



**Press Release**  
**ANANYA FINANCE FOR INCLUSIVE GROWTH PRIVATE LIMITED**  
**January 19, 2024**

**Rating Assigned, Reaffirmed & Withdrawn**

| Product                               | Quantum<br>(Rs. Cr) | Long Term Rating                    | Short Term<br>Rating |
|---------------------------------------|---------------------|-------------------------------------|----------------------|
| Bank Loan Ratings                     | 12.32               | ACUITE BBB   Reaffirmed & Withdrawn | -                    |
| Bank Loan Ratings                     | 186.43              | ACUITE BBB   Stable   Reaffirmed    | -                    |
| Bank Loan Ratings                     | 1.25                | Not Applicable   Withdrawn          | -                    |
| Non Convertible<br>Debentures (NCD)   | 54.00               | ACUITE BBB   Stable   Assigned      | -                    |
| Non Convertible<br>Debentures (NCD)   | 50.00               | ACUITE BBB   Stable   Reaffirmed    | -                    |
| Total Outstanding Quantum<br>(Rs. Cr) | 290.43              | -                                   | -                    |
| Total Withdrawn Quantum<br>(Rs. Cr)   | 13.57               | -                                   | -                    |

Out of the total rated NCD quantum of Rs. 104 Cr., the proposed limit is Rs. 67 Cr. (out of which Rs. 54 Cr. has been assigned and Rs. 13 Cr. is reaffirmed).

**Rating Rationale**

Acuite has reaffirmed the long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs. 186.43 Cr. bank loan facilities of Ananya Finance for Inclusive Growth Private Limited (ANANYA). The outlook is '**Stable**'.

Acuite has assigned the long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs. 54.00 Cr. proposed non-convertible debentures of Ananya Finance for Inclusive Growth Private Limited (ANANYA). The outlook is '**Stable**'.

Acuite has reaffirmed the long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs. 50.00 Cr. non-convertible debentures (including proposed limits of Rs. 13 Cr.) of Ananya Finance for Inclusive Growth Private Limited (ANANYA). The outlook is '**Stable**'.

Acuite has reaffirmed and withdrawn the long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs. 12.32 Cr. bank loan facilities of Ananya Finance for Inclusive Growth Private Limited (ANANYA). The rating has been withdrawn on Acuite's policy of withdrawal of ratings as applicable to the respective facility/instrument after receiving the client's withdrawal request.

Acuite has withdrawn the rating on the Rs. 1.25 Cr. bank loan facilities of Ananya Finance for Inclusive Growth Private Limited (ANANYA). The same is withdrawn without assigning any rating as the Instrument is fully repaid and no longer an outstanding obligation of the company. The rating is being withdrawn on account of the request received from the company and the NDC received from the banker's as per Acuite's policy on withdrawal of ratings as applicable to the respective facility/instrument.

**Rationale for the rating**

The rating continues to take into account experienced management and support from existing investor Gojo & Company, Inc which has a stake of 70.37 percent in ANANYA as on September 30, 2023. The ratings factor in healthy Capital Adequacy Ratio(CAR) levels of

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27.75 percent as on September 30, 2023. The ratings also factor in the significant traction shown in disbursements with AUM levels increasing to Rs. 340.96 Cr. as on H1FY2024 and Rs. 354.83 Cr. as on March 31, 2023, from Rs. 315.79 Cr. as on March 31, 2022. These strengths are offset by the low profitability parameters as indicated by its Return on Average Assets (ROAA) of 0.53 percent and Net Interest Margins (NIM) of 6.53 percent as on Mar 31, 2023. The company reported a PAT of Rs. 2.34 Cr. as on March 31, 2023 and Rs. 1.04 Cr. as on March 31, 2022, as against losses of Rs.11.87 Cr. as on March 31, 2021. Given the shift in the business model from wholesale lending (~100 percent of the o/s portfolio on March 31, 2020) to retail lending (~80 percent of the o/s portfolio as on March 31, 2023), its impact on the business profile is yet to be seen. Accordingly, Acuite expects the earning profile of Ananya to remain muted in near to medium term

While Acuite takes cognizance of the healthy collection efficiency of the recently originated retail book and healthy provision cover of legacy portfolio of Ananya. Going forward, the company's ability to raise capital (both equity & debt), maintain collection efficiency & liquidity buffers as well as contain delinquencies across different time buckets and its resultant impact on profitability metrics would remain key monitorable.

