



Infomerics

INFOMERICS VALUATION AND RATING PVT. LTD.

Integrated Financial Omnibus Metrics Research of International Corporate Systems

February 03, 2021

Mr. Suman Chakraborty,
Managing Director
Achiivers Finance India Private Limited
32/A, Diamond Harbour Road,
Sakher Bazar, South 24 Parganas,
Kolkata 700008

Dear Sir,

Credit rating for bank facilities

After taking into account all the relevant recent developments including operational and financial performance of your company for FY2020 and 9MFY21,

1. Our Rating Committee has reviewed the following ratings:

Instrument / Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action
Long Term Bank Facilities – Term Loan (Proposed)	10.00	IVR BB / Positive Outlook (IVR Double B with Positive Outlook)	IVR BB / Stable Outlook (IVR Double B with Stable Outlook)	Reaffirmed with revision in outlook from Stable to Positive
Non-Convertible Debentures	10.00 *	IVR BB / Positive Outlook (IVR Double B with Positive Outlook)	IVR BB / Stable Outlook (IVR Double B with Stable Outlook)	Reaffirmed with revision in outlook from Stable to Positive
Total	20.00			

*Rs. 7.00 crore stand subscribed till date out of which Rs. 6.73 crore is outstanding as on December 31, 2020

2. Details of the credit facilities are attached in **Annexure I**. Our rating symbols for long-term and short-term ratings and explanatory notes thereon are attached in **Annexure II**.

3. The press release for the rating(s) will be communicated to you shortly.

4. The above rating is normally valid for a period of one year from the date of our **communication** of rating to you (that is. **February 02, 2022**).

5. If the proposed long term / short term facility (if any) is not availed within a period of six months / three months respectively from the date of this letter, then the rating may please be revalidated from us before availing the facility.

6. Infomerics reserves the right to undertake a surveillance/review of the rating(s) from time to time, based on circumstances warranting such review, subject to at least one such **review/surveillance every year**.

Eastern Regional Office: Flat A-1, 10th Floor, Chatterjee International Centre, 33 Jawaharlal Nehru Road, Kolkata - 700071
Phone: +91-33-46022266 | Email : kolkata@infomerics.com | Website: www. infomerics.com

Registered Head Office: Flat No. 104/106/108, 1st Floor, Golf Apartments, Sujan Singh Park, New Delhi - 110003, India
Phone : +91-11-24655636, 41743541, 24601142, 24611910, 24649428 | Fax : +91-11-24627549

7. A formal surveillance/review of the rating is normally conducted within 12 months from the date of initial rating/last review of the rating. However, Infomerics reserves the right to undertake a surveillance/review of the rating more than once a year if in the opinion of Infomerics, circumstances warrant such surveillance/review.

8. **You shall provide us with a No Default Statement as at the last date of the month on the first date of succeeding month without fail.** The NDS shall be mailed every month to nds@infomerics.com and to the mail id of the undersigned.

9. **You shall provide the quarterly performance results/quarterly operational data (being submitted to Banks) to us within 6 weeks from the close of each calendar quarter for our review/monitoring.**

10. You shall furnish all material information and any other information called for by Infomerics in a timely manner, for monitoring the rating assigned by Infomerics. In the event of failure on your part in furnishing such information, to carry out continuous monitoring of the rating of the bank facilities, Infomerics shall carry out the review/annual surveillance based on best available information throughout the lifetime of such bank facilities as per the policy of Infomerics.

11. Please note that Infomerics ratings are not recommendations to buy, sell or hold any security or to sanction, renew, disburse or recall the bank facilities. Infomerics do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.


12. Users of this rating may kindly refer our website www.infomerics.com for latest update on the outstanding rating.

13. Further, this is to mention that all the clauses mention in the initial rating letter **dated December 19, 2019** also stands applicable. If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

With Regards,


(Harshita Didwania)
Senior Rating Analyst


(Avik Podder)
AVP: Rating Operations

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure I

1. Long Term Fund-Based Facilities: Term Loan (Proposed)

				(Rs. Crore)
Sr. No	Lender	Rated Amount	Remarks	Maturity
1.	-	10.00	Proposed	-
	Total	10.00		

2. Non-Convertible Debentures

				(Rs. Crore)
Sr. No	NCD	Rated Amount	Remarks	Maturity
1.	Tranche I	1.39	Subscribed till September 30, 2019	Maximum till September 19, 2024
2.	Tranche II	0.96	Subscribed till September 30, 2019	Maximum till February 21, 2025
3.	Tranche III	1.76	Subscribed till December 30, 2020	Maximum till August 23, 2025
4.	Tranche IV	1.25	Subscribed till December 30, 2020	Maximum till July 23, 2026
5.	Tranche V	1.64	Subscribed till December 30, 2020	Maximum till January 07, 2027
6.	Unsubscribed	3.00	-	
	Total	10.00		

