



Press Release

Inditrade Fincorp Limited (Erstwhile JRG Fincorp Limited)

December 05, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	100.00	ACUITE C Downgraded Issuer not co-operating*	-
Non Convertible Debentures (NCD)	50.00	Provisional ACUITE C Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	150.00	-	-

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. 100 Cr. bank facilities of INDITRADE FINCORP LIMITED (formerly JRG FINCORP LIMITED). The rating is now flagged as "Issuer not co-operating" 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. 50.00 Cr. non-convertible debentures of INDITRADE FINCORP LIMITED (formerly JRG FINCORP LIMITED). The rating is now flagged as "Issuer not co-operating" and is based on the best available information.

Reason for downgrade:

The rating is downgraded basis the written feedback received for one of the term loan facility (not rated by Acuite) in which the lender has confirmed the account being SMA-0 and delays in repayment of interest availed by the rated 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:

Particulars	Unit	FY23 (Actual)	FY22 (Actual)
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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
06 Dec 2022	Proposed Non Convertible Debentures	Long Term	50.00	ACUITE Provisional BBB+ (Downgraded from ACUITE Provisional A- Negative)
	Proposed Bank Facility	Long Term	78.23	ACUITE BBB (Downgraded from ACUITE BBB+ Negative)
	Term Loan	Long Term	2.85	ACUITE BBB (Downgraded from ACUITE BBB+ Negative)
	Term Loan	Long Term	17.42	ACUITE BBB (Downgraded from ACUITE BBB+ Negative)
	Term Loan	Long Term	1.50	ACUITE BBB (Downgraded from ACUITE BBB+ Negative)
07 Jan 2022	Term Loan	Long Term	2.85	ACUITE BBB+ Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	50.00	ACUITE Provisional A- Negative (Reaffirmed)
	Term Loan	Long Term	1.50	ACUITE BBB+ Negative (Reaffirmed)
	Proposed Bank Facility	Long Term	78.23	ACUITE BBB+ Negative (Reaffirmed)
	Term Loan	Long Term	17.42	ACUITE BBB+ Negative (Reaffirmed)
06 Jan 2021	Proposed Bank Facility	Long Term	27.63	ACUITE BBB+ Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	25.00	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	9.37	ACUITE BBB+ Stable (Assigned)
	Proposed Non Convertible Debentures	Long Term	50.00	ACUITE Provisional A- Stable (Reaffirmed)
	Term Loan	Long Term	38.00	ACUITE BBB+ Stable (Reaffirmed)
31 Dec 2020	Term Loan	Long Term	9.37	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	50.00	ACUITE Provisional A- Stable (Assigned)
	Working Capital Term Loan	Long Term	25.00	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	38.00	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	27.63	ACUITE BBB+ Stable (Reaffirmed)
17 Sep 2020	Term Loan	Long Term	9.37	ACUITE BBB+ Stable (Assigned)
	Working Capital Term Loan	Long Term	25.00	ACUITE BBB+ Stable (Assigned)
	Proposed Non Convertible Debentures	Long Term	50.00	ACUITE Provisional A- Stable (Assigned)
	Term Loan	Long Term	38.00	ACUITE BBB+ Stable (Assigned)

	Proposed Bank Facility	Long Term	27.63	ACUITE BBB+ Stable (Reaffirmed)
31 Aug 2020	Proposed Bank Facility	Long Term	127.63	ACUITE BBB+ Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	20.00	ACUITE BBB+ (Withdrawn)
	Working Capital Term Loan	Long Term	20.00	ACUITE BBB+ (Withdrawn)
	Term Loan	Long Term	9.37	ACUITE BBB+ Stable (Assigned)
	Working Capital Term Loan	Long Term	25.00	ACUITE BBB+ Stable (Assigned)
	Working Capital Term Loan	Long Term	50.00	ACUITE BBB+ (Withdrawn)
	Working Capital Term Loan	Long Term	20.00	ACUITE BBB+ (Withdrawn)
	Term Loan	Long Term	38.00	ACUITE BBB+ Stable (Assigned)

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	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	78.23	ACUITE C Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Non Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	Simple	50.00	Provisional ACUITE C Downgraded Issuer not co-operating*
IDFC First Bank Limited	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	17.42	ACUITE C Downgraded Issuer not co-operating*
National Bank for Agriculture and Rural Development (NABARD)	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.50	ACUITE C Downgraded Issuer not co-operating*
MAS Financial Service Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	2.85	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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