

RATING RATIONALE

03 Sep 2024

Aurika Finvest Pvt. Ltd.
(Erstwhile Hriday Fincorp Pvt. Ltd.)

Brickwork Ratings downgrades the long-term ratings for the NCDs of Rs. 22.00 Crs. and Bank Loan facilities of Rs. 17.28 Crs of Aurika Finvest Pvt. Ltd. (Erstwhile Hriday Fincorp Pvt Ltd.) based on best available information, as the issuer did not cooperate.

Particulars:

Instruments/ Facilities**	Amount (Rs. Crs.)		Tenure	Rating#	
	Previous	Present		Previous (13 Sep 2023)	Present
Non Convertible Debentures	22.00	22.00	Long Term	BWR C / Issuer Not Cooperating*/ Downgrade	BWR D / Continues to be in Issuer Not Cooperating*/ Downgraded
Fund based Bank Loan	17.28	17.28	Long Term		
Total	39.28	39.28	Rupees Thirty-Nine Crores and Twenty-Eight lakhs only		

**Details of Bank facilities & NCDs are provided in Annexure I & II respectively

#Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

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

RATING ACTION/DOWNGRADE/NATURE OF NON-COOPERATION

Brickwork Ratings (BWR) has downgraded the ratings on the Non-Convertible Debentures (NCD) of Rs.22 Cr and fund-based bank loan facilities amounting to Rs.17.28 Cr of Aurika Finvest Pvt. Ltd. (“AFPL” or “the Company”), erstwhile Hriday Fincorp Pvt Ltd to ‘BWR D/ continues to be in Issuer Not Cooperating* category’, as tabulated above, based on debenture trustees feedback.

The rating was due for an annual review on 13 Sep 2024. BWR followed up with the company, its lenders, and the debenture trustee for information and their feedback on the conduct of the account, its asset classification, and timely servicing of debt and interest obligations. On 30 August 2024, the debenture trustee confirmed that AFPL had defaulted on the redemption of the NCDs. The feedback from the bank was not received, nor did the company provide any information to BWR.

The rating action necessarily factors in the feedback received from the debenture trustee on 30 August 2024 confirming that the company had defaulted on redemption of the NCDs amounting to Rs.6.00 Cr in August 2023. BWR was not informed of the said default at the time of last review of September 2023 by the debenture trustee despite multiple follow-ups over emails. However, during the current rating review the debenture trustee on 30 August 2024 confirmed that AFPL had defaulted on the NCDs rated by BWR. Taking into consideration the feedback provided by Catalyst Trustee, BWR has downgraded the long-term ratings assigned to NCDs amounting to Rs.22 Cr and fund-based bank loan facilities amounting to Rs.17.28 Cr to BWR D.



Brickwork Ratings took up with AFPL to provide the required information over emails. Despite the best efforts of BWR to get at least the minimum required information for a review, the company continued to be non-cooperative. The Company has not been submitting NDS since October 2022. Feedback from the banker was not received on the bank loan facilities rated by BWR despite multiple requests. Due to the continued lack of management cooperation and the absence of adequate information from the company, BWR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating. Hence, based on the best available information, continued lack of management cooperation, lack of lenders feedback, while basis the available debenture trustee feedback in terms of extant regulatory guidelines, BWR downgrades the rating of AFPL to BWR D/ Continues to be in ISSUER NOT COOPERATING* category, based on best available information.

The lenders/investors may note to exercise due caution while using the above rating which mentions "Issuer Not Cooperating" since the rating lacks any projections or forward-looking component as it is arrived at based on the best available information without any management/banker's interaction.

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

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide the required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of the information required for a review of the rating.

KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR]

Please refer to the following link for the previous detailed rationale that captures the Key financial drivers and their Description and liquidity Position. Rating Sensitivities, Key Financial Indicators. [View Previous Document](#)

COMPANY PROFILE (As available with BWR)

Aurika Finvest Pvt. Ltd. (AFPL) is a non-banking financial institution in Udaipur, Rajasthan, (erstwhile Hriday Fincorp Pvt Ltd); it got registered with the Reserve Bank of India in 2000. In 2012, the company diversified its commercial operations such that it offers a wide range of products. AFPL is primarily engaged in financing small and medium enterprises for working capital and growth, loans for the purchase and construction of commercial property, vehicle financing, home purchase and home improvement loans, loans against property, and gold loans, among others. The Company changed its name from Hriday Fincorp Pvt. Ltd. to Aurika Finvest Pvt. Ltd. in Dec 2021.

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY)

CARE Rating vide its press release dated 01 Nov. 2023 has reaffirmed the long-term rating to "CARE D; Issuer Not Cooperating*" for the NCDs of Rs. 6.56 Crs. and continued the ratings under the 'Issuer Not Cooperating' category as the company continues to be non-cooperative.

