



Infomerics
December 19, 2019

INFOMERICS VALUATION AND RATING PVT. LTD.
Integrated Financial Omnibus Metrics Research of International Corporate Systems

Mr. Suman Chakrvarthy,
Managing Director
Achievers Finance India Private Limited
32/A, Diamond Harbour Road,
Sakher Bazar, South 24 Parganas,
Kolkata 700008

Dear Sir,

Reaffirmation of rating to the outstanding Bank facilities and Non-Convertible Debentures of Achievers Finance India Private Limited

After taking into account all the relevant recent developments and the operational and financial performance of your company during FY2019 and H1FY20, our rating committee has reaffirmed the ratings as follows:

Our Rating Committee has revised the following ratings:

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action
Long Term Fund Based Facilities- Term Loan (Proposed)	10.00	IVR BB / Stable Outlook (IVR Double B with Stable Outlook)	Reaffirmed
Non-Convertible Debentures	10.00 *	IVR BB / Stable Outlook (IVR Double B with Stable Outlook)	Reaffirmed
Total	20.00		

*Rs.2.35 crores stand subscribed till September 30, 2019

Details of the credit facilities are attached in **Annexure I**.

Our rating symbols for long-term and short-term ratings and explanatory notes thereon are attached in **Annexure II**.

The rationale for the rating will be communicated to you shortly.

If the proposed long term / short term facility is not availed within a period of six months / three months respectively from the date of this letter, then the rating may please be revalidated from us before availing the facility.

A formal surveillance/review of the rating is normally conducted every year from the date of initial rating/last review of the rating. However, Infomerics reserves the right to undertake a surveillance/review of the rating more than once a year if in the opinion of Infomerics, circumstances warrant such surveillance/review.

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CIN : U32202DL1986PTC024575



Continuation Sheet No.

Infomerics reserves the right to withdraw/revise the rating assigned on the basis of new information. Infomerics is also entitled to publicise/disseminate such withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.

Please note to furnish all material information and any other information in a timely manner as may be required by Infomerics, for monitoring the rating assigned by Infomerics.

Please note to inform Infomerics before availing any new bank facilities and/or changes in terms, conditions and/or size of the facilities rated.

Please note to provide us a No Default Statement on monthly basis by the first working day of the next month without fail. Kindly mail the No Default Statement to nds@infomerics.com

Please note to inform us immediately, if there is any delay/default in servicing of debt.

Please note that Infomerics ratings are not recommendations to buy, sell or hold any security or to sanction, renew, disburse or recall the bank facilities.

Please note to provide us the quarterly results/quarterly operational data to us within 6 weeks from the close of the quarter for our review.

In case you require any clarification, you are welcome to communicate with us in this regard.

Harshita Didwania
(Harshita Didwania)
Senior Rating Analyst

Avik Podder
(Avik Podder)
AVP - Ratings

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 I

1. Long Term Facilities: Term Loan (Proposed)

(Rs. Crore)

Sr. No	Lender	Rated Amount	Remarks	Maturity
1.	-	10.00	Proposed	-
	Total	10.00		

2. Non-Convertible Debentures (NCD)

(Rs. Crore)

Sr. No	NCD	Rated Amount	Remarks	Maturity
1.	Tranche I	1.39	Subscribed till September 30, 2019	Maximum till September 19, 2024
2.	Tranche II	0.96	Subscribed till September 30, 2019	Maximum till February 21, 2025
3.	Unsubscribed	7.65	-	-
	Total	10.00		

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ANNEXURE II

Continuation Sheet No.

INFOMERICS Rating Scale for Long Term Instruments & Borrowing Programmes

Rating Scale	Definition
IVR AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk
IVR AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk
IVR A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk
IVR BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk
IVR BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations
IVR B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations
IVR C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations
IVR D	Instruments with this rating are in default or are expected to be in default soon

INFOMERICS may apply '+' (plus) or '-' (minus) signs for ratings assigned 'IVR AA' to 'IVR C' to indicate their relative standing within the category.

