



Press Release
Credit Wise Capital Private Limited
October 09, 2024
Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	15.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	15.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

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

Rating Rationale

Acuite has downgraded the long-term rating to ‘**ACUITE BB+**’ (read as **ACUITE double B plus**) from ‘**ACUITE BBB+ (CE)**’ (read as **ACUITE triple B plus (Credit Enhancement)**) on the Rs.15.00 Cr. bank loan facilities of Credit Wise Capital Private Limited (CWCPL).

The rating is now flagged as "Issuer not co-operating" and is based on the best available information. The rating has been downgraded on account of information risk.

About the Company

Credit wise Capital Private Limited is digital-fintech non-banking finance company (NBFC) having business of two-wheeler finance incorporated in 2018. It was founded and promoted by Aalesh Avlani with multiple renowned business houses, including Greshma Group, Wallfort Group, MJ Shah Group, and the Shanti Group. The company is serving majorly in four states, including Maharashtra, Gujarat, Karnataka, and Telangana.

About Northern Arc Capital Limited (“Northern Arc”)

Northern Arc, previously known as IFMR Capital Finance Ltd. is a Non-Deposit taking NonBanking Financial Company (ND-NBFC) incorporated in 1989. It is involved in the placement (arranging funding for its clients via loan syndication, securitisation and assignment among others) and lending business. The company acts as a link between mainstream capital markets investors and highquality last mile lending institutions and businesses. The company’s business is categorized as finance sector exposure, i.e., microfinance, affordable housing finance, commercial vehicle finance, consumer finance, agri-finance and small business loans, and non-finance sector exposure, i.e., mid-market finance and corporates.

Unsupported Rating

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."

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 (Provisional)	FY22 (Actual)
Total Assets	Rs. Cr.	345.08	209.91
Total Income*	Rs. Cr.	42.86	20.27
PAT	Rs. Cr.	1.67	1.04
Net Worth	Rs. Cr.	82.35	80.28
Return on Average Assets (RoAA)	(%)	0.60	0.77
Return on Average Net Worth (RoNW)	(%)	2.06	1.65
Debt/Equity	Times	3.09	1.56
Gross NPA	(%)	0.95	0.73
Net NPA	(%)	0.71	0.54

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

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Asset Reconstruction Companies: <https://www.acuite.in/view-rating-criteria-85.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, 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
12 Jul 2023	Term Loan	Long Term	15.00	ACUITE BBB+ (CE) Stable (Assigned)
13 Apr 2023	Proposed Term Loan	Long Term	15.00	ACUITE Provisional BBB+ (CE) Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Hinduja Leyland Finance Ltd.	Not avl. / Not appl.	Term Loan	30 Mar 2023	Not avl. / Not appl.	30 Sep 2025	15.00	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+ CE)

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

Contacts

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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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