### **About the company**

Ahmedabad based Ananya Finance for Inclusive Growth Pvt. Ltd. (Ananya) was incorporated in 2009 and started its operations in 2010. Ananya is an NBFC set up by Friends of Women's World Banking – India (FWWB). Ananya started operations by taking over FWWB's Wholesale Microfinance Institution lending portfolio in April 2010. The NBFC has a diversified portfolio across Microfinance, Agrifinance and Impact MSME. Ananya operates through its headquarters in Ahmedabad and 25 partner branches from its co-lending/BC partnership as on September 30, 2023.

Ananya started with wholesale lending to financial institutions engaged in micro-credit loans in 2010, expanding its lending activities to the agriculture sector in January 2015 and direct lending to individuals through NBFC & NBFCMFIs in September 2020.

### **Unsupported Rating**

Not Applicable

### **Analytical Approach**

Acuite has considered the standalone business and financial risk profile of Ananya for the rating.

### **Key Rating Drivers**

#### **Strength**

#### **Experienced Management and reputed investors**

Ananya Finance for inclusive growth is managed by Mr. Gaurav Gupta (M.D) having an experience of over 2 decades in the banking industry. Ananya is promoted by Gojo & Company (72.93 percent), Stichting Capital 4 Development (C4D) (21.83 percent) and Indian Foundation for Inclusive Growth (5.11 percent). Gojo and Company, Inc invested in Ananya in 2018 in the form of equity. Gojo & Company has invested Rs.58.13 Cr. (Primary investment) since 2018 and currently holds majority stakes of 72.93 percent. Gojo & Company, Inc, a Tokyo based company, established in July 2014 has supported microfinance institutions in Cambodia, Kazakhstan, Sri Lanka, Myanmar and India.

Ananya's board comprises of 9 members with one managing director, one executive director, three independent director and four nominee directors. In addition, Ananya has a Senior Advisory Council (SAC) comprising three advisors, Mr. Naveen Kumar Maini, Mr. Arindom Datta and Ms. Jayshree Vyas. Mr. Maini has more than three and a half decades experience in commercial and development banking. He retired as Deputy Managing Director at SIDBI. Ms. Vyas is the Chairperson of Friends of Women's World Banking and Managing Director of SEWA Bank, both headquartered at Ahmedabad. She possesses over three and half decades of experience in the financial sector. Mr. Arindom Datta is the former Head of Rabo

Foundation, South Asia. The Board of directors and members of SAC have vast industry experience. The management of Ananya also have a good experience in the field of microfinance industry. Ananya's board has representation from Gojo & Company, Inc. (Mr. Sanjay Gandhi & Mr Taejun Shin). Mr. Sanjay Gandhi, cofounder of Gojo & Company, Inc, joined the microfinance industry in 2003 and has international experience in MFI industry. Mr Taejun Shin is a Founder, Representative Director & CEO of Gojo & Company, Inc. Ananya continues to benefit from the expertise of their directors. Acuité believes that Ananya's business profile will continue to benefit from the strong promoter support.

### **Comfortable capital buffer and resource raising ability**

The company has comfortable capital buffer to support the future growth prospects. Ananya reported a CAR of 27.75 percent (Tier I: 23.41 percent) as on September 30, 2023 as against 27.46 percent (Tier I: 27.23 percent & Tier II :0.23 percent) as on March 31, 2022. Apart from capital infusion from the investor Gojo and Company, Inc, Ananya has been able to raise funds in the form of debt. The company raised fresh borrowings of ~Rs 112.93 Cr during 6MFY24 which resulted a gearing of 3.91 times. The company has relationships with 21 lenders including Public and Private Banks, PSUs, NBFC and DFIs.