CUB

(Handwritten initials)

ANNEXURE II

INFOMERICS Rating Scale for Long Term Instruments & Borrowing Programmes

Rating Scale	Definition
IVR AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk
IVR AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk
IVR A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk
IVR BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk
IVR BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations
IVR B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations
IVR C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations
IVR D	Instruments with this rating are in default or are expected to be in default soon

INFOMERICS may apply '+' (plus) or '-' (minus) signs for ratings assigned 'IVR AA' to 'IVR C' to indicate their relative standing within the category.

INFOMERICS may assign rating outlooks for ratings from IVR 'AAA' to IVR 'B'.

INFOMERICS Rating Scale for Short Term Instruments & Borrowing Programmes

Rating Scale	Definition
IVR A1	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
IVR A2	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such instruments carry low credit risk.
IVR A3	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.
IVR A4	Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations. Such instruments carry very high credit risk and are susceptible to default.
IVR D	Instruments with this rating are in default or expected to be in default on maturity in servicing of debt obligations.

INFOMERICS may apply '+' (plus) signs for ratings assigned from 'IVR A1' to 'IVR A4' to indicate their relative standing within the category.

CMB

RD



Press Release

Achievers Finance India Private Limited

February 04, 2021

Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings	Rating Action
Long Term Bank Facilities – Term Loan (Proposed)	10.00	IVR BB / Positive Outlook (IVR Double B with Positive Outlook)	Reaffirmed with revision in outlook from Stable to Positive
Non-Convertible Debentures	10.00 *	IVR BB / Positive Outlook (IVR Double B with Positive Outlook)	Reaffirmed with revision in outlook from Stable to Positive
Total	20.00		

**Rs.7.00 crore stand subscribed till date out of which Rs.6.73 crore is outstanding as on December 31, 2020*

Details of Facilities are in Annexure 1

Detailed Rationale

The aforesaid ratings assigned to the proposed term loan and non-convertible debentures of Achievers Finance India Private Limited (AFIPL) continues to derive comfort from its experienced promoters, healthy Capital Adequacy Ratio (CAR) along with improvement in financial performance and asset quality in FY20 & in 9MFY21. However, these ratings are constrained by its small scale of operations, vulnerability to adverse gold price movement, lack of product diversification along with geographical concentration risk, weak resource profile and intense competition. The revision in outlook from Stable to Positive is on account of the expected improvement in revenues with improvement in total assets under management and profitability.

Key Rating Sensitivities:

Upward factors

- Significant improvement in scale of operations with improvement in total assets under management and profitability
- Sustenance of comfortable capitalization level and improvement in liquidity position

Downward factors

- Moderation in scale of operation and/or moderation in profitability
- Significant deterioration in asset quality

List of Key Rating Drivers with Detailed Description



Press Release

Key Rating Strengths

Experienced promoters

The operations of the company are looked after by the promoter directors Mr. Suman Chakraborty, Ms. Sumana Roy and Mr. Pradipta S. Chakravarty who have an experience of over a decade in the sector. They are supported by experienced and qualified professionals.

Healthy capitalization marked by comfortable capital adequacy ratio

AFIPL has maintained a healthy capital adequacy ratio (CAR) over the years. As on March 31, 2020, CAR was healthy at 30% (34% March 31, 2019). Further, Infomerics expects that the capitalisation level of the company to remain comfortable over the near to medium term notwithstanding the fund requirements for expansion of business.

Improvement in financial performance in FY20 and 9MFY21

The company's total income increased from Rs.2.72 crore in FY19 to Rs.3.23 crore in FY20 driven by increase in loan portfolio during the year. NIM improved marginally from 16.87% in FY19 to 17.68% in FY20. ROTA though improved marginally from 3.25% in FY19 continues to remain moderate at 3.33% in FY20. The asset quality of the company continues to remain stable in FY20.

During 9MFY21, the company witnessed substantial improvement as compared to the corresponding period in the previous year due to the impact of COVID 19 which led to small businessmen, traders, etc. resorting to gold loan finance to meet their short-term working capital requirements amidst the pandemic. The company generated a Total Operating Income (TOI) of Rs.2.79 crore with PBT of Rs.0.68 crore during 9MFY21 as against a TOI of Rs.2.01 crore with PBT of Rs.0.35 crore during 9MFY20.

