

## Need Livelihood Microfinance Private Limited

March 11, 2025

| Facilities/Instruments    | Amount (₹ crore) | Rating <sup>1</sup>                      | Rating Action  |
|---------------------------|------------------|--|--|
| Long-term bank facilities | 10.91            | CARE B-; Stable; ISSUER NOT COOPERATING* | Rating continues to remain under ISSUER NOT COOPERATING category |

Details of instruments/facilities in Annexure-1.

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

### Rationale and key rating drivers

CARE Rating Limited, vide its press release dated March 06, 2019, placed ratings of NEED Livelihood Microfinance Private Limited (NLMPL) under the 'Issuer Not Cooperating' category as the company had failed to provide the requisite information required for monitoring of the rating as agreed to in its rating agreement. NLMPL continues to be non-cooperative despite repeated requests for submission of information through emails January 03, 2025, December 24, 2024, and December 14, 2024. In line with the extant SEBI guidelines, CARE has reviewed the rating basis best available Information, which however, in CARE Ratings Limited's (CARE Ratings) opinion is not sufficient to arrive at a fair rating. The rating on bank facilities of NLMPL are denoted as 'CARE B-; Stable; ISSUER NOT COOPERATING'.

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

In view of the non-availability of information and lack of management cooperation, CARE Ratings has reaffirmed the rating with stable outlook for bank facilities of NLMPL.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers

At the time of last rating on January 29, 2024, the following were the rating strengths and weaknesses. CARE Ratings has not received information for FY24.

#### Key weaknesses

##### Small scale of Operations with high concentration

NLMPL's operations remain small with a loan portfolio of ₹10.52 crore as on March 31, 2023. The company's operations are currently restricted in four states only with loan portfolio concentrated in Uttar Pradesh and Bihar accounting for 99.6% of loan book as on December 2017 (per last available data).

##### Moderate resource base

Major source of external funding for NLMPL has been term loans (short/long term) from banks and financial institutions (FIs). The company's total borrowings down by 78% to ₹0.49 crore as on March 31, 2023. (updated data not available)

##### Moderate income and profitability

The earnings profile is relatively moderate in FY23 marked by total income of ₹1.95 crore (PY: ₹1.14 crore) and loss reported of ₹0.23 crore (PY: ₹7.13 crore for FY22). The return on total assets (ROTA) was (1.43%) in FY23. (updated data not available)

#### Key strengths

##### Experienced promoters and management team

NLMPL is promoted by Anil Singh, who is also member of NLMPL's governing board. He is holding 9.44% shares of the company end March 31, 2023. He has vast experience and a high level of involvement in policy making and approval and other operational areas of the company. Promoters are well-supported by other professionals, having rich experience in their field. Majority 70.47%

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

of shares are held by Network of Entrepreneurship and Economic Development (NEED) Financial inclusion trust end March 31, 2023. (updated data not available)

### Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Non Banking Financial Companies](#)

### About the company and industry

#### Industry classification

| Macroeconomic indicator | Sector             | Industry | Basic industry            |
|-------------------------|--------------------|----------|---------------------------|
| Financial services      | Financial services | Finance  | Microfinance institutions |

NLMPL is a private limited company incorporated on November 16, 2015, under Companies Act 2013. It is headquartered in Lucknow, Uttar Pradesh, India. NLMPL is registered with RBI as a NBFC (Non-Banking Financial Company) since February 02, 2017. The microfinance business of NEED was transferred and consolidated under NLMPL in 2016-17. Of total loan portfolio of ₹19.71 crore of NEED MFI, the loan portfolio of ₹15.12 crore was transferred to NLMPL by March 31, 2017, and remaining portfolio of ₹4.59 crore was transferred in April. NEED is a not for profit entity registered under Society Act 1860 of Society of Registrar. The microfinance operations of NEED were initiated in 2005.

| Brief Financials (₹ crore) | March 31, 2021 (A) | March 31, 2022 (A) | March 31, 2023 (A) |
|----------------------------|--------------------|--------------------|--------------------|
| Total operating income     | 4.58               | 1.95               | 1.14               |
| PAT                        | -0.80              | -7.13              | -0.23              |
| Interest coverage (times)  | 0.70               | -5.67              | 0.20               |
| Total Assets               | 25.73              | 17.20              | 14.92              |
| Net NPA (%)                | 0.00               | 0.00               | 0.00               |
| ROTA (%)                   | -2.56              | -33.25             | -1.43              |

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

**Status of non-cooperation with previous CRA:** Per the PR dated April 14, 2021, Brickwork Ratings has placed NLMPL in the 'Issuer not cooperating' category as the company did not provide the relevant information for carrying out the review. The company has remained non-cooperative since then.

**Any other information:** Not applicable

**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 | -    | -                             | -               | Not available              | 10.91                       | CARE B-;<br>Stable; ISSUER NOT COOPERATING* |

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

#### Annexure-2: Rating history for 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#             | 10.91                        | CARE B-; Stable; ISSUER NOT COOPERATING* | -   | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (29-Jan-24) | 1)CARE B; Stable; ISSUER NOT COOPERATING* (03-Nov-22) | 1)CARE B+; Stable; ISSUER NOT COOPERATING* (18-Aug-21) |

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

#LT: Long term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not available

#### Annexure-4: Complexity level of instruments rated

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

#### Annexure-5: Lender details

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

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

## Contact us

|  |  |
|--|--|
| <p><b>Media Contact</b></p> <p>Mradul Mishra<br/>Director<br/><b>CARE Ratings Limited</b><br/>Phone: +91-22-6754 3596<br/>E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Ankur Sachdeva<br/>Senior Director<br/><b>CARE Ratings Limited</b><br/>Phone: +91-22-6754-3444<br/>E-mail: <a href="mailto:Ankur.sachdeva@careedge.in">Ankur.sachdeva@careedge.in</a></p> | <p><b>Analytical Contacts</b></p> <p>Priyesh Ruparelia<br/>Director<br/><b>CARE Ratings Limited</b><br/>Phone: +91-22-6754 1593<br/>E-mail: <a href="mailto:Priyesh.ruparelia@careedge.in">Priyesh.ruparelia@careedge.in</a></p> <p>Jatin Arora<br/>Assistant Director<br/><b>CARE Ratings Limited</b><br/>Phone: +91-0120-4452000<br/>E-mail: <a href="mailto:Jatin.arora@careedge.in">Jatin.arora@careedge.in</a></p> <p>Jaya Gupta<br/>Analyst<br/><b>CARE Ratings Limited</b><br/>E-mail: <a href="mailto:jaya.gupta@careedge.in">jaya.gupta@careedge.in</a></p> |
|--|--|

### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

### Disclaimer:

The ratings issued by CARE 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. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For detailed Rationale Report and subscription information,  
please visit [www.careedge.in](http://www.careedge.in)**