### **Improvement in AUM**

Ananya is an NBFC with a diversified portfolio across Microfinance, Agrifinance and Impact MSME. The company's AUM has moderately increased from Rs. 315.79 Cr. as on March 31, 2022, to Rs. 354.83 Cr. as on March 31, 2023 . This improvement was on account of increase in disbursement which improved from Rs. Rs. 398.66 Cr. as on March 2022 to and Rs. 441.69 Cr as on March 31,2023. The growth in business is largely driven by change in business strategy. The company started lending directly to micro finance borrowers via business correspondence and colending partnerships.

Ananya also acquired Prayas Financial Services Private Limited which became a subsidiary in June 2022. Prayas has an outstanding MFI portfolio of Rs. 113.87 Cr as on March 31,2023. Ananya looks forward to expanding their retail portfolio through Prayas Financial Services Private Limited.

### **Weakness**

#### **Low profitability albeit improving**

Ananya's profitability metrics stood low marked by a NIM at 6.53 percent for FY23. Return on Total Asset (ROTA) and Return on Average Asset (ROAA) also stood low at 0.46 percent and 0.53 percent for FY 2023. Ananya saw an increase in its Net Interest Income from Rs. 14.63 Cr. for FY 2022 to Rs. 21.96 for FY 2023. The company reported a PAT of Rs. 2.34 Cr. as on March 31, 2023 and Rs. 1.04 Cr. as on March 31, 2022, as against losses of Rs.11.87 Cr. as on March 31, 2021.

Acuite believes that going forward ability of the company to grow its loan portfolio while improving its profitability will be key monitorable.

### **Moderate asset quality**

Ananya finance for Inclusive Growth reported moderate asset quality as reflected by the Gross NPA (90+DPD) of 2.28 percent as on September 2023 marginally deteriorating from 1.97 percent as on March 31, 2023 (2.10 percent as on March 31, 2022). However, the company shown an improvement in on time portfolio which improved to 97.21 percent as on March 31, 2023, from 95.99 percent as on March 31, 2022.

### **Shift in business model**

Ananya Finance for Inclusive growth has changed its portfolio segment from MFI(Wholesale) to retail. The wholesale MFI portfolio came down from 86.78 percent as on March 31, 2020, to

10.50 percent as on September 30, 2023. The impact of the shift in business model is yet to be seen. Accordingly, Acuite expects the earning profile of Ananya to remain muted in near to medium term.

### **ESG Factors Relevant for Rating**

Ananya Finance for Inclusive Growth belongs to the NBFC sector which facilitates lending to the unbanked population. Some of the material governance issues for the financial services sector are policies and practices with regard to business ethics, board diversity and independence, compensation structure for board and KMPs, role of the audit committee and shareholders' rights. On the social aspect, some of the critical issues for the sector are the contributions to financial inclusion and community development, responsible financing including environmentally friendly projects and policies around data privacy. The industry, by nature has a low exposure to environmental risks. The entity maintains adequate transparency in its business ethics practices as can be inferred from the entity's disclosures regarding related party transactions, vigil mechanism and whistle blower policy.

The board of directors of the company comprise of 3 independent directors who are women directors as well out of a total of 8 directors. The audit committee formed by the entity majorly comprises of independent directors with the objective to monitor and provide an unbiased supervision of the management's financial reporting process. Ananya also maintains transparency in terms of disclosures pertaining to interest rate policy and its adherence to Fair Practice Code as enunciated by Reserve Bank of India's circular. Ananya aims to empower women by providing micro loans to help them generate additional income opportunities, hence making an economic contribution by way of financial inclusion. It continues to work on several community development initiatives and has also developed a social performance management system to facilitate financial stability of its staff and clients. As per RBI's guidelines on Information Technology framework for NBFCs, Ananya has put in place checks and balances to ensure adequate control over issues like cyber security and data privacy.

