

Press Release
RELIANT CREDITS (INDIA) LIMITED

Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	40.00	ACUITE BBB- Stable Assigned	-
Bank Loan Ratings	10.00	-	ACUITE A3 Assigned
Total Outstanding Quantum (Rs. Cr)	50.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has assigned the long-term rating of 'ACUITE BBB-' (read as ACUITE triple B minus) on the Rs. 40.00 crore bank facilities of RELIANT CREDITS (INDIA) LIMITED (RCL). The Outlook is 'Stable'.

Acuité has assigned the short-term rating of 'ACUITE A3' (read as ACUITE A Three) on the Rs. 10.00 crore bank facilities of RELIANT CREDITS (INDIA) LIMITED (RCL). The Outlook is 'Stable'.

About the company

Kerala based, Reliant Credits (India) Limited was incorporated in 1989. Mr. James Arambankudyil Joseph, Mrs. Unni Sebastian Kappen, Mr. Josekutty Xavier, Mr. Sathyapalan Sivaraman, Mr. Antony Rajesh Thekeunnel, Mr. Paul Joseph, Mr. Munshi Riaz Ahmed are directors of the company. Reliant Credits (India) Limited is registered as a Non-Banking Financial Company under Reserve Bank of India Act 1934. The company is engaged in lending activity. The company provides Gold Loan, Business loan, microfinance, vehicle loan, investment services, etc.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuité has considered the standalone financial and business risk profile of MFL to arrive at the rating.

Key Rating Drivers

Strength

Healthy capital structure & financial risk profile

RCL's networth stood at Rs. 68.64 Cr. as on March 31, 2025 and reported a healthy capital adequacy ratio (CAR) of 26.18 percent majorly comprising Tier 1 capital. The company's leverage indicators stood at 4.68 times as on March 31, 2025. The company has a diversified lender profile comprising Banks and NBFC/FI's, with total debt of Rs. 321.20 Cr. outstanding as on March 31, 2025.

RCL's AUM grew from Rs. 310.23 Cr. in FY24 to Rs 356.23 Cr. in March 31st 2025, owing to the healthy disbursement growth. RCL expanded its branch network from 97 branches in FY23 to 125 branches in FY25. RCL's Net Interest Margin (NIM) stood at 12.61 percent as on March 31, 2025 (12.71 percent as on March 31, 2024). The company's Return on Average Assets (RoAA) stood at 1.01 percent as on March 31, 2025 (0.11 percent as on March 31, 2024). Operating Expense to Earning Assets, stood at 9.82 percent as on March 31, 2025. During FY25, the company reported PAT of Rs. 4.01Cr. as compared with FY24 it stood at Rs.0.40 Cr. Acuité believes that the company's comfortable capitalization levels will support its growth plans over the medium term

Weakness

Moderate scale of Operations with high geographical concentration.

Reliant Credits commenced its operation in 1989 and currently has a loan portfolio of Rs. 356.23 Cr. as on March 31, 2025 as against Rs. 310.23 Cr. as on March 31, 2024, and Rs. 263.32 Cr. in FY2023. RCL is a mid-sized but a stable growing player in gold loans. RCL's portfolio is currently concentrated in 15 districts and has a branch base

of 125 branches as on March 31, 2025. Going forward, RCL plans to expand its network of branches in the neighbouring states of Kerala. The company's performance is expected to remain exposed to the competitive landscape in these regions and the occurrence of events such as natural calamities, may adversely impact the credit profile of the borrowers. However, the geographical concentration could evolve into being a niche in the gold loan market in Kerala for RCL as its primary focus and vision is to serve the rural community of Kerala and help this part of the community to grow.

Acuité believes that geographical concentration will continue to weigh on the company's credit profile, however the development in how this specific niche of operating in rural areas is developed would be key a monitorable.

Rating Sensitivity

- Movement in collection efficiency and asset quality.
- Movement in liquidity & capitalization buffers.
- Movement in profitability metrics

Liquidity Position

Adequate

As per the Asset Liability Management (ALM) statement dated March 31,2025 RCL has no negative cumulative mismatch in all of its maturity buckets. The company has cash and bank balances of ~ Rs. 18.05 Cr. as on March 31,2025.

Outlook:

Stable.

Other Factors affecting Rating

None.

Key Financials - Standalone / Originator

Particulars	Unit	FY25(Actual)	FY24(Actual)
Total Assets	Rs. Cr.	415.95	373.58
Total Income*	Rs. Cr.	43.91	38.88
PAT	Rs. Cr.	4.01	0.40
Net Worth	Rs. Cr.	68.64	61.51
Return on Average Assets (RoAA)	(%)	1.01	0.11
Return on Average Net Worth (RoNW)	(%)	6.16	0.67
Debt/Equity	Times	4.68	4.68
Gross NPA	(%)	3.83	3.34
Net NPA	(%)	2.85	2.31

**Total income equals to Net Interest Income plus other income*

Status of non-cooperation with previous CRA (if applicable):

None.

Any other information

None.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History :

Not Applicable.

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE BBB- Stable Assigned
Dhanlaxmi Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE A3 Assigned
Dhanlaxmi Bank Ltd	Not avl. / Not appl.	Term Loan	06 Mar 2025	Not avl. / Not appl.	03 Mar 2032	4.00	Simple	ACUITE A3 Assigned
Dhanlaxmi Bank Ltd	Not avl. / Not appl.	Working Capital Term Loan	06 Mar 2025	Not avl. / Not appl.	03 Mar 2029	3.00	Simple	ACUITE A3 Assigned

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.