

KIFS Financial Services Limited

August 24, 2020

Ratings

Instruments	Amount (Rs. Crore)	Ratings ¹	Rating Action
Long-term/ Short-term Bank Facilities	-	-	Withdrawn
Total Facilities	-		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has withdrawn the ratings assigned to the proposed bank facilities of KIFS Financial Services Limited (KFSL) with immediate effect, as the company has not availed the said bank facilities. The above action has been taken at the request of KFSL.

Analytical Approach: Not Applicable

Applicable Criteria:

[Policy on Withdrawal of ratings](#)

About the Company

Incorporated in 1995, KIFS Financial Services Limited (KFSL) got registered with RBI as a Non-Banking Financial Company (NBFC) under the category of loan-company in February 1998. The company is engaged in providing margin funding and inter corporate deposit (ICDs). As on March 31, 2020, KFSL had an outstanding loan portfolio of Rs.199.07 crore.

KFSL is a part of Khandwala group and is a subsidiary of KIFS Commercial Private Limited, a proprietary trading entity of the group. The Khandwala Group has an established presence of more than 30 years across various businesses including stock & commodities broking, depository services, portfolio management services, housing finance loans, bullion trading (including a gold refinery), real estate as well as arbitrage trading.

Brief Financials (Rs. Crore)	FY19 (A)	FY20 (A)
Total Operating Income	5.90	15.35
PAT	2.82	3.94
PBILDT Interest Coverage (times)	4.54	1.55
Net NPA (%)	-	-
ROTA (%)	3.84	2.57

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based-LT/ST (Proposed)	-	-	-	0.00	Withdrawn

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based-LT/ST (Proposed)	LT/ST	-	-	-	1)CARE BBB+; Stable / CARE A2 (03-Jun-19)	-	-

Annexure 3: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based-LT/ST (Proposed)	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Mradul Mishra

Contact no. – +91-22-6837 4424

Email ID – mradul.mishra@careratings.com

Analyst Contact

Naresh M. Golani

Contact no: +91-9825139613

Email ID- naresh.golani@careratings.com

Relationship Contact

Deepak Prajapati

Contact no. : +91-79-4026 5656

Email ID: deepak.prajapati@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over nearly two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**