



## Press Release

### Finwizard Technology Private Limited (FTPL)

February 15, 2024

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Short Term Facilities - Commercial Paper	20.00	IVR A3 (IVR A Three)	Reaffirmed	Simple
<b>Total</b>	<b>20.00</b>			

#### Details of Facilities are in Annexure 1

#### Detailed Rationale

The rating reaffirmation to the commercial paper facility of Finwizard Technology Private Limited (FTPL) derives comfort from experienced promoters and management, marquee investors and viable technology-based business model. However, these rating strengths remain constrained by small scale of operations coupled with net losses, susceptibility to uncertainties inherent in the capital market business and intense competition.

#### Key Rating Sensitivities:

##### Upward Factors

- Substantial improvement in the scale of operations and profitability
- Continued lowering of cash burn and sustained profit generation.

##### Downward Factors

- Substantial decline in trading volumes and profitability.
- Deterioration in net-worth and liquidity profile of the company.
- Changes in the regulatory environment.



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### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

##### Experienced Promoters and Management

Founders of FTPL are Mr. Subramanya Venkat Sumukh and Mr. Anand Dalmia. Prior to co-founding Fisdome, Mr. Sumukh was Managing Director at Bessemer Venture Partners, a global venture capital firm. At Bessemer, he led the firm's technology investment activities in India. He has served on the boards of Snapdeal, Bharat matrimony, TaxiForSure, Nephroplus and many others. Mr. Sumukh holds MBA degree from IIM Ahmedabad and Bachelor's degree in engineering from Mysore University.

Mr. Anand Dalmia is an entrepreneur and an experienced investment banker. Anand is Co-founder and CBO of Fisdome. Till August 2015, he was a Senior Vice President at Macquarie Capital in India. Mr. Anand holds an MBA from IIM Lucknow.

##### Marquee Investors

FTPL is strongly supported by marquee investors who have played a crucial role in its growth and success. These investors have consistently provided strategic guidance, financial backing, and industry expertise to propel Fisdome's expansion in the financial services sector. One of the notable investors backing FTPL is Payu Fintech Investments B.V., a global fintech company specializing in online payments and financial services. Saama Capital, another key investor in FTPL, is a venture capital firm known for supporting early-stage and growth-stage companies.

##### Viable Technology-Based Business Model

FTPL caters to investors looking to invest in financial products including mutual funds, insurance, pension funds, digital gold and stock broking through its mobile app "Fisdome". In 2016, FTPL started with just one product – Mutual Funds. FTPL was the first company in India to completely digitize account opening and KYC process. Also, FTPL is the first company in India to introduce the use of a payment gateway to process mutual fund transactions on the BSE platform.

Later company was able to convince large banks to work with them to help their customers access investment solutions right within their mobile banking apps and in the branches. Today,



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FTPL work with ~15 national and regional banks where they run their wealth-tech business. Fisdom has strategically developed an extensive distribution network through banks, initially targeting smaller institutions and gradually proving to larger ones.

### **B. Key Rating Weaknesses**

#### **Small scale of operations coupled with net losses**

FTPL's scale of operation continues to be small as reflected by total operating income of Rs. 56.64 crore in FY23. However, it has improved from Rs.20.17 crore in FY22. EBITDA & PAT losses has decreased in FY23 to Rs. -67.95 crore & Rs. -66.95 crore respectively from Rs.-106.84 crore and Rs.-105.67 crore respectively in FY22 on account of increase in volume of business. The company projects to lower its cash burn in the near future.

#### **Susceptibility to uncertainties inherent in the capital market business**

FTPL engaged in the stock broking business and the stock market is volatile in nature, Market index like Sensex and Nifty goes up and down throughout the day and the company's operating performance is linked to the capital markets, which are inherently volatile as they are driven by economic and political factors as well as investor sentiments.