INFOMERICS may assign rating outlooks for ratings from IVR 'AAA' to IVR 'B'.

INFOMERICS Rating Scale for Short Term Instruments & Borrowing Programmes

Rating Scale	Definition
IVR A1	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
IVR A2	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such instruments carry low credit risk.
IVR A3	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.
IVR A4	Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations. Such instruments carry very high credit risk and are susceptible to default.
IVR D	Instruments with this rating are in default or expected to be in default on maturity in servicing of debt obligations.

INFOMERICS may apply '+' (plus) signs for ratings assigned from 'IVR A1' to 'IVR A4' to indicate their relative standing within the category.

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INFOMERICS VALUATION AND RATING PVT. LTD.
Integrated Financial Omnibus Metrics Research of International Corporate Systems

December 27, 2019

Mr. Suman Chakraborty,
Managing Director
Achievers Finance India Private Limited
32/A, Diamond Harbour Road,
Sakher Bazar, South 24 Parganas,
Kolkata 700008

Dear Sir,

Assignment of rating to the bank facilities of Achievers Finance India Private Limited

Please find attached herewith the Rating Rationale for rating assigned to the bank facilities of **Achievers Finance India Private Limited.**

With Regards,

Harshita Didwania
Harshita Didwania
Senior Rating Analyst

Infomerics Valuation And Rating Pvt. Ltd. Rationale

Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action
Long Term Fund Based Facilities- Term Loan (Proposed)	10.00	IVR BB / Stable Outlook (IVR Double B with Stable Outlook)	Reaffirmed
Non-Convertible Debentures	10.00 *	IVR BB / Stable Outlook (IVR Double B with Stable Outlook)	Reaffirmed
Total	20.00		

*Rs.2.35 crores stand subscribed till September 30, 2019

Rating & Definition

Infomerics Valuation And Rating Pvt. Ltd has reaffirmed the rating of IVR BB /Stable Outlook (IVR Double B with Stable Outlook) to the long term bank facilities of Rs.10.00 crore and Non-convertible debentures of Rs.10.00 crore of Achiiivers Finance India Private Limited. Facilities with the rating of IVR BB (IVR Double B) are considered to have moderate risk of default regarding timely servicing of financial obligations.

Rating Rationale

The aforesaid ratings continue to derive comfort from its experienced management, healthy Capital Adequacy Ratio (CAR) along with stable financial performance and asset quality in FY19. However, the ratings are constrained by its small scale of operations with short track record, vulnerability to adverse gold price movement, lack of product diversification along with geographical concentration risk, weak resource profile and intense competition.

Key Rating Sensitivities:

Upward factors

- Significant improvement in scale of operations and profitability
- Improvement in asset quality

Downward factors

- Significant deterioration in asset quality

Company Background

Achiiivers Finance India Private Limited (formerly known as Instant Suppliers Private Limited) is a "Non-Deposit taking NBFC" (NBFC-ND), focussing on Gold Loan Finance, headquartered in Kolkata. Achiiivers Finance started operations from July 2013 and currently has seven branches. The company provides loans secured by gold jewellery. The company's

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customers typically include small businessman, vendors, traders, farmers and salaried individuals.

Risks Assessment

Experienced management

The operations of the company are looked after by the Directors Mr. Suman Chakravarty, Ms. Sumana Roy and Mr. Pradipta S. Chakravarty who have an experience of over a decade in the sector. They are supported by experienced and qualified professionals.

Healthy capitalization marked by comfortable capital adequacy ratio

AFIPL has maintained a healthy capital adequacy ratio (CAR) over the years. As on March 31, 2019, CAR was healthy at 33.50% (39.84% March 31, 2018). Further, Infomerics expects that the capitalisation to remain comfortable over the near to medium term notwithstanding the fund requirements for expansion of business.

