

## 5Paisa Capital Limited

February 26, 2019

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial Paper Programme	150.00	150.00	[ICRA]A1+; Withdrawn
<b>Total</b>	<b>150.00</b>	<b>150.00</b>	

\*Instrument details are provided in Annexure-1

### Rationale

ICRA has withdrawn the short term rating of [ICRA]A1+ (pronounced as ICRA A One Plus) on the Rs. 150 crore commercial paper programme of 5Paisa Capital Limited at the request of the company. The rating has been withdrawn in accordance with ICRA's policy on withdrawal and suspension.

### Outlook: Not Applicable

### Key rating drivers:

Key Rating drivers has not been captured as the rated instruments are being withdrawn.

### Liquidity Position:

Not applicable since the rating has been withdrawn.

### Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Rating Methodology for Brokerage Houses</a> <a href="#">ICRA's Policy on Withdrawal and Suspension of Credit Rating</a>
Parent/Group Support	Not applicable
Consolidation / Standalone	The rating is based on standalone financial statements

### About the company:

5paisa Capital Limited (5PCL) is an online financial services provider engaged in providing an online technology platform through internet terminals and mobile applications for trading of securities on NSE & BSE Limited and providing a wider basket of financial services including distribution of mutual funds, insurance (life, motor and health), bonds, commodities etc. 5PCL focuses on the emerging DIY customer segment that prefers least intermediation cost for various financial products. The company leverages technology coupled with the spread of internet and mobile penetration to operate with minimal physical infrastructure and manpower (primarily relationship managers). It charges flat brokerage fee of Rs. 10 for all transactions.

During the quarter ended September 30, 2017, the 5Paisa digital undertaking was demerged from IIFL Holdings and into 5PCL with the demerger effective from the Appointed Date i.e. October 01, 2016. As a result, 5PCL ceased to be a subsidiary of IIFL Holdings and mirrors the shareholding of IIFL Holdings Ltd. The company was listed on the National Stock Exchange and Bombay Stock Exchange in November 2017 as a result of this demerger arrangement.

### Key financial indicators:

For period ending	FY2017	FY2018	H1 FY2019
Number of months	12	12	6
Brokerage Income (Net)	0.8	13.4	19.4
Distribution Income	0.3	1.5	1.4
Net Interest Income	-0.6	2.2	-1.8
Other Non-Interest Income	1.1	-	-
Net Operating Income	1.5	17.1	19.0
Total Operating Expenses	22.6	50.3	36.1
Profit Before Tax	-16.4	-33.2	-17.1
Profit After Tax	-11.7	-25.3	-12.7
Net Worth	88	63	50
Cost to Income Ratio	1482.2%	294.4%	189.7%
Return on Net Worth	-13.3%	-40.2%	-50.5%

Amount in Rs. crore; ^ Annualised; All ratios are as per ICRA calculations

Source: Company, ICRA research

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for last three years:

Sr. No.	Name of Instrument	Current Rating (FY2019)				Chronology of Rating History for the Past 3 Years		
		Type	Rated Amount (Rs. crore)	Amount Outstanding (Rs. crore)		FY2018	FY2017	FY2016
					Feb-19	Nov-17	-	-
1	Commercial Paper Programme	Short Term	150.00	-	[ICRA]A1+; Withdrawn	[ICRA]A1+	-	-

### Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

### Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating
NA	Commercial Paper Programme	NA	NA	NA	150.00	[ICRA]A1+; withdrawn

Source: Company

## ANALYST CONTACTS

**Karthik Srinivasan**

+91 22 6114 3444

[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

**Jui J. Kulkarni**

+91 22 6114 3427

[jui.kulkarni@icraindia.com](mailto:jui.kulkarni@icraindia.com)

**Sahil J. Udani**

+91 124 4545 324

[supreetan@icraindia.com](mailto:supreetan@icraindia.com)

**Neha Parikh**

+91 22 6114 3426

[neha.parikh@icraindia.com](mailto:neha.parikh@icraindia.com)

## RELATIONSHIP CONTACT

**Mr. L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited

### Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: [info@icraindia.com](mailto:info@icraindia.com)

Website: [www.icra.in](http://www.icra.in)

### Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

### Branches

Mumbai + (91 22) 24331046/53/62/74/86/87  
Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,  
Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,  
Bangalore + (91 80) 2559 7401/4049  
Ahmedabad+ (91 79) 2658 4924/5049/2008  
Hyderabad + (91 40) 2373 5061/7251  
Pune + (91 20) 2556 0194/ 6606 9999

© Copyright, 2019 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents