

Press Release

Adhikar Microfinance Private Limited

April 15, 2020



Rating Update

| | |
|------------------------------------|---|
| Total Bank Facilities Rated | Rs. 50.00 Cr. # |
| Bank Facilities Rated | Rs. 45.00 Cr |
| Long Term Rating | ACUITE BB+ (Issuer not co-operating*; Withdrawn) |
| Bank Facilities Rated | Rs. 5.00 Cr |
| Long Term Rating | ACUITE BB+ (Issuer not co-operating*) |

Refer Annexure for details

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

Acuité has reviewed the long-term rating of '**ACUITE BB+** (read as **ACUITE double BB plus**) on the Rs. 45.00 crore bank facilities of Adhikar Microfinance Private Limited (AMPL). The rating is revised to an indicative rating on account of limited information and is based on best available information. In pursuant to client's request and submission of requisite documents in this regard as per Acuité's policy, this rating is subsequently withdrawn.

Further, Acuité has reviewed the long-term rating of '**ACUITE BB+** (read as **ACUITE double BB plus**) on the Rs. 5.00 crore bank facilities of Adhikar Microfinance Private Limited (AMPL). For these facilities aggregating to Rs. 5.00 crore, the client has sought withdrawal and has not been able to complete the requisite formalities hence, this rating is now an indicative rating and is based on best available information.

AMPL is an Odisha based NBFC-MFI, engaged in extending credit to Joint Liability Group (JLGs) and SHGs since 2008. AMPL is led by Mr. Mohammed Nooruddin Amin (Founder and MD) who has over two decades of experience in financial services sector. The company has presence in four states, namely, Odisha, Chhattisgarh and Gujarat and has recently started operations in Assam. The company operates through a network of 84 branches as on March 31, 2019.

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/view-rating-criteria-17.htm>
- Non- Banking Financing Entities - <https://www.acuite.in/view-rating-criteria-10.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

| Particulars | Unit | FY19 (Actual) | FY18 (Actual) |
|---|---------|---------------|---------------|
| Total Assets | Rs. Cr. | 171.49 | 145.92 |
| Total Income* | Rs. Cr. | 19.05 | 15.23 |
| PAT | Rs. Cr. | 3.13 | 3.43 |
| Networth | Rs. Cr. | 16.04 | 13.39 |
| Return on Average Assets (RoAA) | (%) | 1.97 | 2.94 |
| Return on Net Worth (RoNW) | (%) | 21.27 | 29.01 |
| Total Debt/Tangible Net Worth (Gearing) | Times | 9.24 | 9.38 |
| Gross NPA's | (%) | 0.44% | 0.25% |
| Net NPA's | (%) | 0.00% | 0.00% |

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

Not Applicable

Any other information

Acuité 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 |
|-------------|---------------------------------|-----------|------------------|------------------------------|
| 25-Jan-2019 | Term Loan | Long Term | 6.00 | ACUITE BB+/Stable (Assigned) |
| | Term Loan | Long Term | 4.00 | ACUITE BB+/Stable (Assigned) |
| | Term Loan | Long Term | 7.00 | ACUITE BB+/Stable (Assigned) |
| | Term Loan | Long Term | 15.00 | ACUITE BB+/Stable (Assigned) |
| | Term Loan | Long Term | 6.00 | ACUITE BB+/Stable (Assigned) |
| | Term Loan | Long Term | 7.00 | ACUITE BB+/Stable (Assigned) |
| | Term Loan | Long Term | 2.00 | ACUITE BB+/Stable (Assigned) |
| | Term Loan | Long Term | 3.00 | 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 |
|------------------------|------------------|----------------|----------------|-----------------------------|--|
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 6.00 | ACUITE BB+ (Withdrawn; Issuer not cooperating*) |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 4.00 | ACUITE BB+ (Withdrawn; Issuer not cooperating*) |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 7.00 | ACUITE BB+ (Withdrawn; Issuer not cooperating*) |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 15.00 | ACUITE BB+ (Withdrawn; Issuer not cooperating*) |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 6.00 | ACUITE BB+ (Withdrawn; Issuer not cooperating*) |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 7.00 | ACUITE BB+ (Withdrawn; Issuer not cooperating*) |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 2.00 | ACUITE BB+ (Issuer not cooperating*) |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 3.00 | ACUITE BB+ (Issuer not cooperating*) |

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

Contacts

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|--|---|
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About Acuité Ratings & Research:

Acuité 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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