

Press Release

Dakshin Budhakhali Improvement Society

December 02, 2019

Rating

Instrument / Facility	Amount (Rs. Crore)	Rating	Rating Action
Long Term Facilities - Term Loan	25.00	IVR BB/Stable; ISSUER NOT COOPERATING* (IVR Double B with Stable outlook; Issuer Not Cooperating category)	Rating revised from IVR BB+ (IVR Double B Plus) with Stable Outlook and moved to ISSUER NOT COOPERATING Category
Total	25.00		

**Issuer did not cooperate; based on best available information*

Details of Facility are in Annexure 1

Detailed Rationale

The rating downgrade is because of lack of adequate information regarding Dakshin Budhakhali Improvement Society's performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

Non-cooperation by Issuer

Infomerics has been regularly following up with the society to provide the required data including FY19 (A) results to monitor its assigned rating to the bank facilities, vide E-mail communications dated November 23, 2019, September 25, 2019, September 09, 2019, September 04, 2019 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the society's management has not submitted the essential details.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long- term rating for the bank loan facilities of Dakshin Buddhakali Improvement Society aggregating to Rs.25.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB/Stable; Issuer Not Co-operating; Based on best available information (IVR Double B /Stable: Issuer Not Co-operating; Based on best available information) Accordingly, the

lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach & Applicable Criteria

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

About the Society

Dakshin Budhakhali Improvement Society (DBIS) was formed in 1995 as a charitable society with the sole objective of improving the lives of people. DBIS started its micro finance activity from May 2006 by lending to women borrowers engaged in small businesses under ‘Self Help Group’ model in rural areas of West Bengal (covering 8 districts) and Odisha (covering 1 district). Currently, the operations of the society are managed by Mr. Prasanta Kr. Panda (Secretary) and Ms. Swapna Das (President) along with the support of other governing body members.

Financials (Standalone)

(Rs. Crore)

For the year ended* / As On	31-03-2017	31-03-2018
	Audited	Audited
Total Income	2.45	5.65
Net Interest Income	0.93	2.61
PAT	0.56	1.89
Total Debt	16.21	20.36
Total Loan Assets	14.06	24.05
PAT Margin (%)	23.00	33.42
Net Interest Margin	6.78	10.59
Return on Total Assets	4.09	7.65
Overall Gearing Ratio (x)	4.82	2.32

**Based on Infomerics classification*

Status of non-cooperation with previous CRA: CARE Ratings has moved the rating of DBIS into the Issuer Non-Cooperating category as the company did not co-operate in the rating procedure despite repeated follow ups as per the Press Release dated December 05, 2018.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2019-20)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18	Date(s) & Rating(s) assigned in 2016-17
1.	Long Term Facilities - Term Loan	Long Term	25.00	IVR BB/Stable; ISSUER NOT COOPERATING	IVR BB+ / Stable Outlook	-	-

** Issuer did not cooperate; based on best available information*

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.

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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. 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 Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Facilities - Term Loan	-	-	-	25.00	IVR BB/Stable; ISSUER NOT COOPERATING*

** Issuer did not cooperate; based on best available information*

