

Growing Opportunity Consultants Private Limited (Erstwhile Growing Opportunity Finance (India) Private Limited)

October 16, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	102.68	CARE B; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE BB-; Stable
Long-term bank facilities	-	-	Withdrawn@

Details of instruments/facilities in Annexure-1

@ Withdrawal due to transfer of all assets and liabilities of the company following a business transfer agreement with Pahal Financial Services Private Limited.

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

Rationale and Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated March 10, 2021, placed the rating(s) of Growing Opportunities Consultants Private Limited (GOC) under the 'issuer non-cooperating' category as GOC had failed to provide information for monitoring of the rating. GOC continues to be non-cooperative despite repeated requests for submission of information through e-mails dated June 04, 2024, June 14, 2024, and June 24, 2024. In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating based on best available information, which however, in its opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and public at large) are hence requested to exercise caution while using above rating(s).

Ratings have been revised considering business transfer agreement (BTA) with Pahal Financial Services Private Limited (PFSPL) and subsequently surrendering the certificate of registration with RBI as the company exited the Non-Banking Financial Institution (NBFI) business. Ratings also factor in the increase in losses in FY23.

CARE Ratings has withdrawn the rating assigned to bank facilities (term loan) of GOC with immediate effect consequent to its transfer to PFSPL. Transfer of facilities was due to business transfer agreement with PFSPL and there was no term loan outstanding per audited financials as on March 31, 2023.

Analytical approach: Standalone

Detailed description of key rating drivers

At the time of last rating on July 20, 2023, following were rating strengths and weaknesses (updated with information available from Registrar of Companies (FY23 [refers to April 01 to March 31] audited financials and other public information)

Key Weaknesses

Scale of operations

The company's total assets declined in FY23 and stood at ₹31 crore as on March 31, 2023, against ₹126 crore as on March 31, 2022, majorly considering business transfer agreement for assets and liabilities from GOC to PFSPL.

Resource profile

The company did not have short term or long term borrowings outstanding as on March 31, 2023, as a result of the business transfer agreement with PFSPL.

Moderation in asset quality in FY22

The company's asset quality deteriorated in FY22. Portfolio at risk (PAR) over 30 days and PAR over 90 days stood at 25.83% and 20.39% respectively as on March 31, 2022, against 15.25% and 8.64 % respectively as on March 31, 2021.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

*Issuer did not cooperate; Based on best available information

Losses reported in FY23

The company reported a loss of ₹12.72 crore on total income of ₹6.61 crore in FY24 against loss of ₹10.18 crore on total income of ₹24.08 crore in FY23. Increase in losses in FY23 was primarily considering losses recognised due to business transfer amounting to ₹19.58 crore in FY23.

Key Strengths

Experienced promoters and senior management team

GOC is promoted by Dia Vikas Capital Private Limited (Dia Vikas) and four Mutual Benefit Trusts (MBT). Dia Vikas is a subsidiary of Opportunity International –Australia. Dia Vikas was started in 2008 as a social investment fund of OI and primarily invests in the microfinance sector in India. It provides loans and equity funding and management support to the microfinance institutions. GOC has experienced senior management team in microfinance, which has been associated with the company since inception.

Adequate loan appraisal and risk management systems

GOC operates under joint liability group (JLG) model with defined credit appraisal mechanisms that include client selection, documents verification, group training and recognition tests, loan sanctioning and disbursement. It has also improved credit discipline among borrowers through centre meetings, training programs, proper documentation to ensure smooth functioning of its operations. GOC has reasonable MIS and IT systems to enable day-to-day activities, where branches are connected with head office through network. The MIS is well-integrated with accounting systems of the company. Since all branches are well-connected with HO, tracking all information such as group formation, enrolment, disbursement, and collections, among others is facilitated. Various reports such as branch wise debit-credit reports, daily collection report, overdue and PAR reports, Audit reports can be generated through MIS on a real time basis.

Adequate capitalisation

The company's capitalisation remains adequate with total capital adequacy ratio (CAR) of 50.47% as on March 31, 2022, against 43.36% as on March 31, 2021. Improvement in capital adequacy levels is majorly considering reduced loan portfolio.

Applicable Criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Withdrawal Policy](#)

[Non Banking Financial Companies](#)

About the company and Industry

Industry classification

Macro-Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Other Financial Services

GOC was an NBFC registered with the RBI as a non-deposit taking loan company in 2006. The company received approval from RBI for NBFC-MFI in April 2015. The company's registration was cancelled by the RBI in March 2024 as they surrendered their certificate of registration to RBI as the company exited non-banking financial institution (NBFI) business. GOC is held by Dia Vikas Capital Private Limited (the Indian Investment arm for Opportunity International - 49.38%), 4 Mutual Benefit Trusts (MBT- 49.41%) and others (1.21%) as on March 31, 2021.

Brief Financials (Rs. crore)	31-03-2022 (A)	31-03-2023 (A)
Total operating income	24.08	6.61
PAT	-10.18	-12.73
Interest coverage (times)	0.18	-0.57
Total Assets	126.54	30.93
Net NPA (%)	NA	NA
ROTA (%)	-6.36	-16.17

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Infomerics has conducted the review on the basis of best available information and has classified Growing Opportunity Consultants Private Limited(erstwhile Growing Opportunities Finance (India) Private Limited) as "Not cooperating" vide its press release dated July 16, 2024.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	-	0.00	Withdrawn
Fund-based-Long Term	Proposed	-	-	-	102.68	CARE B; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (20-Jul-23)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (10-May-22)	-
2	Fund-based-Long Term	LT	102.68	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (20-Jul-23)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (10-May-22)	-

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

LT: Long term

Annexure 3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based-Long Term	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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