



Press Release

IQRA Microfinance Federation

November 14, 2023

Ratings

Facilities	Amount (INR crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	3.00 (includes proposed limit of Rs. 3.00 crore)	IVR B/ Negative ISSUER NOT COOPERATING* (IVR Single B with Negative Outlook Issuer Not Cooperating)	Revised from IVR B+ ISSUER NOT COOPERATING* (IVR Single B plus Issuer Not Cooperating) and continued in the Issuer Not Cooperating category	Simple
Total	3.00 (Rs. Three crore only)			

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

Details of Facilities are in Annexure 1

Detailed Rationale

The rating revision is because of lack of adequate information regarding IQRA Microfinance Federation (IQRA)'s performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company 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 company.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facility, vide e-mail communications dated November 03, 2023, November 06, 2023, November 07, 2023, November 09, 2023 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.



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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 of the proposed bank facility aggregating to INR 3.00 crore of IQRA shall be continued in the 'ISSUER NOT COOPERATING' category by Infomerics and the ratings will be at 'IVR B/Negative ISSUER NOT COOPERATING based on best available information (IVR Single B with Negative outlook Issuer Not Cooperating 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: Standalone

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Financial institution/NBFCs](#)

[Criteria of Rating Outlook](#)

About the Company

IQRA Microfinance Federation (IQRA) is a Non-Banking Financial Company – Microfinance Institution (NBFC-MFI) registered under Reserve Bank of India (RBI) incorporated on March 16, 2017, under Section 8 of Companies Act 2013. IQRA has a social vision and business orientation aims to provide underprivileged women with economic opportunities to transform the quality of their lives. IQRA is presently working only around Varanasi, UP with a single branch. As on March 31, 2021, AUM was of Rs.3.33 crore. Currently, the operations of the company are managed by Mr. C M Ojha (Director) along with other director Mr. Shambhu Saran Srivastava and a team of experienced personnel.

Financials (Standalone)

	(INR Crore)	
For the year ended* / As on	31-03-2020	31-03-2021
	Audited	Provisional
Total Operating Income	0.56	0.39
PAT	0.16	0.04



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For the year ended* / As on	31-03-2020	31-03-2021
Tangible Net worth	2.81	2.91
Total Asset	3.13	3.41
Ratios		
ROTA (%)	5.98	1.19
Interest Coverage (times)	2.01	1.20
Total CAR (%)	86.29%	79.79%
Gross NPA (%)	Nil	Nil
Net NPA (%)	Nil	Nil

* As per Infomerics Standard

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 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (January 09, 2023)	Date(s) & Rating(s) assigned in 2021-22 (Oct 20, 2021)	Date(s) & Rating(s) assigned in 2020-21
1.	Term Loan (proposed)	Long Term	3.00	IVR B/ Negative ISSUER NOT COOPERATING*	IVR B+ ISSUER NOT COOPERATING*	IVR BB-/ Stable	-

* Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration



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from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com

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 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 Assigned/ Outlook
Term Loan (proposed)	-	-	-	3.00	IVR B/ Negative ISSUER NOT COOPERATING*

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



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Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: List of companies considered for consolidated analysis: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

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

