

## Press Release

### Achievers Finance India Private Limited

December 12, 2018

#### Rating

Instrument / Facility	Amount (Rs. Crore)	Ratings	Rating Action
Long Term Bank Facilities – Term Loan (Proposed)	10.00	IVR BB /Stable (IVR Double B with Stable Outlook)	Assigned
Non Convertible Debentures (Proposed)	10.00	IVR BB /Stable (IVR Double B with Stable Outlook)	Assigned
<b>Total</b>	<b>20.00</b>		

Details of Facilities are in Annexure 1

#### Detailed Rationale

The aforesaid rating is constrained on account of small scale of operations with short track record, weak resource profile, geographical concentration and regulatory risk inherent in the NBFC industry. The rating however, factors in the experienced promoters, comfortable capital adequacy and improvement in financial performance in FY18. Growth in business, profitability, asset quality and gearing are the key rating sensitivities.

#### Key Rating Drivers

- Experienced promoters
- Comfortable capital adequacy ratio
- Improvement in financial performance in FY18
- Small scale of operations with short track record
- Weak resource profile
- Geographical concentration risk
- Regulatory risks & socio economic risks inherent in the industry

## Detailed Description of Key Rating Drivers

### Key Rating Strengths

#### Experienced promoters

Achievers Finance India Pvt Ltd. is a group company of Achievers Equities Ltd (“AEL”), a diversified financial services company having presence across India. AEL Group’s services and products include retail broking, institutional equities, commodities and currency broking, wealth advisory, credit & finance, insurance broking, and financial products distribution. AEL is operating with 6 Branches and 280+ Business Associates (franchisees) throughout India.

#### Comfortable capital adequacy ratio

Achievers Finance has maintained a healthy capital adequacy ratio (CAR) over the years. As on March 31, 2018, CAR was healthy at 39.84% (52.22% as on March 31, 2017).

#### Improvement in financial performance in FY18

The company’s total operating income increased from Rs.1.52 crore in FY17 to Rs.2.32 crore in FY18 driven by increase in loan portfolio during the year. Net Interest Margin has been comfortable in the range of 14-16% during FY16-18. Operating expense ratio improved marginally from 11.27% in FY17 to 10.96% in FY18 driven by growth in loan portfolio.

### 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. 9.99 crore as on March 31, 2018 and Rs. 10.09 crore as on September 30, 2018. Further it has only been five years since the company commenced its operations. The company is relatively in its nascent stage of operations and is yet to stabilize in the micro finance sector.

#### 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 related parties.

#### Geographical concentration risk

Achievers Finance operations are concentrated in the state of West Bengal. Single state concentration exposes the company to high geographical concentration risk. As on March 31, 2018, the company is operating in six districts in West Bengal.

### **Regulatory risks & socio economic risks inherent in the industry**

NBFC industry is highly prone to regulatory and socio economic risks. Earlier events like demonetization have affected the industry to a great extent where the collection efficiency of the NBFC's has got impacted. In the face of adverse regulations, the industry players may find the business less profitable, which may affect their sustainability.

### **Analytical Approach & Applicable Criteria:**

Rating Methodology for Financial Institutions/NBFCs

Financial Ratios & Interpretation (Financial Sector)

Default Recognition & Post-Default Curing Period

### **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, having its headquarter in Kolkata. It is a part of the Group company of Achievers Equities Limited (AEL), a diversified financial services company. Achievers Finance started operations from July 2013 and currently has six branches. The company provides loans secured by gold jewellery to individuals who possess gold jewellery but are not able to access formal credit within a reasonable time, or to whom credit may not be available at all, to meet unanticipated or other short-term liquidity requirements. The company's customers typically include small businessman, vendors, traders, farmers and salaried individuals who avail of the company's credit facilities by pledging their gold jewellery.

### **Financials:**

	<b>(Rs. Crores)</b>	
<b>For the year ended / As on</b>	<b>31-03-2017</b>	<b>31-03-2018</b>
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	1.52	2.32
Interest	0.31	0.79

PAT	0.22	0.26
Total Debt	3.60	6.53
Tangible Net worth	5.30	5.51
<b>Ratios</b>		
a. PAT Margin	14.63	11.31
b. Overall Gearing ratio	0.68	1.19
c. Total CAR (%)	52.22	39.84
d. Gross NPA (%)	0.00	0.00
e. Net NPA (%)	0.00	0.00

*Note: Classification of financial numbers is as per Infomerics' standards*

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

**Any other information:** Nil

**Rating History for last three years:**

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2018-19)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2017-18	Date(s) & Rating(s) assigned in 2016-17	Date(s) & Rating(s) assigned in 2015-16
1.	Long Term Fund Based Limits – Term Loan (Proposed)	Long Term	10.00	IVR BB / Stable Outlook	-	-	-
2.	Non Convertible Debentures (Proposed)	Long Term	10.00	IVR BB / Stable Outlook	-	-	-

**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).

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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.

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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
Long Term Bank Facilities–Term Loan (Proposed)	-	-	-	10.00	IVR BB / Stable Outlook
Non Convertible Debentures (Proposed)	-	-	-	10.00	IVR BB / Stable Outlook