

## Press Release

### Adhikar Microfinance Private Limited

April 15, 2020

### Rating Update



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	ACUITE BB+ (Issuer not co-operating*; Withdrawn)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

# Refer Annexure for details

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

Acuite 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request and submission of requisite documents in this regard as per Acuite's policy, this rating is subsequently withdrawn.

Further, Acuite 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

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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite'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). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite 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

Acuite 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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## About Acuité Ratings & Research:

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