### **Rating Sensitivity**

- Movement in capitalisation levels
- Movement in asset quality
- Movement in profitability metrics
- Portfolio growth

### **Liquidity Position Adequate**

Ananya's overall liquidity profile remains adequate with no negative cumulative mismatches in near to medium term as per ALM dated September 30, 2023. The company has cash and cash equivalents of Rs. 128.08 Cr. as on March 31, 2023. The company is in talks with new and existing lenders to further aid its disbursements and liquidity.

### **Outlook- Stable**

Acuite believes that the Ananya will maintain a 'Stable' outlook over the medium term supported by future capital infusions and expansion process. The outlook may be revised to 'Positive' in case of significant and sustainable growth in its AUM while improving its profitability, asset quality and capitalization indicators. Conversely, the outlook may be revised to 'Negative' in case of challenges in attaining optimal capital support or significantly higher than expected pressure on asset quality or profitability margins

### **Other Factors affecting Rating**

None

### **Key Financials - Standalone / Originator**

| Particulars   | Unit       | FY23<br>(Actual) | FY22<br>(Actual) |
|---------------|------------|------------------|------------------|
| Total Assets  | Rs.<br>Cr. | 504.51           | 383.04           |
| Total Income* | Rs.        |                  |                  |

|                                    |            |       |       |
|------------------------------------|------------|-------|-------|
|                                    | Cr.        | 23.31 | 15.35 |
| PAT                                | Rs.<br>Cr. | 2.34  | 1.04  |
| Net Worth                          | Rs.<br>Cr. | 97.68 | 93.98 |
| Return on Average Assets (RoAA)    | (%)        | 0.53  | 0.31  |
| Return on Average Net Worth (RoNW) | (%)        | 2.45  | 1.11  |
| Debt/Equity                        | Times      | 3.91  | 2.76  |
| Gross NPA                          | (%)        | 1.97  | 2.10  |
| Net NPA                            | (%)        | 0.72  | 0.57  |