Key Rating Weaknesses

Small scale of operations with short track record

The scale of operations of the company remained small with a loan portfolio of Rs.12.34 crore as on March 31, 2020 and Rs.13.57 crore as on December 31, 2020. Further it has only been seven years since the company commenced its operations. The company is relatively in its initial stage of operations and is yet to stabilize its operation in gold loan sector.

Vulnerability to adverse gold price movement



Press Release

Notwithstanding its efforts to reduce the impact of gold price fluctuations, AFPL's credit profile remains susceptible to adverse and sharp movements in gold prices. Any steep decline in gold prices is expected to adversely impact the company's asset quality and business profile.

Lack of product diversification and geographical concentration risk

AIFPL's portfolio entirely consists of gold loans with no product diversification. Further, its operations are concentrated in the state of West Bengal (started from July, 2013). Single state concentration exposes the company to high geographical concentration risk. As on March 31, 2019, the company is operating in seven districts in West Bengal.

Competitive nature of industry

AFIPL is exposed to stiff competition from other NBFCs and banks. Better capitalised and more conservatively run finance companies are better placed in view of current economic scenario.

Weak resource profile

The company does not have any borrowings from banks. The company has been resorting to borrowings primarily in the form of corporate loans to meet its funding requirements. Substantial portion of the borrowings are from body corporates and NBFC's.

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for NBFC's

Financial Ratios & Interpretation (Financial Sector)

Liquidity - Stretched

AFIPL has stretched liquidity marked by its weak resource profile and lack of availability of bank funding. The overall gearing also remained high at 1.75x as on March 31, 2020. However, the CAR remained healthy at 30% as on March 31, 2020 which is well above the stipulated regulatory norm of 15%. The company has modest free cash and cash equivalent of Rs.1.00 crore as on December 31, 2020.

About the Company

Achievers Finance India Private Limited (formerly known as Instant Suppliers Private Limited) is a "Non-Deposit taking NBFC" (NBFC-ND), focussing on Gold Loan Finance, headquartered in Kolkata. Achievers Finance started operations from July 2013 and



Press Release

currently has seven branches. The company provides loans secured by gold jewellery. The company's customers typically include small businessman, vendors, traders, farmers and salaried individuals.

Financials (Standalone):

(Rs. crore)

For the year ended* / As On	31-03-2019	31-03-2020
	Audited	Audited
Total Operating Income	2.72	3.23
Interest	0.96	1.17
PAT	0.34	0.39
Total Debt	8.76	10.69
Tangible Net worth	5.80	6.11
Ratios		
a. PAT Margin	12.51	12.02
b. Overall Gearing ratio	1.51	1.75
c. Total CAR (%)	34	30
d. Gross NPA (%)	0.00	0.00
e. Net NPA (%)	0.00	0.00

*Classification as per Infomerics' Standard

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years with Infomerics:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Term Loan (Proposed)	Long Term	10.00	IVR BB / Positive Outlook	IVR BB / Stable Outlook (December 20, 2019)	IVR BB / Stable Outlook (December 12, 2018)	-
2.	Non-Convertible Debentures	Long Term	10.00 *	IVR BB / Positive Outlook	IVR BB / Stable Outlook (December 20, 2019)	IVR BB / Stable Outlook (December 12, 2018)	-

*Rs.7.00 crore stand subscribed till date out of which Rs.6.73 crore is outstanding as on December 31, 2020

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

Name and Contact Details of the Rating Analyst:



Press Release

Name: Ms. Harshita Didwania Tel: (033) 46022266 Email: hdidwania@infomerics.com	Name: Mr. Avik Podder Tel: (033) 46022266 Email: apodder@infomerics.com
---	---

About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Reaffirmed/ Outlook
Long Term Bank Facilities - Term Loan (Proposed)	-	-	-	10.00	IVR BB /Positive Outlook
Non-Convertible Debentures Tranche I	March 02, 2019	Variable with a cap of 13.25%	Maximum till September 19, 2024	1.39	IVR BB /Positive Outlook
Non-Convertible Debentures Tranche II	August 02, 2019	Variable with a cap of 13.25%	Maximum till February 21, 2025	0.96	IVR BB /Positive Outlook



Press Release

Non-Convertible Debentures Tranche III	January 24, 2020	Variable with a cap of 13.25%	Maximum till August 23, 2025	1.76	IVR BB /Positive Outlook
Non-Convertible Debentures Tranche IV	July 24, 2020	Variable with a cap of 12.25%	Maximum till July 23, 2026	1.25	IVR BB /Positive Outlook
Non-Convertible Debentures Tranche V	January 08, 2021	Variable with a cap of 12.25%	Maximum till January 07, 2027	1.64	IVR BB /Positive Outlook
Non-Convertible Debentures (Unsubscribed)	-	-	-	3.00	IVR BB /Positive Outlook