

May 31, 2019

KIFS Financial Services Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term bank lines	25.00	25.00	[ICRA]BBB+(Stable); Withdrawn
Total	25.00	25.00	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the rating of [ICRA]BBB+ (pronounced ICRA triple B plus) with stable outlook on the Rs. 25 crore¹ long-term bank lines of KIFS Financial Services Limited (KIFS FSL)², at the request of the company and based on the no objection certificate from the banker. The rating has been withdrawn in accordance with ICRA's policy on withdrawal and suspension.

Outlook: Not applicable

Key rating drivers

Not applicable as the rating has been withdrawn

Liquidity Position:

Not applicable as the rating has been withdrawn

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not applicable
Consolidation / Standalone	The rating is based on standalone financial statements of the company.

About the company

KIFS Financial Services Limited (KIFS FSL), incorporated in February 1998, is a Non-Banking Financial Company registered with RBI under the Category of Loan Company and is a Subsidiary Company of KIFS Commercial Private Limited. It provides LAS funding, margin funding, IPO/FPO funding and ICDs funding to its clients. KIFS FSL was incorporated in 1995 and the company went public in the year 2013.

During 9M FY2019, the company reported a profit after tax (PAT) of Rs. 2.76 crore on a total income of Rs. 3.93 crore compared with a PAT of Rs. 2.66 crore on a total income of Rs. 4.33 crore in 9M FY2018.

¹ 100 lakh = 1 crore = 10 million

² For complete rating scale and definitions, please refer to ICRA's website (www.icra.in) or other ICRA rating publications

Key financial indicators (audited)

In Rs. crore	FY2016	FY2017	FY2018
Total Income	7.15	8.49	6.05
Profit after tax (PAT)	2.83	3.35	3.00
Net Worth	23.19	25.37	27.20
Total managed portfolio	90.25	49	41.50
Total managed assets	93.8	53.83	46.43
Return on managed assets (PAT/AMA)	4.00%	4.54%	5.99%
Return on average net worth (PAT/Avg. net worth)	12.70%	13.81%	11.42%
Gearing	2.9	0.97	0.59
Gross NPA%	0.00%	0.00%	0.00%
Net NPA%	0.00%	0.00%	0.00%
Net NPA/Net worth	0.00%	0.00%	0.00%

#AMA – average managed assets

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Instrument	Type	Current Rating (FY2020)			Chronology of Rating History for the Past 3 Years		
		Rated amount (Rs. crore)	Amount Outstanding (Rs Crore)	May-19	FY2018 Feb-18	FY2017 Nov-16	FY2016
1 Long-term bank lines	Long Term	25	NA	[ICRA]BBB+ (stable); withdrawn	[ICRA]BBB+ (stable); reaffirmed	[ICRA]BBB+ (stable); assigned	-

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

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term bank lines	NA	NA	NA	25.00	[ICRA]BBB+(Stable); withdrawn

Source: Company

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