

Press Release

Dhosa Chandaneswar Bratyajana Samity

March 26, 2020

Rating

Instrument / Facility	Amount (Rs. Crore)	Rating	Rating Action
Long Term Fund Based facilities	15.00 (incl. proposed limit of Rs.8.47 crore)	IVR BB+/Stable; ISSUER NOT COOPERATING* (IVR Double B Plus with Stable outlook; Issuer Not Cooperating category)	Rating revised from BB+/Stable (IVR Double B Plus with Stable Outlook) and moved to ISSUER NOT COOPERATING Category
Total	15.00		

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

Details of Facility are in Annexure 1

Detailed Rationale

The rating revision is because of lack of adequate information regarding Dhosa Chandaneswar Bratyajana Samity'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.

Non-cooperation by Issuer

Infomerics has been regularly following up with the society to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated February 17, 2020, March 07, 2020, March 13, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the society's management has not submitted all 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 Dhosa Chandaneswar Bratyajana Samity aggregating to Rs.15.00 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 Plus with Stable outlook: 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 society.

Analytical Approach & Applicable Criteria:

Standalone

Guidelines on what constitutes Non-Cooperation by clients

Rating Methodology for Financial Institutions/NBFCs

Financial Ratios & Interpretation (Financial Sector)

Default Recognition and Post Default Curing Period

About the Society

Chandaneswar Bratyajana Samity (DCBS) was established in the year 2003 at a remote village Dhosa of South 24 Parganas District under Sundarban of West Bengal for the welfare of rural poor people especially women and children. It was registered as a Society under the West Bengal Societies Registration Act (XXV1) of 1961 in 2003. It was initially started with the initiative of some enthusiastic youths. Though started to provide thrift services, gradually they realized the need to provide loans to the poor in order to make them self-dependent. DCBS follows a group based (JLG) approach to extend loans to individuals.

Financials (Standalone)

(Rs. Crore)

For the year ended* / As On	31-03-2017	31-03-2018
	Audited	Audited
Total Income	2.24	2.71
Net Interest Income	1.41	1.55
PAT	0.47	0.48
Total Debt	6.41	9.64
Total Loan Assets	8.94	12.01
PAT Margin (%)	21.24	18.09
Net Interest Margin (%)	16.45	14.82
Return on Total Assets (%)	4.71	3.92
Overall Gearing Ratio (x)	1.70	2.38

**Based on Infomerics classification*

Status of non-cooperation with previous CRA: Nil

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.	Cash Credit	Long Term	4.53	IVR BB+/Stable; ISSUER NOT COOPERATING	IVR BB+/Stable (Jan 15, 2019)	-	-
2.	Term Loan	Long Term	2.00	IVR BB+/Stable; ISSUER NOT COOPERATING	IVR BB+/Stable (Jan 15, 2019)	-	-
3.	Proposed	Long Term	8.47	IVR BB+/Stable; ISSUER NOT COOPERATING	IVR BB+/Stable (Jan 15, 2019)	-	-

** 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. Society'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 Fund Based Limits- Cash Credit	-	-	-	4.53	IVR BB+/ Stable Outlook; ISSUER NOT COOPERATING
Long Term Fund Based Limits- Term Loan	-	-	Feb. 2021	2.00	IVR BB+/ Stable Outlook; ISSUER NOT COOPERATING
Long Term Fund Based Limits- Proposed	-	-	-	8.47	IVR BB+/ Stable Outlook; ISSUER NOT COOPERATING

* Issuer did not cooperate; based on best available information