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

Not Applicable

**Any other information**

None

**Applicable Criteria**

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Complexity Level Of Financial Instruments: <https://www.acuite.in/view-rating-criteria-55.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                   |
|-------------|-------------------------------------|-----------|-----------------|----------------------------------|
| 14 Apr 2023 | Term Loan                           | Long Term | 1.82            | ACUITE BBB   Stable (Reaffirmed) |
|             | Proposed Non Convertible Debentures | Long Term | 50.00           | ACUITE BBB   Stable (Assigned)   |
|             | Proposed Bank Facility              | Long Term | 139.75          | ACUITE BBB   Stable (Reaffirmed) |
|             | Secured Overdraft                   | Long Term | 5.00            | ACUITE BBB   Stable (Reaffirmed) |
|             | Term Loan                           | Long Term | 11.90           | ACUITE BBB   Stable (Reaffirmed) |
|             | Term Loan                           | Long Term | 3.33            | ACUITE BBB   Stable (Reaffirmed) |
|             | Term Loan                           | Long Term | 28.20           | ACUITE BBB   Stable (Reaffirmed) |
|             | Term Loan                           | Long Term | 10.00           | ACUITE BBB   Stable (Reaffirmed) |
| 05 Dec 2022 | Proposed Bank Facility              | Long Term | 200.00          | 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                  | INE774L07065   | Non-Convertible Debentures (NCD)    | 17 Mar 2023      | 14.50          | 17 Mar 2025    | Simple           | 20.00             | ACUITE BBB   Stable   Reaffirmed    |
| Not Applicable                  | INE774L07073   | Non-Convertible Debentures (NCD)    | 27 Apr 2023      | 14.00          | 27 Apr 2025    | Simple           | 17.00             | ACUITE BBB   Stable   Reaffirmed    |
| Not Applicable                  | Not Applicable | Proposed Long Term Bank Facility    | Not Applicable   | Not Applicable | Not Applicable | Simple           | 78.34             | ACUITE BBB   Stable   Reaffirmed    |
| Not Applicable                  | Not Applicable | Proposed Non Convertible Debentures | Not Applicable   | Not Applicable | Not Applicable | Simple           | 13.00             | ACUITE BBB   Stable   Reaffirmed    |
| Not Applicable                  | Not Applicable | Proposed Non Convertible Debentures | Not Applicable   | Not Applicable | Not Applicable | Simple           | 54.00             | ACUITE BBB   Stable   Assigned      |
| Bandhan Bank                    | Not Applicable | Secured Overdraft                   | 28 Dec 2023      | Not Applicable | 30 Dec 2024    | Simple           | 1.00              | ACUITE BBB   Stable   Reaffirmed    |
| State Bank of India             | Not Applicable | Secured Overdraft                   | 27 Jul 2023      | Not Applicable | 30 Jun 2024    | Simple           | 1.00              | ACUITE BBB   Stable   Reaffirmed    |
| IDFC First Bank Limited         | Not Applicable | Secured Overdraft                   | 17 Jan 2023      | Not Applicable | 17 Feb 2024    | Simple           | 5.00              | ACUITE BBB   Stable   Reaffirmed    |
| State Bank of India             | Not Applicable | Term Loan                           | 07 Nov 2022      | Not available  | 01 Dec 2025    | Simple           | 20.10             | ACUITE BBB   Stable   Reaffirmed    |
| Bandhan Bank                    | Not Applicable | Term Loan                           | Not available    | Not available  | 01 Mar 2024    | Simple           | 3.33              | ACUITE BBB   Stable   Reaffirmed    |
| IDFC First Bank Limited         | Not Applicable | Term Loan                           | 17 Jan 2023      | Not available  | 28 Feb 2025    | Simple           | 6.66              | ACUITE BBB   Stable   Reaffirmed    |
| Bandhan Bank                    | Not Applicable | Term Loan                           | 28 Dec 2023      | Not available  | 30 Dec 2025    | Simple           | 15.00             | ACUITE BBB   Stable   Reaffirmed    |
| Fincare Small Finance Bank Ltd. | Not Applicable | Term Loan                           | 30 Dec 2023      | Not available  | 29 Dec 2025    | Simple           | 10.00             | ACUITE BBB   Stable   Reaffirmed    |
| State Bank of India             | Not Applicable | Term Loan                           | 27 Jul 2023      | Not available  | 01 Jul 2026    | Simple           | 46.00             | ACUITE BBB   Stable   Reaffirmed    |
| State Bank of India             | Not Applicable | Term Loan                           | 27 Jul 2023      | Not available  | 01 Jul 2026    | Simple           | 3.00              | ACUITE BBB   Reaffirmed & Withdrawn |
| IDFC First Bank Limited         | Not Applicable | Term Loan                           | 17 Jan 2023      | Not available  | 28 Feb 2025    | Simple           | 1.91              | ACUITE BBB   Reaffirmed & Withdrawn |
| IDFC First Bank Limited         | Not Applicable | Term Loan                           | Not available    | Not available  | 30 Sep 2023    | Simple           | 0.30              | Not Applicable   Withdrawn          |
|                                 |                |                                     |                  |                |                |                  |                   |                                     |



|                         |                |           |               |               |             |        |      |                                     |
|-------------------------|----------------|-----------|---------------|---------------|-------------|--------|------|-------------------------------------|
| IDFC First Bank Limited | Not Applicable | Term Loan | Not available | Not available | 27 Oct 2023 | Simple | 0.95 | Not Applicable   Withdrawn          |
| Bandhan Bank            | Not Applicable | Term Loan | Not available | Not available | 01 Mar 2024 | Simple | 3.81 | ACUITE BBB   Reaffirmed & Withdrawn |
| State Bank of India     | Not Applicable | Term Loan | 07 Nov 2022   | Not available | 01 Dec 2025 | Simple | 3.60 | ACUITE BBB   Reaffirmed & Withdrawn |

Out of the total rated NCD quantum of Rs. 104 Cr., the proposed limit is Rs. 67 Cr. (out of which Rs. 54 Cr. has been assigned and Rs. 13 Cr. is reaffirmed)

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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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