ANY OTHER INFORMATION

NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal & suspended]

S. No.	Instruments Facilities	Current Rating 2024			Rating History		
		Type	Amt in Rs.Crs.	Rating	2023 (13 Sep 2023)	2022 (10 Aug 2022)	2021 (08 Jul 2021)
1	Non Convertible Debentures	Long Term	22.00	BWR D / Continues to be in Issuer Not Cooperating*/ Downgrade	BWR C/ CONTINUES TO BE ISSUER NOT COOPERATING* (Downgrade)	BWR B+ /Stable ISSUER NOT COOPERATING* Downgrade	BWR BB / Stable (Reaffirmation)
2	Fund-based bank loan	Long Term	17.28	BWR D / Continues to be in Issuer Not Cooperating*/ Downgrade	BWR C/ CONTINUES TO BE ISSUER NOT COOPERATING* (Downgrade)	BWR B+ /Stable ISSUER NOT COOPERATING* Downgrade	BWR BB / Stable (Reaffirmation)
	Total		39.28		Rupees Thirty-Nine Crores and Twenty-Eight lakhs Only.		

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

The Company had NCD of Rs.4.65 Crs outstanding as on 30 June 2022, as against raised NCDs amounting to Rs. 5.37 Crs and balance were proposed NCDs. Bank Loan facilities include a proposed limit of Rs 15 Crs.

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Banks and Financial Institutions](#)
- [Policy on Issuer Non-Cooperation](#)
- [Default Recognition and Post-Default Curing Period](#)

Analytical Contacts	
Hitul Adatiya Senior Rating Analyst hitul.a@brickworkratings.com	Hemant Sagare Director - Ratings hemant.sagare@brickworkratings.com
1-860-425-2742	I media@brickworkratings.com



**Aurika Finvest Pvt. Ltd.
(Erstwhile Hriday Fincorp Pvt. Ltd.)**

Annexure - I

Details of Bank Loan facilities rated by BWR:

Sl. No.	Name of the Bank	Type of Facilities	Long Term (Rs Crs)	Short Term (Rs Crs)	Total (Rs. Crs.)	Complexity of the instrument*#
1	State Bank of India	Cash Credit	1.00	-	1.00	Simple
2	State Bank of India	Term Loan O/s	1.28	-	1.28	Simple
3	Proposed	Term Loan	15.00	-	15.00	Simple
Total			17.28	-	17.28	Simple
Total Rupees Seventeen Crores and Twenty-Eight Lakhs only.						

Outstanding as of 08 July 2021

*# BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com / download / ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf). Investors' queries can be sent to info@brickworkratings.com.

**ANNEXURE II
INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS:**

Sl. No.	Instruments	Issue Date	Amt. (Rs Crs)	Coupon Rate	Maturity Date	ISIN \$	Complexity of the instrument*#
1	NCD	31/07/2018	0.76	10.00%	31/07/2023	1st Tranche of FY 18-19	Simple
2	NCD	31/08/2018	0.64	10.00%	31/08/2023	2nd Tranche of FY	Simple
3	NCD	31/10/2018	1.00	10.00%	31/10/2023	3rd Tranche of FY 18-19	Simple
4	NCD	31/01/2019	0.47	10.00%	31/01/2024	4th Tranche of FY 18-19	Simple
5	NCD	28/02/2019	0.55	10.00%	28/08/2022	5th Tranche of FY 18-19	Simple
6	NCD	28/03/2019	0.35	10.00%	28/03/2024	6th Tranche of FY 18-19	Simple
7	NCD	01/05/2019	0.13	10.00%	01/11/2022	7th Tranche of FY 18-19	Simple
8	NCD	26/07/2019	0.07	10.00%	26/07/2024	1st Tranche of FY 19-20	Simple
9	NCD	23/08/2019	0.08	10.00%	22/08/2024	2nd Tranche of FY 19-20	Simple
10	NCD	18/12/2019	0.22	10.00%	18/09/2023	3rd Tranche of FY 19-20	Simple
11	NCD	29/01/2020	0.21	10.00%	29/01/2025	4th Tranche of FY 19-20	Simple
12	NCD	26/02/2020	0.11	10.00%	26/02/2023	5th Tranche of FY 19-20	Simple
13	NCD	21/03/2020	0.06	10.00%	21/06/2023	6th Tranche of FY 19-20	Simple
TOTAL NCD			4.65				
Proposed NCD			17.35				
GRAND TOTAL			22.00	Rupees Twenty-Two Crores Only			

Details as per rationale dated [08 Jul 2021](#)



SAs confirmed by the Company and the Debenture Trustee, the NCDs were in physical form and no ISIN numbers were issued. The above issue details tranche wise were as shared by the Debenture Trustee.

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ANNEXURE- III

List of Entities Consolidated:

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

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