

## Press Release

BWDA FINANCE LIMITED

May 07, 2024

Rating Downgraded and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Sr
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 minus) on the Rs.300.00 Cr. bank facilities of BWDA Finance Limited (BFL).

The downgrade is on account of information risk. This rating is now an indicative rating as client has not submitted No Default Statement (NDS) for the past 3 months. The rating is now flagged as "Issuer not cooperating" and is based on the best available information.

## About the Company

Incorporated in 2003, Tamil Nadu based BFL is a Non-banking financial institution- Micro finance institution (NBFC-MFI) engaged in providing financial services predominantly to women borrowers through Self Help Group (SHG) and Joint Liability Group (JLG) model. BFL is promoted by Mr. Joslin Thambi and is providing financing mainly for agriculture and allied activities and micro business activities. The company reported AUM of Rs. 388.76 Cr. as on March 31, 2023.

## Unsupported Rating

Not Applicable

## Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with 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

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 endeavored 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.

## Rating Sensitivities

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

## 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.	198.72	149.08
Total Income*	Rs. Cr.	24.85	15.99
PAT	Rs. Cr.	3.19	1.23
Net Worth	Rs. Cr.	33.97	30.78
Return on Average Assets (RoAA)	(%)	1.83	1.04
Return on Average Net Worth (RoNW)	(%)	9.85	4.08
Debt/Equity	Times	4.31	3.58
Gross NPA**	(%)	2.87	1.04
Net NPA***	(%)	0.11	0.04

\*Total income equals to Net Interest Income plus other income.

\*\*GNPA are provisional for FY23.

\*\*\*NNPA are provisional for FY23.

## Status of non-cooperation with previous CRA

Not Applicable

## Any other information

Not Applicable

## 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>
- 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, Acuite 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
17 May 2023	Proposed Long Term Bank Facility	Long Term	54.25	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Term Loan	Long Term	4.14	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Term Loan	Long Term	75.00	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Term Loan	Long Term	1.00	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Term Loan	Long Term	20.00	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	30.00	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	12.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	30.43	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.40	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	4.17	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.92	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	6.55	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	3.75	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	14.52	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	7.73	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	3.93	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	15.12	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.58	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.04	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.15	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.65	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.67	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	54.25	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Term Loan	Long Term	75.00	ACUITE BBB-   Stable (Assigned)
		Long		ACUITE BBB-   Stable

12 Aug 2022	Proposed Term Loan	Term	4.14	(Reaffirmed)
	Term Loan	Long Term	3.32	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.03	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.92	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.69	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.50	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	3.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.45	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	8.41	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.22	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.18	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.12	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	3.33	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.09	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.75	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	3.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	22.49	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	11.36	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	18.79	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	5.62	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	12.55	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	4.79	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	40.00	ACUITE BBB-   Stable (Assigned)

18 May 2021	Proposed Long Term Bank Facility	Long Term	54.25	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.50	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.50	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	3.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	3.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	25.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.75	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.00	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
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	54.25	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	75.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	4.14	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.00	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	1.67	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
Indian Overseas Bank	Not avl. / Not	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	30.00	ACUITE BB+   Downgraded   Issuer not co-

	appl.							operating* (from ACUITE BBB- )
Dhanlaxmi Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.92	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	6.55	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	3.75	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	14.52	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	7.73	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	3.93	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	15.12	ACUITE BB+   Downgraded   Issuer not co-operating* (

								from ACUITE BBB- )
Electronica Finance Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.58	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	12.00	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	30.43	ACUITE BB+   Downgraded   Issuer not co- operating* ( from ACUITE BBB- )
Rar Fincare Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.40	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	4.17	ACUITE BB+   Downgraded   Issuer not co- operating* ( from ACUITE BBB- )
Friends of WWB	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.00	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	5.00	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	2.04	ACUITE BB+   Downgraded   Issuer not co-operating* ( from ACUITE BBB- )
Micro Units Development and Refinance Agency bank (MUDRA)	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.15	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	1.65	ACUITE BB+   Downgraded   Issuer not co-operating* ( from ACUITE BBB- )

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### About Acuité Ratings & Research

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