaffirmed)
		Long		ACUITE BBB   Stable



20 Apr 2022	Term Loan	Term	9.63	(Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	10.00	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	10.00	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	20.00	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	4.00	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	6.00	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	30.00	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	8.00	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	15.00	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	25.00	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
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB)
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.55	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB)
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.20	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	79.91	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	30.20	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB)
Canara Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	35.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB)
Indian Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	35.00	ACUITE BB+   Downgraded   Issuer not co-



	appl.							operating* (from ACUITE BBB )
Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.91	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB )
Nabsamruddhi Finance Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB )
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	9.83	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB )
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.50	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB )
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	25.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB )
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.50	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB )
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	6.67	ACUITE BB+   Downgraded   Issuer not co-operating* (



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Federal Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.32	ACUITE BB+   Downgraded   Issuer not co- operating* ( from ACUITE BBB )
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.71	ACUITE BB+   Downgraded   Issuer not co- operating* ( from ACUITE BBB )
Bank of Maharashtra	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.10	ACUITE BB+   Downgraded   Issuer not co- operating* ( from ACUITE BBB )
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	16.60	ACUITE BB+   Downgraded   Issuer not co- operating* ( from ACUITE BBB )



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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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