Stable financial performance in FY19 with stable asset quality

The company's total income increased from Rs.2.32 crore in FY18 to Rs.2.72 crore in FY19 driven by increase in loan portfolio during the year. The growth remained muted due to lack of adequate resource for expansion of loan book. NIM, though moderated in FY19 as compared to FY18 due to elevated interest expense, was comfortable at 12.43%. ROTA though improved marginally from 2.45% in FY18 continues to remain moderate at 2.50% in FY19. Operating expense ratio improved marginally from 10.96% in FY18 to 9.50% in FY19 driven by growth in loan portfolio. The asset quality of the company continues to remain stable in FY19 and in H1FY20. During H1FY20, the company has recorded a PAT of Rs.0.16 crore on a total income of Rs.1.50 crore.

Small scale of operations with short track record

The scale of operations of the company remained small with a loan portfolio of Rs.10.94 crore as on March 31, 2019 and Rs.11.19 crore as on September 30, 2019. Further it has only been around six years since the company commenced its operations. The company is relatively in its initial stage of operations and is yet to stabilize its operation in gold loan sector.

Vulnerability to adverse gold price movement

Notwithstanding its efforts to reduce the impact of gold price fluctuations, AFPL's credit profile remains susceptible to adverse and sharp movements in gold prices. Any steep decline in gold prices is expected to adversely impact the company's asset quality and business profile.

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Lack of product diversification and geographical concentration risk

AIFPL's portfolio entirely consists of gold loans with no product diversification. Further, its operations are concentrated in the state of West Bengal (started from July, 2013). Single state concentration exposes the company to high geographical concentration risk. As on March 31, 2019, the company is operating in seven districts in West Bengal.

Competitive nature of industry

AFIPL is exposed to stiff competition from other NBFCs and banks. Better capitalised and more conservatively run finance companies are better placed in view of current economic scenario.

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 meets its funding requirements. Substantial portion of the borrowings are from body corporates and NBFC's.

Financials (Standalone):

(Rs. Crore)

For the year ended / As on	31/03/17	31/03/18	31/03/19
	(Audited)	(Audited)	(Audited)
Total Income	1.52	2.32	2.72
Interest Expense	0.31	0.79	0.96
Net Interest Income (NII)	1.20	1.53	1.77
PBT	0.32	0.35	0.47
PAT (after deferred tax)	0.22	0.26	0.34
Tangible Net worth (without deferred tax)	5.30	5.51	5.78
Total Debt	3.60	6.53	8.76
Total Loan Assets	6.67	10.00	10.94
Total Capital Employed	8.90	12.04	14.54
Total Assets	9.12	12.33	14.94
Ratios			
Growth (%)			
Total Income	10.15	53.31	17.16
PBT	4.19	11.18	33.03
PAT	15.70	18.53	29.54
Total Capital Employed	40.25	35.26	20.79
Tangible Net worth	110.21	3.89	4.96
Profitability (%)			

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For the year ended / As on	31/03/17	31/03/18	31/03/19
PBT / Total Income	21.00	15.23	17.30
PAT (after deferred tax) / Total Income	14.63	11.31	12.51
Interest Expense / Total Operating Income	20.56	34.20	35.14
Operating Expenses/ Total Operating Income	58.44	50.56	47.57
Interest / Avg. Interest earning assets	24.41	27.09	24.77
Interest / Avg. Borrowed funds	8.39	15.69	12.51
Net Interest Margin (NIM)	14.84	13.97	12.43
Operating Expenses (before provision & write-offs) / Average capital employed	11.62	11.22	9.75
Return on Total Assets (ROTA) (%)	2.82	2.45	2.50
Solvency			
Overall gearing ratio	0.68	1.19	1.52
Interest coverage (before provision & write-offs)	2.02	1.45	1.49
Interest coverage (after provision & write-offs)	2.02	1.45	1.49
Total CAR (%)	52.22	39.84	33.50
CAR-Tier I	52.22	39.84	33.50

Note: Classification as per Infomerics standards

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.

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