#### **Intense Competition**

Mutual Fund & Broking is a highly volatile and cyclical business with the presence of many established players who provide significant competition to the other fragmented and small players. The competition from large and established players and technology-focused new entrants is expected to continue to impact the revenue profile of players. This limits the profitability margins of the industry.

**Analytical Approach:** Standalone Approach

#### **Applicable Criteria:**

[Rating Methodology for Service Companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Criteria on Rating Outlook](#)



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### **Liquidity – Adequate**

Liquidity profile of the company is adequate marked by no term loan repayment obligation. Further company has healthy cash & bank balance of Rs. 33.57 crore as on March 31, 2023.

### **About the Company**

Finwizard Technology Private Limited (FTPL) incorporated in 2015, Bangalore based startup is engaged in the business of financial planning and distribution of financial products (Such as Mutual Funds, Shares, Insurance, Gold) delivered through mobile app “Fisdor”. FTPL partners with PSUs and Private Banks by providing open architecture-based technology solutions. FTPL integrates with the bank’s mobile app through ready SDKs for deeper entrenchment within the bank ecosystem.

### **Financials (Standalone):**

For the year ended/ As on*	INR in Crore	
	31-03-2022 (Audited)	31-03-2023 (Audited)
Total Operating Income	20.17	56.64
EBITDA	-106.84	-67.95
PAT	-105.67	-66.95
Total Debt	7.17	2.93
Tangible Networth	35.56	88.60
EBITDA Margin (%)	-529.70	-119.96
PAT Margin (%)	-472.58	-112.77
Overall Gearing Ratio (x)	0.23	0.00

\* Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:**



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Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Commercial Paper	Short Term	20.00	IVR A3	IVR A3	-	-

### Name and Contact Details of the Rating Analyst:

Name: Mr. Prakash Kabra

Tel: (022) 62396023

Email: [prakash.kabra@infomerics.com](mailto:prakash.kabra@infomerics.com)

### About Infomerics:

Infomerics Valuation and Rating Private Limited (Infomerics) was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations. For more information visit [www.infomerics.com](http://www.infomerics.com)

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### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Commercial Paper	-	-	-	20.00	IVR A3

**Annexure 2: List of companies considered for consolidated analysis: Not Applicable.**

**Annexure 3: Facility wise lender details: Not Applicable**

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:**

- This Agreement is limited and restricted to the issue of CPS by the Issuer in accordance with the Directions and Operational Guidelines on CPs;
- That the Issuer shall not extend the tenure of any CPS on their maturity, unless the same is affected by way of a fresh issuance of CPs;
- The Issuer agrees to furnish copies of its quarterly Financial Statement, copies of its Annual Balance Sheet and Profit and Loss Account together with the Abridged versions thereof as required under law and further to respond fully and promptly to all reasonable requests for information concerning the Issuer and its operations made from time to time by the IPA, under this Agreement and shall not use it in any manner to make profit for itself;
- The Issuer agrees to indemnify and keep the IPA indemnified and kept harmless from and against all liabilities, claims, damages, costs and expenses (including legal fees and expenses) relating to or arising out of or based upon any untrue statement or misrepresentation made by the Issuer on the basis of which the IPA was induced to act in the matter of issue of CPs by the Issuer and/or any action or omission under this Agreement so long as they are not caused by the gross negligence or willful misconduct of the IPA and its Officers and employees.
- The Issuer undertakes to inform the IPA of any changes made to the Credit Rating or of any other credit rating being issued or the Issuer or any of its obligations being put under rating watch. Such information and all the requisite details shall be conveyed to





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the IPA in writing and within 48 hours of the Issuer being made or becoming aware of the same.

- f. The Issuer undertakes to submit a certificate from the CEO/CFO/Topmost Executive of the entity to the concerned IPA on quarterly basis within 15 days from the close of the quarter certifying that CP proceeds are used for disclosed purposes, and certifying adherence to other conditions of the offer document and the CP directions.

**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](http://www.infomerics.com)